

R E P O R T

of

CONFERENCE OF GROWERS AND MANUFACTURERS OF COTTON

Held at

Washington, D. C., May 1, and 2, 1906.

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P R E F A C E.

Although the desirability of a meeting of European and American Cotton Manufacturers and Cotton Growers has been a frequent topic of conference and correspondence yet the initial record on the subject was in the following resolution adopted at a meeting of The New England Cotton Manufacturers' Association held at Atlantic City, September 21, 1906.

RESOLVED: That the Board of Government be authorized to invite delegates from the International Federation of Master Cotton Spinners' and Manufacturers' Associations to attend our 80th Convention, to be held in Boston, in April 1906, and also to confer with The Southern Cotton Association and other manufacturing associations regarding the advisability of holding about the same time a joint conference of representatives of the manufacturing and cotton growing interests of America and Europe.

In accordance with the above resolution a communication for a preliminary meeting to be held in New York at the Hall of the American Society of Mechanical Engineers, 12 West Thirty-first Street, was sent to the organizations afterwards taking an active part in the Conference.

The following is a record of this meeting:

New York City, January 24, 1906.

Record of preliminary meeting of representatives of cotton manufacturing and growing interests, held at the Hall of the American Society of Mechanical Engineers, 12 West 31st

Street.

Meeting called to order at 10 A. M., pursuant to call by Mr. C. J. H. Woodbury, Secretary of the New England Cotton Manufacturers' Association, who called for nominations for a Chairman. Mr. R. M. Miller, Jr., nominated Mr. James R. MacColl, and as there were no other nominations the question was put and Mr. MacColl was unanimously elected as Chairman.

Mr. Miller nominated as Secretaries of the Conference:

Messrs:

C. J. H. Woodbury, Secretary of the New England Cotton Manufacturers' Association, Boston, Mass;

C. B. Bryant, Secretary of The American Cotton Manufacturers' Association, Charlotte, N. C., and

Richard Cheatham, Secretary of The Southern Cotton Association, Atlanta, Ga.

On the question being put to the meeting the above named were elected Secretaries of the Conference.

The following were present:

The New England Cotton Manufacturers' Association:

James R. MacColl,
President,
William D. Hartshorne,
C. J. H. Woodbury,
Secretary,

Pawtucket, R. I.;
Lawrence, Mass.;

Boston, Mass.

The American Cotton Manufacturers' Association:

Messrs:

R. M. Miller, Jr., President,	Charlotte, N. C.;
S. B. Tanner,	Henrietta, N. C.;
T. I. Hickman,	Augusta, Ga.;
Frederick A. Flatner,	Boston, Mass.;
Charles H. Fish,	Dover, N. H.; and
C. B. Bryant, Secretary,	Charlotte, N. C.

The Southern Cotton Association:

Messrs:

Harvie Jordan, President,	Atlanta, Ga.;
J. A. Brown,	Chadbourn, N. C.;
E. D. Smith,	Columbia, S. C.;
J. P. Allison,	Concord, N. C.; and
Richard Cheatham, Secretary,	Atlanta, Ga.

The National Ginners' Association:

Mr. J. A. Taylor, President,	Dallas, Texas.
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On motion of Mr. T. I. Hickman, seconded by Mr. J.

A. Brown, the following resolution was passed:

"RESOLVED: That this joint conference appoint the Secretaries as a Press Committee, and that they be instructed to give out such information as may be deemed advisable, and that no one else shall give out any information regarding this Conference."

On motion of Mr. William D. Hartshorne, seconded by Mr. J. P. Allison, it was

VOTED: That the meeting of the conference be held in Washington, D. C. on Tuesday, May 1, 1906.

On motion of Mr. William D. Hartshorne, seconded by Mr. J. A. Brown, it was

VOTED: That such associations as attend the Washington Conference shall be invited to send a committee consisting of five delegates, in addition to

their President and Secretary.

On motion of Mr. R. M. Miller, Jr., seconded by Mr. T. I. Hickman, it was

VOTED: That The National Association of Manufacturers be invited to send a delegation to the Washington Conference to represent their cotton interests.

On motion of Mr. William D. Hartshorne, seconded by Mr. Charles H. Fish, it was

VOTED: That the Arkwright Club of Boston be invited to send a delegation to the Washington Conference.

On motion of Mr. Harvie Jordan, seconded by Mr. Hickman, it was

VOTED: That The National Ginners' Association of Dallas, Texas, be invited to send a delegation to the Washington Conference.

On motion of Mr. E. D. Smith, seconded by Mr. J. A. Brown, it was

VOTED: That the Agricultural Department, and the Department of Commerce and Labor at Washington each be invited to be represented at the Washington Conference.

On motion of Mr. R. M. Miller, Jr., seconded by Mr. Charles H. Fish, it was

VOTED: That the New Orleans Cotton Exchange, The New York Cotton Exchange, and The Liverpool Cotton Association be each invited to be represented at the Washington Conference.

On motion of Mr. J. A. Brown, seconded by Mr. R. M. Miller, Jr., it was

VOTED: That the Conference be known as The Conference of Growers and Manufacturers of Cotton.

On motion of Mr. J. A. Brown, seconded by Mr. R. M. Miller, it was

VOTED: That the President and Secretaries of the three associations calling this meeting together should serve as an executive committee to draft a programme and methods of procedure for the Conference at Washington.

The following topics were suggested for the consideration of the committee for the programme at the Washington Conference:

- "Improvements in Warehousing of Cotton".
"Transportation".
"Consumption of Cotton from Manufacturers' Standpoint".
- Mr. Harvie Jordan "Extension of Markets for American Cotton".
"Preparation of the Bale".
- Mr. Wm. D. Harts-
horne, "Tare".
- Mr. E. D. Smith, "Closer Direct Trade Relations
Between Grower and Manufacturer".
"Bale Coverings".
- Mr. Jas. R. MacColl, "Government Crop Reports".
- Mr. J. P. Allison, "The Cotton Situation from the
Planters Point of View".
- Mr. J. A. Taylor, "The Cost of Production and the Poss-
ibilities of the American Cotton
Crop".
- Mr. J. A. Brown, "Stability of Price of Cotton".
"The Relation of American Cotton to
the Supply of the World".
- Mr. R. M. Miller, Jr., "The Possibility and the Practicabil-
ity of a Staple Price for Cotton".
- Mr. T. I. Hickman, "Feasibility of a Corporation of Man-
ufacturers and Cotton Growers".

On motion of Mr. Richard Cheatham, seconded by Mr. J. A. Brown, it was

VOTED: That the thanks of the committees present be extended to the American Society of Mechanical Engineers for their hospitality in inviting them to hold the meeting at their hall.

On motion of Mr. William D. Hartshorne at 1.07 P. M.

it was

VOTED: That the committees take a recess until 2 P. M., to assemble at the Union League, where lunch would be served at the invitation of Mr. James R. MacColl.

At the meeting in the afternoon at the Union League the only business of record was on motion of Mr. J. A. Brown, seconded by Mr. S. B. Tanner, it was

VOTED: That the thanks of the conference be extended to Mr. James R. MacColl for his hospitality.

Adjourned at 4.45 P. M.

Attest:

C. J. H. WOODBURY,)
C. B. BRYANT, (Secretaries.
RICHARD CHEATHAM,)

In accordance with the action at the meeting the following communication was sent to the organizations considered to be interested in the subject:

45 Milk Street, Room 57,
Boston, Mass., Feb. 9, 1906.

Dear Sir:-

At a preliminary meeting of committees of The New England Cotton Manufacturers' Association, The American Cotton Manufacturers' Association, The Southern Cotton Association, and The National Ginners' Association held at New York City January 24, 1906, it was Voted that the above Conference hold a meeting at Washington, D. C. on Tuesday May 1, 1906, and that your Association (inserting name) should be invited to send a delegation of five members in addition to its President and Secretary.

Yours very truly,

C. J. H. Woodbury,)
C. B. Bryant, (Secretaries.
Richard Cheatham,)

A general invitation to all parties interested was also inserted in the press.

Before the Conference at Washington the Presidents of the three Associations acting as an executive committee prepared the following communication which was sent to interested organizations:

45 Milk Street, Room 57,
Boston, Mass., March 21, 1906.

Conference of Growers and Manufacturers of Cotton.

The sessions will be held in the New Willard Hotel, Washington, D. C. on May 1 and 2, from 10 to 1 o'clock and from 2.30 to 5.30 o'clock. An invitation is extended to all interested to attend.

Delegates from the invited associations and others desiring to deliver addresses, are requested to communicate before April 1, with Mr. C. B. Bryant, Secretary, Charlotte, N. C., Mr. C. J. H. Woodbury, Secretary, 45 Milk Street, Boston, Mass., or Richard Cheatham, Secretary, Atlanta, Ga.

Each session is to be devoted to the subjects outlined below, and to be opened by one or two addresses, followed by a general discussion.

May 1 at 10 o'clock, General Topic, COTTON GROWING:

- (a) Improved Methods of Cultivation.
- (b) Cost of Production.
- (c) Possibilities of Acreage and Future Yield.
- (d) The World's Consumption and Needs.

May 1 at 2.30 o'clock, General Topic, HANDLING OF COTTON:

- (a) Ginning.
- (b) Baling.
- (c) Tare.
- (d) Moisture.
- (e) Transportation.

May 2 at 10 o'clock, General Topic, MARKETING COTTON:

- (a) Warehousing.
- (b) Stability of Price.
- (c) Relations between Growers and Manufacturers.

May 2 at 2.30 o'clock, General Topic, STATISTICS AND SPECULATION:

- (a) Census Bureau Reports.
- (b) Agricultural Department Reports.
- (c) Uniform Weight of Bales.
- (d) Foreign Statistics.
- (e) Speculation.

C. J. H. WOODBURY,)
C. B. BRYANT, (Secretaries.
RICHARD CHEATHAM.)

PROCEEDINGS - FIRST SESSION,

Tuesday Morning, May 1, 1906.

The Conference met at the New Willard Hotel, Washington, D. C., Tuesday morning, May 1, 1906, at ten o'clock, and was called to order by Mr. James R. MacColl of Providence, R. I., President of the New England Cotton Manufacturers' Association, in the chair.

Mr. JAMES R. MacCOLL: I have been asked to call this Conference of Growers and Manufacturers of Cotton to order. It is suggested that we proceed to the organization of this Conference. The matter is in your hands.

Mr. HARVIE JORDAN: Mr. Chairman, at the preliminary conference in New York the Farmers' Educational and Cooperative Union was not officially represented. There are quite a number of delegates from that organization present, and I now move that the representatives of the Farmers' Educational and Cooperative Union be received as regularly accredited delegates, with the same rights and privileges accorded to the representatives of any other association in this joint Conference.

(The motion was seconded and carried.)

Mr. R. M. MILLER, JR.: I move that the same invitation be extended to the Committee from the International Federation of Master Cotton Spinners' and Manufacturers' Associations of England.

(The motion was seconded and carried.)

Mr. C. J. H. WOODBURY: Mr. Chairman, in order that the Secretary may have for the records the names of the delegates and others in attendance, will you authorize me to distribute these cards on which the members may write their names, addresses and the Association with which they are affiliated or which they represent, if any?

The CHAIRMAN: I think there will be no objection to your doing so.

The following were found to be in attendance:

LIST OF DELEGATES.

From the New England Cotton Manufacturers' Association.

James R. MacColl, President,	Providence, R. I.
C. J. H. Woodbury, Secretary,	Boston, Mass.
Charles B. Amory,	Boston, Mass.
William D. Hartshorne,	Lawrence, Mass.
Stephen A. Knight,	Providence, R. I.
J. R. Montgomery,	Windsor Locks, Conn.

From the American Cotton Manufacturers Association.

R. M. Miller, Jr., President,	Charlotte, N. C.
C. B. Bryant, Secretary & Treasurer,	Charlotte, N. C.
Casper G. Decker,	Elmira, N. Y.
Charles H. Fish,	Dover, N. H.
Frederick A. Flather,	Boston, Mass.
T. I. Hickman,	Graniteville, S. C.
S. B. Tanner,	Henrietta, N. C.

From the Southern Cotton Association.

Harvie Jordan, President,	Atlanta, Ga.
Richard Cheatham, Secretary,	Atlanta, Ga.
John P. Allison,	Concord, N. C.
J. A. Brown,	Chadbourne, N. C.
J. C. Hickey,	Henderson, Texas.
William S. Lipscomb,	Gaffrey, S. C.
C. C. Moore,	Charlotte, N. C.
W. H. Seymour,	Montgomery, Ala.
E. D. Smith,	Columbia, S. C.
W. F. Vandiver,	Montgomery, Alabama.
S. A. Witherspoon,	Meridian, Miss.

From the Farmers Educational and Co-operative Union.

E. A. Calvin, State President,	Paris, Texas.
C. S. Barrett,	Atwater, Ga.
J. W. Boyett, Jr.,	Tannehill, La.
E. J. Cook,	Ginn, Ala.
F. W. Davis,	Woodbine, Texas.
D. F. Earle,	Anderson, S. C.
Benjamin L. Griffin, State Secretary,	Conway, Arkansas.
H. P. Hudson, M. D.	Brownsville, Tenn.
John Martin,	Paris, Texas.
W. S. Miller,	Lake Creek, Texas.
P. F. Parker,	Ginn, Ala.
Campbell Russell,	Hereford, Ind. Ter.

From the National Association of Manufacturers.

Daniel A. Tompkins,	Charlotte, N. C.
J. I. Westervelt,	Greenville, S. C.

From the National Ginners' Association.

J. A. Taylor, President,	Dallas, Texas, and Wynnewood, Ind. Ter.
Walter Clark, (Also President Miss. Division Southern Cotton Association.)	Clarksdale, Miss.

From the International Federation of Master
Cotton Spinners' and Manufacturers'
Associations.

H. W. Macalister,
(Chairman Lancashire Private Cotton Investigation Commission) 276 Dickerson Road,
Manchester, Eng.

George Moores,
(Secretary Lancashire Private Cotton Investigation Commission) Manchester, England.

Thomas D. Barlow, C/o Barlow & Jones,
2 Portland Street,
Manchester, England.

Lennard Bolden,
(Calico Printers' Association) Manchester, England.

Henry P. Greg, Ashton Bros. Co.,
Manchester, England.

W. J. Orr, Manchester, England.

Julien Le Blan, (J. Le Blan pere et fils,)
11 rue des fleurs,
Lille, France.

Government Officials.

W. M. Hays, Assistant Secretary of
Agriculture, Washington, D. C.

S. N. D. North, Director U. S. Census, Washington, D. C.

John M. Carson, Chief of Bureau of
Manufacturers, Department of
Commerce & Labor. Washington, D. C.

Daniel C. Roper, Special Agent Cen-
sus Bureau, Washington, D. C.

Miscellaneous.

H. W. Ayer, New York.

G. R. Bennett, San Antonio, Texas.

W. F. Cox, Anderson, S. C.

J. E. Ellerbee, M. C. Sellers, S. C.

J. H. Fitzpatrick, Washington, Ga.

Dr. N. N. Gover,	Atlanta, Ga.
A. F. Lever, M. C.	Lexington, S. C.
L. F. Livingston, M. C.	Covington, Ga.
Richard I. Manning,	Sumter, S. C.
J. H. Marion,	Chester, S. C.
Judge Charles W. Ogden,	San Antonio, Texas.
Harry Peyton,	Bolton, Miss.
Benjamin Richards, (National Fire Protection Association)	Boston, Mass.
M. V. Richards, Land & Industrial Agent Southern Railway & Mobile & Ohio R. R.	Washington, D. C.
Miss K. M. Giles,	68 Broad Street, New York.

Press Representatives, etc.

Charles H. Clark, Editor Textile Manufac- turers Journal,	New York.
Samuel S. Dale, Textile World Record,	Boston, Mass.
Richard H. Edmonds, Manufacturers Record,	Baltimore, Md.
Harold C. Hansen, New York Commercial,	New York.
W. A. Patterson, Butterick Publishing Co.	New York.
Albert Phenix, Manufacturers Record,	Baltimore, Md.
J. A. Sharp, Editor S. & W. Textile Excelsior,	Charlotte, N. C.
A. E. Sproul, Publisher Fibre & Fabric,	Boston, Mass.
Miss A. F. Tennille, Textile Manufac- turers Journal,	Washington, D. C.
E. E. Wheelock, Washington Post,	Washington, D. C.
H. Parker Willis, N. Y. Journal of Commerce,	Washington, D. C.
Frank H. Burt, Official Stenographer,	Boston, Mass.

Mr. HARVIE JORDAN: Mr. Chairman, I now move that we go into permanent organization and that the Chair be

authorized to appoint a committee of six members of the different organizations represented here for the purpose of making a report back to the Conference on the subject of permanent organization, and that that report present a list of officers, to consist of a President, three Vice-Presidents, Secretary and Treasurer, with such other recommendations as they desire to make to the Conference with reference to permanent organization.

The motion was seconded by Mr. R. M. Miller, Jr., and carried..

The CHAIRMAN: In accordance with this vote I will appoint the following Committee:

T. I. Hickman, American Cotton Manufacturers' Association.
W. F. Vandiver, Southern Cotton Association.
J. I. Westervelt, National Association of Manufacturers.
Stephen A. Knight, New England Cotton Manufacturers' Association.
H. W. Macalister, International Federation of Master Cotton Spinners' and Manufacturers' Associations.
E. A. Calvin, Farmers' Educational and Cooperative Union.

Mr. C. B. BRYANT: Mr. Chairman, all who are here are no doubt interested in cotton. I have a letter from the Washington office of Miller & Co., New York brokers, Adams Building, 1333 Adams Street, as follows:

"Will you kindly extend to your Associations the use of our two wires and the courtesy of the office? We have every quotation on cotton from New York, New Orleans and Liverpool, with current gossip."

Mr. HARVIE JORDAN: I move that we take a recess of ten minutes until we hear from the Committee on Permanent Organization.

The CHAIRMAN: Is the motion seconded?

Mr. S. W. D. NORTH: Mr. Chairman, before that motion is voted upon I would like to say to the members of the Conference that I take pleasure in presenting to each delegate a copy of the final report of the Census Office on the cotton production of last season, which is published this morning and which, I have no doubt, will be helpful to the gentlemen present in connection with their deliberations. With the permission of the Conference I will place these copies on the President's desk and those who desire them can be presented with them.

Mr. HARVIE JORDAN: Mr. Chairman, I move that we extend the thanks of the body to Mr. North for his courtesy and that the report be received.

(The motion was seconded and carried.)

Mr CHAIRMAN: The motion is made that there be a recess of ten minutes. Is that seconded?

(The motion was seconded by Mr. J. R. Montgomery, and carried; and a recess was thereupon taken.)

Permanent Organization.

On coming to order after the recess the Chairman called for the report of the Committee on Permanent Organization.

Mr. T. I. HICKMAN: Mr. Chairman, the Committee on Permanent Organization report the following nominations for the permanent officers of the Conference:

President,	James R. MacColl, New England Cotton Manufacturers' Association.
1st Vice-President,	Harvie Jordan, Southern Cotton Association.
2nd. Vice-President,	R. M. Miller, Jr., American Cotton Manufacturers' Association.
3rd. Vice-President,	H. W. Macalister, International Federation of Master Cotton Spinners' and Manufacturers' Associations.

Secretaries:

Richard Cheatham,
C. J. H. Woodbury, and
C. B. Bryant, Secretaries of the Southern

Cotton Association, the New England Cotton Manufacturers' Association and the American Cotton Manufacturers' Association.

We also recommend that the length of the opening address of the President shall be left to the discretion of the Chair, and that the balance of the speeches be limited to ten minutes each.

Mr. HARVIE JORDAN: Mr. Chairman, I move that the report be received and adopted by the Conference.

(The motion was seconded by Mr. J. A. Taylor.)

The CHAIRMAN: I will ask Mr. Woodbury to put the question.

Mr. C. J. H. WOODBURY: As a matter of courtesy to the President I will put the motion at his request. It is moved that the report be accepted and the Committee discharged. (Putting the motion.) The motion is carried. Now it is moved that the report be adopted. (Putting the question.) It is a vote, and the officers so named are elected to the various positions.

ADDRESS OF PRESIDENT JAMES R. MacCOLL
of Rhode Island.

Gentlemen, I thank you for electing me to the office of President of this Conference. It is hardly necessary for me to refer to the importance of the industry in which we are all engaged. The American cotton crop is worth approximately \$600,000,000 and the manufactured product \$1,500,000,000. It is said that one-fourth of the population of England depends on cotton for a living and it is little wonder that our English friends are visiting our shore to investigate.

This is probably the first conference of cotton growers and manufacturers of an international character that has ever been held, and it seems to me that the bringing together of these interests cannot fail to throw much light upon the problems with which we are confronted and help us to understand them better. Some of these problems I will touch upon briefly.

There is, first of all, the question of an ample supply of cotton for the world's needs. The number of spindles is continually increasing. At present 6,500,000 spindles are being added in England alone, an increase in two years approximately equal to what has occurred in the previous twenty years. The countries of the Orient are being opened up and are going to be larger users both of the raw material and of the manufactured goods.

Another important problem is stability of price. Let me say as an American manufacturer that I believe American manufacturers do not want to see low priced cotton that is unprofitable

to the Southern growers. They believe that the Southern growers are entitled to a fair and ample profit on cotton. At the same time they are convinced that, as in cotton manufacturing, so in cotton raising, there should be economy practiced and improved methods adopted so that the price can be lowered if possible without reducing the margin of profit.

This is a principle which is sound in economics and applies to all business.

Another problem we have to meet is speculation. On account of the established system of trading in futures by optional contracts speculation has become injurious to the legitimate industries of cotton growing and manufacturing, and we hope that this conference may suggest at least some way of controlling speculation so that it will be less hurtful.

Another matter in which we are all interested is the better handling of cotton. It is generally admitted that there is great room for improvement in the ginning and baling of cotton. We hope that some light will be thrown upon the progress that is being made in these important processes in the discussions that are to follow in this conference. And then we have Government crop reports, which have been the subject of much controversy and upon which there is great difference of opinion. There are some who favor their entire abolition. There are others who believe they should be modified, and it is desirable that the influence of this conference should be exerted in promoting a system of government crop reports that will be accurate and helpful.

Gentlemen, I ask your pardon for these remarks, which are quite informal, and now declare the Conference open. In accord-

ance with the program which was prepared by the Committee of arrangements the general topic for this morning is "Cotton Production." The detailed points are: "Improved Methods of Cultivation", "Cost of Production", "Possibilities of Acreage and Future Yields," "The World's Consumption and Needs." Let me in the interest of the Conference suggest that we endeavor to confine ourselves as much as possible to the topic assigned for this session, and not deviate to the other topics which will come up at the other sessions. I am sure, gentlemen, that if we enter into the discussion of these subjects with a desire to be frank and outspoken in our opinions and at the same time fair and courteous to each other, we shall have a very pleasant gathering and also a profitable one. X

(At the request of a delegate the President read the subjects again.)

Hon. L. F. LIVINGSTON: Is that "Possibilities of Acreage" confined to this session?

PRESIDENT MacCOLL: I cannot throw any light upon what it means other than as it is stated here.

COTTON PRODUCTION.

IMPROVED METHODS OF CULTIVATION.

Mr. HARVIE JORDAN: Mr. President, it was agreed on the part of the cotton growers that J. E. Ellerbe of South Carolina open the discussion of this part of the morning subject, "Improved Methods of Cultivation."

(Mr. Ellerbe arose.)

PRESIDENT MacCOLL: You will do better to come forward.

Hon. J. E. ELLERBE of South Carolina: I shall have so lit-

tle to say, Mr. President, that with your permission I will stand right here. I want to say very briefly that I am decidedly an optimist. I believe this great world of ours is improving and progressing in almost every way. And when I remember the many improvements that we have made along the lines of farming, I am very much surprised. Things are happening now that years ago we thought were absolutely impossible. Down where I live --- I will say that I am from the little State of South Carolina --- we have machines that in harvesting our grain would save the work of dozens and scores and hundreds of men. But now I will be perfectly frank, and I have grown cotton all my life ---- I know of no improved methods in the cultivation of cotton. Now I do not tell you that some farmers in our section are not preparing their soil better, are not using larger plows and more mules and breaking the soil, and by harrowing they are getting that soil in finer tilth; they are using more fertilizers; they are studying that question of fertilizer, and they are making more cotton because of that. But I do stand and make bold to say that the best farmers of my section --- and I speak for those who make from 500 to 2,000 bales of cotton a year --- that the same methods used when I was a boy are being used today. The cotton first has to be planted, and I have tried almost every improved cotton planter that I have heard of, and the planter that my father brought home when I was a small boy is the best planter I have ever seen, and I am using it until this day. After the cotton is planted that cotton has to be thinned. We have tried harrows; they will not do it. We have sent and gotten your chopping machines to put into the field, and to this day I do not know a good farmer in my whole section of the

State that can use one of them. The only way under the sun that we can chop that cotton or thin that cotton is with the proverbial "Man with the hoe". He must go in with his hoe, and the same old method we used years ago to thin that cotton must be used to this day. It is practically impossible, especially with the class of labor we have, to use any of the cultivators with any success with cotton. I know of very few, and those that are used are so simple that they are practically a very slight improvement over the old way --- so I say I know really --- and I will be glad if someone in the general discussion can throw more light on this subject than I can --- I know of no improved methods of cultivating cotton. The same hand must hoe it, the same old plow must plow with the same old mule. And so I must confess that while we have made wonderful improvements along a great many other lines in raising a great many other crops, I am to speak now of the improved methods of cultivation of cotton, and I must make a candid and honest confession that I have not yet been able to find them and put them in practice.

PRESIDENT MacCOLL: Allow me to suggest that the speakers come forward; I think it will be more pleasant for the members of the conference. I understand that the speakers are to be confined to ten minutes. At the end of ten minutes it will be my duty to rap on the table, and if the conference wishes them to proceed and have more time it will be in order for the Conference to so vote. I shall therefore perform my duty by rapping on the table at the end of ten minutes. We shall be glad to hear the next speaker.

Hon. L. F. LIVINGSTON of Georgia: Is the question of cost

of production open for discussion?

PRESIDENT MacCOLL: It is, sir.

Hon. L. F. LIVINGSTON: The question is an important one. The way you have stated it, it is a rather unfair proposition, however, to the cotton grower of the South, and if we are reserved in discussing it you need not be surprised. When you go a little further and we can ask you the cost of manufacturing and when we can ask you why it is, and have you explain it properly, that there seems to be a commercial and financial antagonism between the spinner and the producer, we will show our hand down south open and broad and tell you within a farthing of what it costs to make cotton. But it will be pretty hard for you to pull that proposition out of this house now. The time may come. The production of cotton has improved some; the labor has not improved. Our labor is getting scarcer each and every year. The mills are taking a class of white laborers; whole families go away from the farm, and the young negro as he is educated does not go back to the farm. We have a system of education down South that educates the negro away from the farm and not to the farm. Mr. Booker Washington is trying to correct that as best he can --- he is having some success, but it is a small success compared with the great bulk of young negroes who come up and should go to the cotton field and do not go there. They are drifting to the towns and villages and the cities; they are drifting up to your country, and I expect after a while you will get them all and maybe we will get another class of laborers down there that will stick to the fields. That labor question is a serious one in the production of cotton, Mr.

President, and whether you know it or not, we do. Now we are attempting there on a small scale to make up for this deficit by intensified cultivation, by heavy fertilization. But we cannot make any reports intelligently to you now because we have not gone far enough with it. I believe in deep plowing; I believe in cross plowing; I think the more times a farmer plows his ground and harrows it the more he will make on that acre, I do not care what he puts it in, whether he puts it in beans or cotton. When you get to the question of fertilization it is a question whether we have today a cotton fertilizer or not that is worth bothering with. That question we have got to experiment with and settle. There are certain things that we want. The potash we get. We want the phosphoric acid, and we want ammonia; we want a whole lot of stuff in cotton. It is a plant that is slow to grow and it has to be pushed, especially in the spring of the year. The first two months settle the question of a cotton crop. If you get a good stand and a good start and can keep the bugs and the grass out of it till it begins to form, you are pretty sure to get a cotton crop out of that unless there is an extraordinary drouth in the middle of the summer or something like that. The labor, then, remember, that we have is trained in a rut, as the gentleman from South Carolina has said to you. You cannot get one of our laborers to ride a gang-plow. I have got gang-plows on my farm that have never been used two days; I will give them to any man that will take them away unless he can bring some labor in that can use them. As the gentleman from South Carolina has said, we have got to confine ourselves to simple implements such as our laborers can operate. Certainly you have not

got a cotton chopper in the world, and in my opinion you never will have. You have not got a cotton picker in the world, and you never will have. You may rake out a lot of cotton with a cotton picker and take the leaves and trash with it, but the moment you do that the spinner kicks. It is impossible to gather four or five locks. Our best cotton has five, the ordinary cotton has four. It is impossible to put your machine down into that burr and pull it out, because in the bottom of the burr there is a glue which nature provides, which holds that cotton in there during the storms in the long continued season before it is picked. It is an absolute provision of nature to hold it in the burr. You cannot get a machine that will take it out. You can get a machine that will take half of it and leave the balance in the burr. It is a plant that is a great deal easier to talk about, Mr. President, than it is to explain any improvement in its cultivation or in its gathering. We hope some day to demonstrate the fact that cotton can be produced on a system that will reduce its cost. We hope so. Our mules cost us heavily. Our farmers do not raise them; they should; they do not. They do not raise all their corn and meat, and as long as Swift and Armour live we will pay high prices for meat --- no doubt about that --- and as long as the farmers of the Northwest have their elevators and price their own corn and their own wheat we will pay dearly for corn and wheat to feed our hands on. These things all enter into the cost of production. If the farmer could do this, Mr. President --- if he could raise his corn, his meat, his mules and his wheat on the farm and make a surplus product of cotton, you spinners would kick; you would howl until we would have to leave the country. We could not produce over seven million bales of

cotton in the South and do that, and yet you advise us and the world is advising us now, "Make your home supplies first and make your cotton a surplus." Why, with our present labor we would not make you over 7,500,000 or at the most 8,000,000 bales of cotton, and you can sit down at your tables and calculate that to a nicety, Mr. President ----- with so many laborers in the South, with so many acres to cultivate in corn, so many acres in wheat and so much to be devoted to grass to raise a mule, then what is left put in cotton --- you will see at once yourself it will reduce the bales of cotton down to 7,500,000 or 8,000,000 bales. You would not stand it. It is what we ought to do. We ought to do it for self protection, but we are not doing it. We are more liberal to the spinners today than any people ever were on God's green earth. We make the cotton at a hazard---it costs five cents or six or nine or ten or two, it does not make any difference what---and we let you have it just as fast as it is picked. Heretofore we have not been holding cotton back for better prices. For the last two years we have to some extent, and if the Lord lets us live and gives us a little more wisdom, we will hold it back, Mr. President, until you want it, and you will buy it at our figure. (Applause.) That is what the farmer should do. That would help you. You would get rid of the damaged stuff that now comes to you. You would get rid of the cost of insurance, you would get rid of the warehousing expenses, and then you could buy cotton in a Southern warehouse and get the grade you want and get it at first hand, and skip these speculators that now stand in the way.

There is another thing, Mr. President. We are embarrassed in raising cotton by this new Wall Street system of slipping

down South and buying a hundred or two hundred thousand of dog-tail cotton and taking it to New York and holding it over spot cotton. And when the friends of the South undertake to put the price of cotton up to a living figure where we get a fair remuneration for our labor, and you come to deliver, they stick that cotton in your face, and you spinners won't buy it---you have no use for it, and yet you put it on us to bear the market. There is just one remedy for it: Let every cotton State legislature pass a law that Wall Street cannot do business in that State, and we will stop it. That is what we have got to do.

Now if you come across to us, openly, candidly and fairly and help us to make cotton cheaper and then help us to sell it at a fair price, you will have no trouble to get your cotton at a reasonable price; you will have no trouble to stimulate us to a larger production.

PRESIDENT MacCOLL: The meeting is open. Mr. C. S. Barrett is named here to speak on "The Cost of Production." Is he here?

Mr. C. S. BARRETT, of Georgia: Mr. Griffin, of Arkansas, will take my place on the program.

Mr. BENJAMIN L. GRIFFIN: I wish to excuse myself, Mr. President. He is designated for that subject; come forward, Mr. Barrett.

(Mr. Barrett declined to speak.)

PRESIDENT MacCOLL: There is on the program an address by Mr. E. D. Smith, "The Possibilities of Acreage and Future Yield."

POSSIBILITIES OF ACREAGE.

Mr. E. D. SMITH, of South Carolina: Mr. President and gentlemen: I have listened with a good deal of interest to the discussion of this question of the cost of production, and I want to state that I heartily agree with the gentlemen who have preceded me that the cost of production of cotton must remain fixed in relation to the methods employed. I want to make myself clear. Before I touch on this, I want to say that I take it for granted that we have met together here as the manufacturers and producers of a world's necessity, to treat the consuming world fairly, to treat ourselves fairly, to take the broadest, widest, deepest possible view of the subject, and honestly and honorably to get the laws involved in the production of it in the raw material, the production of it in the manufactured form, and have a remuneration for having given the world this necessity in the form that they need it in, a remuneration for us who produce it and for you who manufacture it.

There is a peculiarity about cotton which has been explained by one gentleman at length. We cannot, by the very nature of the little plant's growth, treat it as you can the cereal. You may take oats and sow them broadcast. They are almost indigenous to the soil. Your improved reapers and binders settle the question of cheap harvesting and your seeders of cheap sowing. But when it comes to cotton, you have to have a peculiar way of planting it which, like the cotton gin, Mr. President, has practically never been improved upon. The first old Whitney gin is today turning out the lint for the world. The gin of today is practi-

oally the very same idea that was given to the world when the first gin was formed. Even this experiment now of your combing process is nothing more nor less than an elongation and protection of the lint by virtue of a little slide from the cutting effect between the teeth of the saw---the same principle, the very same thing. As to the method of picking, one gentleman stated here that there would never be found a cotton picker. There was one invented in Africa some thousands of years ago, which found its place in our fields; they could not improve on it. It is a peculiar thing, and we might as well view it from the standpoint of practical business men---I have tried it and there is not a Southern man who has grown cotton but knows it is true---that the white man cannot stand the continuous exposure hour by hour in the position that is necessary to pick cotton. I have tried it and many of you have tried it, and you cannot do it. The adaptability of the colored man to stand the sun and to work in that position is peculiar to him, and he is par excellence the cotton-picker of the world. I just want to throw that out now. Here is where comes in the idea of the cost of our production. The cost of lumber has advanced, the cost of living has advanced, because as population increases and the contest and conflict for a living becomes sharper, why, the demand for manual labor is intensified, and it means that the hand of ten years ago who would have worked readily in the field at fifty cents commands two dollars at your mill. The hand who would have worked for fifty cents a few years ago finds remunerative employment in your towns and cities, so that the fields are being depleted of labor at the expense of more

remunerative prices elsewhere that we have got to compete with.

Again, speaking of the method of production, the only improvement that I know of is, we have learned that under the intensive system, we can make practically as much cotton on half the acreage as we made on the full acreage by increasing fertilization. But under the law of compensation, the increased price of your fertilizer offsets the cost of your labor and the cost remains the same. The thing goes pari passu. I want to state this, however, that we have been trying for several years to grow our own food supply, and we practically grow about a third of the corn and provisions used in the South annually.

Addressing myself directly to the subject, "The possibilities of cotton production in the South", I will state without fear of contradiction that, given the price, we will produce all the world wants. I want that definitely understood. Given a remunerative price, we will produce all that the world wants. It is no use to speak about going into Africa and over to Australia and into India and into Argentine and into the temperate zone wherever cotton may grow for the purpose of producing cotton or experimenting with it in costly experiments, because if you will take the price you are putting into your experiments and add it to the cost per pound of middling American, we will furnish all you want. Put the price where we will bring the negro back from the saw-mill, from the streets of your different cities, and make it remunerative for him to go into the field, and put it where we can say to the western man in the natural grain elements of the world, "Plant all the corn you want, all the wheat you want, and we will plant all the cotton,"---put it at a price where we can

buy your corn and your bacon and we will supply the world with its clothing, so that you need not be uneasy for yourself or for your children's children. It is not a question of the possibility of the development of the cotton industry in the South as to acreage; it is simply a question of price.

I will state right here, in order to acutely emphasize what I am saying, that under the present condition it will cost from \$21 to \$22.50 for the half bale which I took as above an average acreage production in the South. There is not a practical cotton grower unless he is some man down in some peculiarly favorable section, who can grow it for less. If you take the average amount of cotton grown by the average family in the South, and deduct from the cost of production the return that he has got, he is living upon a margin that is really not an enticing figure for the lowest negro laborer in the South.

This movement on the part of the South to get together is simply for the purpose of taking the one thing which is readily convertible into cash, and the reason that we are today organizing ourselves for the purpose of a reduction of acreage is simply a question of self-protection. We find that with a small crop there comes into the South as an aggregate more money than from a large crop. Now as sensible business men would you ask us as a financial problem and proposition to go to work, increase our cotton production and have the aggregate return to the South less than with a small crop? Would you? I am speaking to men engaged in manufacturing, men engaged in handling cotton, men engaged in growing cotton --- do you think it is a wise business proposition on the part of the South to grow 12,000,000 bales of cotton say for \$400,000,000 or a ten million bale crop for \$600,000,000? That is the proposition square before you.

Now if you will help us so that as we increase the output you will increase the aggregate return to the South, we will increase the output and you need not fear. But we will not increase the output which means increased expense and get a less aggregate return. We have been doing that for years. Take your ten year or twenty year or thirty year average, and for eleven million bales of cotton we actually got less than we got for a nine million bale crop; the cost of the 11,000,000, was just as much greater than the 9,000,000 as 11,000,000 was greater than 9,000,000. So, therefore, we just said to the world at large, we will reduce and make it a surplus crop, because the land set aside for our provisions will be a fair profit, beside the enhanced value of the cotton in itself. Because, as the world clamors for it it will give us more for it and we will have a greater return.

So, Mr. President, I want to state right in this connection of American production of cotton, this: I have hailed with delight the meeting of the spinners, not of America but of the world, so that we might get together and understand, as I take it, just two issues involved, and two alone: How much cotton does the world consume, how much does it want? What can you place your orders at a given year, say this year and next year, so that the output of the spindles of the world can be put upon the market at a profit --- how much American cotton would you want, and at what price? Make a deal directly with us, and if there is a profit with it, as reasonable men we will supply you with it and divide profits. But we do not propose, and as long as I am in the South and have any influence I shall never submit again to having the dictation of absurd fluctuation with the crop known and your

will demand fixed --- that there shall be a fluctuation of from a cent to a cent and a half a pound at the caprice of half a dozen manipulators. We will never submit to that again. (Applause.) If the world wants 10,000,000 bales of cotton she wants it; if you are going to consume 10,000,000 bales of cotton you are going to consume it, and as business men you have placed your orders before you go into the market to buy the cotton. We have already produced it and we know the cost. In the name of God are not we business men enough to meet you, the spinner, and you say, "We can sell these goods for so and so, and there is our profit," and we growers can grow it for so and so, and there is our profit; we will meet together and divide this thing amongst us. But in place of that we have to sit down and the market opens at 10.10 and before night the profit of a year's labor is swept into the maelstrom of a gambling pool. If it is a business proposition, meet us. If you do not agree with us the Southern planter is going to put it in Southern warehouses and turn a Southern key on it, financed with Southern money, and demand his price. (Applause.) Now we can meet; there is ground for us to meet. That ground is for the spinners of the world to understand that at least at this stage of the game the South has got a monopoly on the cotton production, and it is peopled and financed by sensible men who want to meet you on a sensible basis. And so far as the production of cotton is concerned, the Farmers Union of the South and the Cotton Association of the South will sign a contract to deliver all the cotton the spinners of the world want and deliver it any month in the year they want. Now do you want to meet us? If you do, it is up to you to do it. If you do not, this Conference need not have met. We are going to have our profit; we want

you to have your profit. But we do not want a horde of men between the field and the factory fattening at your expense and ours; we have got too much sense.

Mr. CAMPBELL RUSSELL, of Indian Territory: I want to agree with what the gentleman who first spoke has said, when he said that low prices are still prevailing. When I was a boy I remember that I used to see my mother sew, and when she wanted to get a good seam she would "back stitch", and it seems to me that we might "back stitch" a little now. Although we have mixed all these different propositions together, the cost of production is one very essential thing, and there are a few things that it is essentially based on. The value of the land, the cost of the tools, etc. Now we know that the value of the land on which we produce our cotton has increased 100 per cent. in the last five years; that is a matter of record; we know it. There are two dollars invested in that land now for every one, that is, in the value that it would bring on the open market, and consequently we want a return on the value that is in the land. The machinery has advanced, and as for labor, I could not give you a definite idea as to that, but only a few years ago you could get a negro for forty cents a day and a little molasses and corn bread, and if he ran away, you could get a pair of hounds and catch him and put him back to work; and today we pay him \$1.25 or \$1.50, and as one of the gentlemen said here, you must pay a price that will attract that negro back to the farm, but, bless your heart, the bigger price we pay the less he works. When we paid him forty cents a day he would work every day in the week, and now he gets \$2.00 a

day and you can't get him to work more than two or three days in the week. That is a fact and there is no getting around it.

Now, gentlemen, there is but one way to raise a bale of cheap cotton in the South today, and that is for some poor, benighted farmer to put his children and family in the cotton patch; that is the only way to raise a bale of cheap cotton in the South today. When it comes to making a living for my part, I don't raise cotton, my tenants do that. I am a stock farmer, and only a few years ago I would sell my hogs for three and a half or three and a quarter, but today I am getting six all right, and the cotton farmer who buys his meat will pay in proportion to it. As a matter of fact, we all know, when we sit down and figure a little bit that it costs at the very least calculation 50% more to produce cotton today than five years ago. There is no getting around that fact.

Now the gentlemen who just spoke made one remark and I saw it going in the record, and that is the reason I couldn't help getting up and saying something. He spoke about putting additional fertilizer on the ground and the additional fertilizer made more cotton and made the cost of production about the same. Now he didn't mean that like it will sound in the record. I know that he is too well informed to say that the cost of production now is, in any sense similar to what it was four or five years ago. It is, at the very lowest calculation, fifty per cent. increased, and there is no way on earth to figure out a cheap bale of cotton today, except for the man who has inherited the land, and says, "It didn't cost me anything, and the time of my wife and children ain't worth anything, and its cheap cotton." And that's the only way you can do it.

DR. H. P. HUDSON, of Tennessee: Mr. President, gentlemen of the Convention: I want to back the speech of the gentleman from Indian Territory. It does seem to me that we might discuss this cotton proposition without bringing up the inevitable negro every time. The only way to make a bale of cotton under present conditions is for the white man to make it, and have his children stay out of school. Now what we must have is remunerative prices so we can take the wife and put her in the house, and put the children in the school, and that is what we are going to demand; and as he said it is impossible to produce a cheap bale of cotton under any other circumstances. As he said, if you pay the negro more he works less. I believe that the negro is eliminated from cotton production. I believe that thirty per cent. of the cotton is produced by white labor, and we are talking here to represent him as well as the other fellow.

What we are talking about and what we demand,-- I am talking about the cotton production now -- is to raise the price of cotton so as to help these people produce it and pay them remunerative wages. Now we contend, as cotton raisers of the South that the boy who gets up on the farm and works from four o'clock in the morning until seven at night ought to be remunerated so as to stimulate him to stay there and continue to farm, rather than do it at starvation wages such as cheap cotton will inevitably bring, and for that reason we come here representing the various unions and associations of the South and demand of you that you do give us a remunerative price in order that we may keep our boys on the farm, and take our girls out of the fields and put them in the

school, and you can not do it at cheap prices, and you need not expect cheap cotton any more. If you do, you will be disappointed. We do not want anything more than remunerative prices. We want the cost of production plus a reasonable amount to enable us to do business, and raise our children properly and take our place in the world's progress, as we intend to do, and that is what we have come here for.

MR. E. D. SMITH: Mr. Chairman, I want to ask one question. We are discussing this matter from an economical standpoint, and we have representatives of the world here to decide this question. I think it is very well settled that the cost of production at the present stage, can not be cheaper, but the tendency is to increase the cost. What I would like to hear now is from the other side of this question, the manufacturers who are also interested. I would like to hear from some of them as to the probable maintenance of the price of American cotton, and whether or not he can cheapen his cost of production; whether or not he can manufacture cotton any cheaper now than he could a few years ago, whether he can put the cloth in the finished stage on the market cheaper; whether or not the consumption of the world will stand a rise in both the finished production and the raw material. So we may understand whether we can move together in the production of cotton and the manufacture of cotton goods. We know our side, and have, in a way, presented it, and Now I think this conference is entitled to hear from the other side on this question. Is it or is it not possible for there to be an increase in price from the world's increased demand for the product, or from whatever standpoint,-- you are more familiar with

that side of the case than we are. We would like to have that discussion Mr. President.

PRESIDENT MacCOLL: The meeting is open for the discussion.

MR. BENJAMIN L. GRIFFIE: Mr. Chairman, I wish to say in reply to my friend that I think this question is a little premature, because the subjects under discussion this morning are designated on the programme, and I presume that at the proper time this question will be brought up and discussed; but I insist that the discussion be continued along the lines of the questions named on the program, in order that we may expedite business.

I want to add a word to what has been said relative to the cost of production. I do not want to go into the matter at any great length, because I think it has been fully covered. I want the manufacturer to understand this proposition, that the South is, perhaps by physical conditions, the greatest consumer of cotton goods in the world, and that when you decrease the price of our cotton you decrease our ability to purchase the finished product. Sometimes when we make a cry of over production, it is simply under consumption, brought about by speculation. Now then give the South a fair, remunerative price for its cotton and you will find that they will become our greatest consumers; and, hence, while the margins of the factory may be smaller, the difference in sale, would amount to even more than they are making now.

MR. WILLIAM S. LIPSCOMB, of South Carolina: Mr. President and gentlemen: There is one side of this matter that all of our friends have left out in discussing this question; and that is, the condition of our lands. When we produced this cheap cotton we im-

poverty-stricken our land. It was cut down and worn out by this cheap labor, and the cry is made that you increase the crop by using fertilizer. How much has the crop increased in the last ten years? Has not the crop almost been an average thing, hardly averaging eleven million bales. I believe I noticed the other day that the average for the last ten years had been about 10,443,000 bales. Now have you ever considered the class of people that produce this cotton? Why can we not systematize the marketing of it? Because they are so poor, no matter how large the average named rises. I wonder if my friends in going over the South ever went around in the country itself, or whether they have just been in town and heard someone talking about how much he has raised on a particular farm. My business is cotton raising, and when it comes to bread stuff that ought to be a practical side. Any man who is a farmer ought to look at the practical side. If you will just think about the average growth in this country, it is not quite five bales. Take the average family and there are seven in every family that produces cotton. Take the half of it, and put it at what it has been,-- seven or eight cents for the last five years, ten years before 5.69 or 6.69 and run that through it, and take out your fertilizer, take out his doctor bills, and then run seven through it, and he has got 2 1/2 bales, and it earns him about \$100. Take off one bale for his fertilizer and he has got \$70, for seven to live on; that is what he has got to clothe the women and children and pay doctors' bills and supply imaginary wants and real wants with. Gentlemen, that is the reason they are quitting the farm. These lands were impoverished when you raised that cheap cotton. If the manufacturers did not make money out of it, then we did not either. I

can show you my books. I keep my books showing every bale and every dollar, and how much I get for it, and I can tell you when I sell a crop of cotton how I have come out. Have you ever thought about how ignorant these men are. There is not one out of every ten of that class that can read his name or write his name. That is the man we have got to contend with in the cotton field. If it was not for that we could systematize the marketing; but you see it is distressed cotton, and he has got to throw it on the market, and if the man he lives with is not in shape to take care of the cotton, don't you see where it goes? No wonder it has gone on the market; and when you think about the woman that has stayed at the house, done the washing, done the cooking, putting the children out to make that cotton, it is a deplorable state of affairs; and I tell you what they do -- they almost raise it and gather it, and then he buys corn in the spring, most of it on time,-- and I am sorry to say, too much time,-- and on the whole, if you will go around and just look at our people who raise this cotton, you will see that it is a deplorable state of affairs. No wonder they go to the mills; no wonder they won't work on the farm. I can hear the whistle of 19 cotton mills every morning. The men that used to live on the farm, they are gentlemen now. They are getting good wages. Their families go to church, and the best dressed crowd of ladies you see, is right at these mills, these same people that used to work in the fields; and sorry to say, they cannot read or write their own names. Did you ever have your thumb on a man? Well, he will stay under it just as long as he don't get a chance to get out,

and the first chance he gets he will slip out. Now he had to slip out from us, because he couldn't stay and live.

There are only two things in raising cotton. You take the cost and what you get for it at the end of the year, and you say "I have lived". But he has eked out a miserable existence at that; and I want the time to come when the manufacturer will divide with us. You needn't say a thing about our poor lands. We have got to go at it in a different way, and when you talk about your improvements, if it was not for the improvements that we have, we couldn't raise cotton today at 12 cents. We are forced to make a living at home; that is a question that is staring us in the face. This labor has all gone to the mills; and they will get up at four o'clock in the morning and they will work until after night, and they will go on a run to get their dinner and be back at the mill. Why? Because he can get all he wants to eat -- he gets that anyhow -- he can wear the best clothes afforded. On the farm what can he promise himself and his wife and children at the end of the year.

You have heard it said that the bottom rail gets on top sometimes, and they are the leaders today in our country, and it is not from a thing in the world only that the crops that they produced would not support them and their families. You have heard of laying up for a rainy day. When we sold cotton at four or five cents, if we didn't live on what was laid up for a rainy day, I don't know what it was. Now I want something for what we are raising. I want the manufacturer to live, but I don't want us to supply the markets of the world that don't raise a bale of cotton at our own expense. Let our manufacturers fix the price so that

they can live and let us have a living out of it too. Then the thing will be right.

MR. J. A. TAYLOR, of Texas: Mr. Chairman, there is one item in the cost of the production of cotton that has been overlooked; that is, the boll weevil. In order to keep the boll weevil section growing cotton, they have got to have a remunerative price. In other words, you can not fix a price for their cotton at above the balance of the South. You have got to keep it all the same. I want to say a few words in regard to the boll weevil. I used to think I was pretty well acquainted with the boll weevil, but for the last six weeks I have been getting up a little data about it, and I find I knew very little about it.

The boll weevil first came into notice in this country in 1892 at Brownsville, Texas, in the extreme southern part of the State, and where very little cotton is grown. Hence his advance north was a rather slow one. In 1894 he came into general notice and the Department sent some experts there to study him. Up to the present time he covers about 32 per cent. of the acreage of the South, and is advancing at the rate of five to seven percent annually over the cotton acreage of the South. When you stop to consider for a moment that that means that he is cutting the yield of that district at least one-half,-- now some people will probably take issue with me on this point, but after carefully studying the history of the boll weevil and the weather conditions which very materially affect the damage done, you will find that I am about right on this.

I want to explain the weather conditions as they apply to the boll weevil, so you will understand this. A favorable weath-

er or condition for boll weevil is this: In the first place he wants a mild winter to come through safely in; then he wants a seasonable rainfall with rather a humid atmosphere to multiply and increase; next he wants a late fall at which the cotton blooms and squares are forming all the time, so that his last generation will hatch out. In Southwest Texas, where the boll weevil first did his damage, we have a number of years in which the conditions in the fall of the year were such that there were no squares or blooms, and hence the last crop of boll weevils -- the ones that carry through the winter -- was very light under those years; and if you will take the history of those counties in which the boll weevil has done the damage and follow each one of them you will find that they made a better crop due to that smaller number of weevils. Now in 96--97, the weather in that section was very dry in the fall and very few lived through. Again, in 1899, there were very few weevils lived through, and hence the big crop following. In 1901-02, the weather was favorable and he did serious damage. In the fall of 1903, the weather was again unfavorable for the weevil, so that in 1904 there was a better yield than common. Then we come to the serious winter of 1904-5, the most serious that we ever had in the Southwest, although in 1899, we had the one cold snap when the temperature was very much lower, it did not last but a short time, but in 1904-5 we had a long, cold winter, not only that, but we also had a very early frost that killed out the food for the weevil; and I will say right here that there is something very peculiar about the weevil, he only lives on cotton, and there is only one place he will lay an egg and that is in a cotton square or a young boll,

although they do sometimes take older bolls, yet it is unusual. So you can readily see that the number of weevils depends on the squares formed in the fall. Now the Agricultural Department, or rather, the Entomological Department of the Department, has a table here showing the conservative increase by the different generations. The first generation is supposed to have completed by the 29th of June from one pair of weevils, 100 young ones that reach maturity. The second generation comes on about the 10th of August and is 5,000; the third generation about September 22 and is 250,000; the fourth and last generation, which with us usually comes about the 4th of November, is 12,500,000. So you can readily see when we have a favorable fall it means a hundred times as many weevils to carry through the winter as the year before. This last year we had one of the most favorable falls ever known for the boll weevils. We had not a single frost until way in December, and then it was very light and we had a very mild winter. We had an average amount of rainfall, except in February it was a little heavier, but the heavier part was outside of the boll weevil district.

Now I want to read you some counties,-- this is the actual production of the counties by years as given by the Census Department, which is very accurate, I think.

Take Austin County; in 1899 it made 41,000 bales; in 1900, 37,226 bales; 1901, 24,970. I have skipped one year. I have not the figures for 1902. In 1903 it was 14,218; 1904, 20,000; 1905, about 22,000. Now if you will take the years when the unfavorable weather was, you will see how it affected the crop; and yet with all that, Austin County, with the most favorable conditions, and the very heavy increase in acreage as there has been

all over the country, from 1899 has fallen from 41,000 to 21,000, which proves,-- my figures are very conservative -- that the boll weevil cuts the crop at least one-half under the most favorable conditions; while under unfavorable conditions it will reduce it about 15 per cent.

Now take Caldwell County:

In 1899, 49,000; 1900, 45,000; 1901, 25,000; 1903, 17,000. Not quite so much, but still about one-third.

Take my own county; 1899, 68,000; 1900, 54,000; 1901, 43,000; 1903, 27,000. They got back in 1906, this year, to about not quite 40,000; so that it is a little more than half.

Take Freestone County which produced in 1899 19,000; 1900, 28,000; 1901, 20,000; fell to 3,345 in 1903, the year that the weevil did the most damage.

Now when we consider that the weevil is increasing in its territory at least from five to seven per cent. or at the rate of 50 miles a year across the belt, you can readily appreciate that he is a serious obstacle in the way of increasing cotton production; and simply because the weather conditions have been rather unfavorable for his work in 1904 and much more unfavorable in 1905, it has given the farmers the idea that the boll weevil is a thing of the past. In fact I have found in some parts of the country they consider that the boll weevil is all over with. Take for instance the Delta. In the Delta they say that the boll weevil is a myth; but I happened to find one man in the Delta cotton country that knew better. I got to talking with him about it,-- he is a druggist,-- and this illustrates what a man thinks of the boll weevil who knows something about it,-- I said to him, "What do you think of the boll weevil here; what are you going to do about it when it gets here?" He said, "I am going to

do like I did when I was in Texas. I am going to leave the country." I said, "Were you in Texas in the boll weevil section?" and he said, "Yes, sir, and when it got there I left."

Now in regard to increasing the crop, I think the spinners have it in their own hands, If they will make the price so as to draw the labor from the towns and cities and the mills, we can grow the cotton in the South all right.

I thank you.

MR. CHARLES H. FISH, of New Hampshire: Mr. President and Gentlemen: As a Northern manufacturer, and representing the American Cotton Manufacturers' Association, I feel that it is no more than fair and right that I, or someone, reply briefly to the gentlemen who have already spoken. This is not exactly in the nature of a reply, but we have heard their story from the South as to their inability to grow cotton below a certain cost. Almost all of these gentlemen have referred to the manufacturer as being a man in whose power lay all that pertains to the price of selling the goods; that all he had to do was to get a little more money for his goods and pay a little more to the man who grows the cotton.

Now, gentlemen, you must know that the interest of the northern and southern manufacturers, the interest of the manufacturer of England, the interest of the manufacturers in Russia and all over the world is the same interest that the Southern cotton grower has. It is a mistake to think that the manufacturer is forcing down the price of cotton simply for the sake of buying cheap cotton. The prices of finished goods are governed by conditions over which the manufacturer has, generally, little to

say. In fact, the manufacturer, as a rule, sells his goods after he has bought the cotton. Of course, there are a great many exceptions to that rule, pertaining, perhaps, more especially to our export trade, and perhaps more especially to the English manufacturer than the American manufacturer where a manufacturer knows at what he is going to get his goods early enough in the season and covers himself with the necessary amount of cotton at a certain price. However, there is the other class of manufacturer who is buying cotton from time to time, who is selling his cloth from time to time, who is making goods with the idea of selling them next week, or next month or next season and getting whatever the market maybe. If cotton goes up or holds up, we know very well that the price of the finished cloth is apt to hold up. If the price drops, we know very well that the price of the finished product is apt to drop. But you understand gentlemen that the question of what we pay the southern cotton grower is largely beyond our control.

Now as to the conditions that prevail. The question has been asked by Mr. Smith, or someone, as to the condition of our mills. Of course, during the past ten or fifteen or twenty years there has been a wonderful improvement in the manufacture of cotton goods. This improvement was made necessary from the fact that the price of the finished product has been steadily forced down. Not only that, but there is required today a much different product than was required a few years ago. The manufacturer of cotton is getting to be quite like an art. In the old days, almost anything that was thrown together went as a piece of cotton goods and brought a certain price. Today, with the immense competition, we have to manufacture in the very best possible

way. We have to pay the very best prices in order to get skilled labor, and we have to pay the very best prices in order to get labor at all. Now it looks to me as if the cotton grower, for his own protection, must arrive at the lowest price at which he can grow cotton with a margin of profit suitable to himself; then the manufacturer, in turn, must pay the price asked; then the man who buys the cotton goods must pay that, or else turn around and buy woolen goods or buy some one of the many substitutes which are now on the market.

Now, gentlemen, as to the labor situation, I think it is very much worse perhaps in the cotton mills than in the cotton fields. I think, without exaggeration, that the majority of the smaller mills in the North,-- I won't say in the South because I am not so well acquainted with conditions in the South,-- are short of help? They are anywhere short of help from a little bit short to 33% short of help. We, as a rule, have not taken on many of the colored, or negroes so-called, but we have, without any question, drawn from the South, as also have your cotton mills in the South; but we are paying more and more for our help.

The conditions, gentlemen, which really confront the manufacturer, are not then as to paying the cotton grower what he wants for his cotton, but is paying the cotton grower what we can for the cotton, and we hope most sincerely that we can pay price enough so that you can raise the cotton of the world, and grow it at a figure that is perfectly satisfactory; and on the other hand endeavor to show to the purchasers of our finished product that there is nothing else for him to do but to pay the necessary profit over and above our cost, and in that way work

this situation out on general lines, or work it out together. (Applause.)

MR. E. A. CALVIN, of Texas: I would like to ask the gentleman a question. If the producers would fix a uniform price, could you adjust your mills to the conditions; could the manufacturers do that?

MR. CHARLES H. FISH: I think that what the manufacturers both of the North and South need more than anything else is a stable price of cotton. It is the uncertainty of the price which causes more trouble than anything else. It is a fact today that you can buy cotton for ten cents, and tomorrow you can expect that it may be twelve cents or nine cents; and it is that uncertainty which has a great deal to do with the difficulty of the situation.

MR. E. A. CALVIN: Under normal conditions, would you care to approximate, at this time, what you could afford to pay for cotton?

MR. CHARLES H. FISH: Personally, I might approximate that very closely, but it would only interest the manufacturer who is located exactly as the plant which I represent is located, and has the same class of work, and selling in the same markets. We know very well that the cotton industry is not a snap. We know very well that in our cotton mills in the North, comparatively few of them are making a legitimate profit. Many of them are paying dividends which come partially, if not entirely from a surplus which has come to them perhaps from a rise in values or good bus-

iness of many years ago. For any one man to give you or attempt to give you what price could be paid for cotton, I think his opinion would be absolutely of no value.

MR. W. H. SEYMOUR, of Georgia: Have you any suggestions by which a stable price might be established and maintained?

MR. CHARLES H. FISH: I wish, sir, that I had a suggestion which would be worth something, whereby a stable price might be arrived at and maintained. I have heard that question discussed, perhaps, as much as the rest of you. It is a question which should be answered and must be answered by men who have very much more ability than I have at the present moment. I think that such a thing could be arrived at and must be arrived at. We must eliminate the speculative feature as much as possible. It is a question as to how that can best be done. But I think it is a pretty difficult thing for any one man to decide.

MR. W. H. SEYMOUR: No; not any one man. I did not mean that you do it; but I thought that, as a spinner and belonging to the Spinners Association, that you might know of some suggestion that had been made by which this might be done. As I understand, you say it is possible for it to be done. That we can establish a price and maintain it. If we can agree upon a price for cotton that will be satisfactory to the spinner and at the same time satisfactory to the cotton grower, you think it will be possible to maintain that price.

MR. CHARLES H. FISH: I think it might be possible in time. The whole subject is so vast that I doubt very much, personally, if we could in any one season bring those results about; but I do think that with some feasible or proper course laid out, that that in time might be brought about and should be brought about.

MR. W. H. SEYMOUR: Have you any idea as to how long it would take to bring these conditions about.

MR. CHARLES H. FISH: I am sorry to say, sir, that I have no definite idea. It brings up so many questions of which I know absolutely nothing. It brings in the question of finances, which of course is the last thing that a cotton spinner knows anything about. (Laughter) I really would not want to go on record as saying how long it would take to bring such conditions about, but I believe it is feasible, and the time will come when the price of cotton will be fixed by some definite means and the element of speculation be entirely removed so that the man who is going to buy forty or fifty thousand bales of cotton will know exactly what he is going to pay for that cotton, or approximately will know what he is going to pay for it. You will understand that, as I have already said, a great many of our northern mills purchase their cotton from week to week or month to month of the markets, unless cotton is so low that they feel they can not afford to do that.

MR. E. A. CALVIN: You speak about the speculative conditions. Now if this organization represented here, should decide upon a price that would be equitable to all concerned, would you

believe that the best way to eliminate that speculation is to deal with us, and could you do it; or could the manufacturers do it?

PRESIDENT MacCOLL: Let me remind the gentlemen that the stable price of cotton is one of the topics to be discussed in the morning session tomorrow, and it would probably be better to confine ourselves to the question now under consideration. The main question we are discussing now is the consumption of cotton and the influence of price upon consumption. I am sure we ought to hear from our friends from England because I know they have some positive opinions about it; but Mr. Montgomery has the floor at present.

MR. J. R. MONTGOMERY, of Connecticut: I believe I would be trenching a little on the subject tomorrow, but, if the Chairman will allow me, I would like to say that I have listened, with a great deal of interest to the remarks that have been made, and I am in full sympathy with the growers of cotton and in their desire to make a profit from their crop. They certainly are entitled to it and ought to have it. If they have an organization that is strong enough and powerful enough to fix a price upon their cotton, I will guarantee to you gentlemen that the manufacturers of the North, the manufacturers of England, or of any other country, will adjust themselves to your prices. (Applause) I have seen a cotton bill for 40 bales of cotton that amounted to something over \$40,000.00. The price, I think, was \$1.83 a pound, and the bales were heavier than 500-pound bales. At that time the cotton manufacturers made more money than they are making today, and I feel confident that if you can fix a price and hold it, that the cotton

manufacturers of the world will adjust their prices to it. (Applause)

MR. HENRY P. GREG, of Manchester, England: Mr. President, and gentlemen: I feel a good deal of difficulty in invading this discussion. I can not say that I feel like an outsider. You have been too kind to allow that feeling to dwell in my breast; but I do feel that I am able to look at these questions in the same light that you do.

In the first place, I have had a great disillusionment this morning. I thought that the South was simply overburdened with wealth. I thought that these last two years had increased the resources of the South beyond all known limits, and I felt that I would come here today rather inclined to approach the southern farmers with the plea, "Might not we have a little of your enormous profits?" But I find that I was quite mistaken; that instead of that you want to know whether you may not go shares in what, I suppose you regard, as our enormous profits.

Now the fact of the whole matter is this: that it is impossible, either for you or for us to dictate the price of cotton. Our interests are mutual. You want us spinners to do well, and we want you planters to do well. But if the gentleman says that the South is going to warehouse cotton and not let a bale of that cotton go at less than five cents, ten cents, fifteen cents, or twenty cents, I don't mind what the price is, I say that if you Southern planters take up that position, it leaves us spinners in a position to say, if we can't get your cotton at twenty cents, fifteen cents, ten cents or five cents, we won't have it; that is to say, that cotton is as useless to the cotton planters, without

mills and spindles, as mills and spindles are useless to us without your cotton.

Now I feel that that point has got to be borne very carefully in mind by every one who wants to realize the true, economic position of this great question.

We have heard a great deal about the cost of cultivation. But when you speak of the cost of cultivation, are you speaking of the cost of cultivation in the Carolinas, the Delta, or in Texas? Is the cost of cultivation even throughout one State the same on every plantation? It will be acknowledged by all that the cost of cultivation not only varies over the entire cotton belt, but it will vary in two adjoining plantations; and that brings me to another point that I want to bring before you, and that is whether in this attempt or this desire to fix the price of cotton, whether you are deliberately attempting to go against the economic law of competition; that is to say, that by fixing a price you will stifle competition; you will handicap those who wish to grow quickest, who wish to do business, and you will be putting a bonus on mediocrity and slovenly methods.

I come from England where we have a competition which is probably, in the trade in which I am engaged, the spinning trade,- the fiercest the world knows. The competition is far keener amongst ourselves than with the rest of the world, and I should regret beyond measure if any one were to attempt to devise any system which would abolish that competition. I myself would today be an extremely wealthy man if I had the same margin which showed me a loss and a heavy loss when I first went into business; that is to say, that keen competition has compelled me to reduce enormously

my cost of production, and that has been a great advantage to the whole world. With that competition we have been able to supply cheaper goods than we should otherwise have been able to do. We have done what we could to help clothe those poor negroes or poor whites who are laboring in the cotton fields. We do not wish anything to be put in the way of that free competition, and I hope that you Southern planters will do everything you can to get as big a profit as I do. I do not try to live for love or philanthropy. I try,-- and I tell you honestly, I try to make as big a profit as I possibly can, and I hope that all you Southern planters will do the same; but do it by trying to reduce the cost of cultivation. Here I know I am speaking on a subject which angels should fear to tread, because I know that so many here before me know infinitely more about the subject than I do, but I think that even today we have heard from the Southern planters that there are certain grounds in which improved methods of cultivation may be used, more judicious fertilizing, deeper plowing, better seed selection, earlier maturing kinds of seeds, rotation of crops. I think that even while we have been here this morning we have had a very considerable amount of evidence that the South is doing what it can to reduce the cost of production, and I wish merely to urge the South to go on along these lines.

I believe it is absolutely impossible for any body of men, speculators, planters, or spinners to fix the price of the raw material of such magnitude as cotton, beyond a very limited extent. And may I just say one word, although I know that I am encroaching on something that should come at another time. A good deal has

been said against the speculators, and I have not a good word to say for them, but I believe that an immense amount of the damage that is done by speculation is due, not so much to the professed gamblers as they have been called, as to the gambling done by planters and spinners. (Applause)

I do not know much about the planters South, but I am perfectly certain that if in England whenever an order was taken, the manufacturer or the spinner were to cover his sale in cotton, that there would be less crying out about the fluctuations that the speculators propose to make.

I thank you very much.

MR. HARVIE JORDAN: Mr. Chairman, this subject of the needs of cotton is a very interesting one. On the part of the growers it has been stated here this morning that the South will provide all of the American cotton needed for consumption so long as the price is profitable to the growers, and I would be very glad for the representatives of the spinners' associations or manufacturers to discuss this matter openly and frankly with us. Let us know what the world's consumption of American cotton is at the present time, and what its future annual needs will be, based upon the average increase in consumption, if it is possible. I think that there ought to be a perfectly frank discussion of this matter on the part of the spinners with the growers. We have told you that we would produce the cotton. Now tell us frankly and openly how much you are consuming and what the probable increase will be each year.

MR. H. W. MACALISTER, of Manchester, England: Mr. Presi-

dent, in reply to the last speaker, it is impossible for us as spinners to say what the world wants. What we can say is that all the cotton you will produce we will use. If there is no limit to the cotton you may produce, there is no limit to the amount of cotton we will consume, because the more of an article that comes upon the market the more of it people use, because it is used in directions which we as spinners are unaware of.

Now I want to refer to the economic part of this question, and to begin at the beginning I would simply ask the question: "What is the price of cotton made up of?" First, there is the rent of the land; there is the cost of the labor; there is the cost of the tools that are necessary to cultivate the land; then the expense of cultivation. I refer to depreciation, repairs to buildings, and matters of that kind incident to the running of a plantation. But the cost of all those things really does not enter into the question, except to this extent, that economically we know that no man will produce an article if it does not pay to produce it. One of the speakers referred to the fact that he had been going on making cotton for a great many years and it had not paid him to make it. I would like to inform that gentleman that in 1870 you produced something like 3,000,000 bales, in 1874 you produced about 3,500,000 bales, and so the thing has been going on mounting up year by year until we come to 1904, when you produced nearly 14,000,000 bales. Now will that gentleman tell me, straight to my face, that it did not pay the planter to grow that cotton? It is impossible. If there had not been a profit in it the Southern States would never have grown it.

I have gathered from the remarks today that you appear to have an opinion in the South that the cotton spinners of the world make the price of cotton. Who does make the price of cotton? The last user makes the price of cotton, and the last user is the man who wears the shirt. Now you ask me, How is that possible? Well, I will show you in a few words. India is one of our largest customers. In 1875 and 1877 she suffered from severe drought, which brought famine into the land and millions of people were on the verge of starvation. As a consequence, in the following years, 1876 and 1878, a large number of the spindles in Lancashire were obliged to reduce their consumption of cotton. This naturally affected the price. This illustration will serve to show you that the last buyer,-- namely, the native of India, in these specific cases-- was the man who practically fixed the price of cotton, and also how we as nations are dependent and interdependent one upon the other, and that the natural law of supply and demand is really the price regulator.

Now the next point is the question of the cost of production. In England, in 1874, in my trade, it cost us 8 cents a pound to produce a yarn which enters largely into consumption. Assume that the price of cotton in that year was 15 cents a pound; 15 cents plus 8 cents equals 23 cents a pound, the cost of the yarn. Owing to the fierce competition to which Mr. Greg has referred we have greatly reduced that cost of production from above 8 cents in 1874 to 5 1/2 cents in 1906. Now, gentlemen, what has taken place in the spinning trade is going to take place on your southern plantations. You are at the present time producing your cotton in a most expensive way. You must find means to reduce that

cost of production, and in so doing you will solve the problem of obtaining more money for your cotton. I shall not go into any further detail, because I think this matter is likely to come up again tomorrow.

MR. W. S. MILLER: How long has your mill been in operation?

MR. H. W. MACALISTER: Since 1866.

MR. W. S. MILLER: Are you running at full time?

MR. H. W. MACALISTER: Yes.

MR. W. S. MILLER: Have you been for the last five years?

MR. H. W. MACALISTER: No. In 1904 the Sully speculation arose and we were obliged to run our factory short time in conjunction with the European spinners, which had the effect practically of ruining Mr. Sully.

MR. W. S. MILLER: Was it because you could not get the cotton or could not sell the goods.

MR. H. W. MACALISTER: We could get the cotton, if we chose to pay the price; but the fact of the matter was that the wholesale and retail distributors reduced their purchases to the minimum as they considered the price of cotton too high. They declined to follow the rise because the wage earner could not pay the price for cloth and the result was that stocks began to accumulate in the hands of producers. Then we as spinners took the bull by the horns and we said "how are we to deal with this matter. We can not deal with it as one member of a community of nations. As one of the largest consumers of cotton in the world we should have great influence, but it is not fair that one consumer should bear a trial of this kind alone;" we therefore invited the other nations of

the world to join with us, and to cooperate in reducing production because we were all selling our goods at a serious loss. (In our own concern, in six months, we lost ten per cent. on our capital.) And thus show the speculator the power we possessed - that we were determined to use it.

MR. W. S. MILLER: What year was that?

MR. H. W. MACALISTER: Two years ago.

MR. W. S. MILLER: You stated that you advised the Southern planter to reduce the cost of cultivation and raise more cotton, do you think that that would be advisable for the Southern planter to raise a fifteen million bale crop, when a ten million bale crop would bring more money.

MR. H. W. MACALISTER: I do not think a ten million bale crop would bring you more money.

MR. W. S. MILLER: Oh yes, it will. We can show you that we can sell it at nearly double.

MR. H. W. MACALISTER: That may be true under your late conditions, but as one speaker pointed out, the price of your land and labor is continually rising, your expenses are rising, your initial cost is rising. These facts effect the cotton very materially. You must therefore reduce the cost of production by producing more cotton for the same initial outlay per acre.

MR. W. S. MILLER: Is not the demand for your manufactured article increasing every year.

MR. H. W. MACALISTER: In 1874, you grew three and a

half million bales of cotton, and we used it all up. In 1875, you produced four million bales, and people said we should never use it all up, and today the world is consuming eleven million bales, or more, and the time is not far distant when we shall use fourteen or fifteen or twenty million bales.

MR. F. W. DAVIS: Mr. President, if I may be pardoned for a few remarks, I think the well known law of supply and demand applies to the sale of every article of merchandise. If we pay an extra price for cotton, if that price could be maintained, we would get an extra price for our goods. The concern with which I am identified, of necessity buys a large amount of cotton early in the season, in the months of October, November and December. We manufacture a high class of goods, and it is necessary that we have a high grade of cotton. We get higher grades and we get better cotton to buy in these months than we do to buy through the year.

Now, if we buy our cotton in October, November and December at a given price, and later in the season,--- but I am a little ahead of my story. The price was based upon an eleven or twelve million bale crop. We buy our cotton and put it in our store houses. It will last us through the year. Now, if perchance, cotton is much more plentiful than has been prophesied and the price of cotton declines, we as a necessity put our goods upon the market at a price that we can ill afford. If, on the other hand, the crop is smaller than anticipated, we have the advantage in the market of getting a higger price for our goods. But of late years, the last three or four or five years, it has been very unfortunate for the cotton planter and for the cotton spinner that speculation has played so important a part in the handling of cotton. I think

Mr. Montgomery expressed the thing about as we people of the North think of it; that is to say, if you will fix a price for your cotton and maintain the price for that cotton throughout the season, and if you will use your best efforts to keep it out of the hands of the speculators, I think that we, in return, will be only too glad to pay you a price which we would desire to be a remunerative price. We know you can not afford to go on and make cotton and sell it for less than cost, and you ought not to go on and sell it at a price that belittles your labor. I believe that it is the duty of every man that employs labor to so pay that labor that they can educate their children and can clothe their wives and daughters, and enjoy the advantages that God put us here to enjoy. (Applause)

It is a well defined saying that by the sweat of a man's brow shall he earn his bread. I do not believe that these planters here today want to get an exorbitant price over and above the cost of their cotton. I believe that they will be satisfied to make a price that shall keep them in business so long as they exist and enjoy their health. We do not want to get rich in a day. It is not well for us to get rich in a day. We are all very much better; better citizens and better to ourselves and families if we can have sufficient employment throughout our lives to keep us busy and out of mischief.

Now I want to emphasize the fact that Mr. Montgomery put forth, that if you gentlemen of the South, and you gentlemen, manufacturers of the South, will also bear in mind that there is a North who has got to have their share. We understand that you are getting the best of us at the present time, but we are all living, both North and South, and if you gentlemen of the South will consider

the price for which you can afford to sell your goods, and what you will eventually be obliged to do, pay the prices for your labor, work the number of hours per day that we work in the north, put your goods on the market at the price we put ours; if we will touch elbows so far as prices are concerned, and make our prices such as would be remunerative for each of us, putting it on the basis that each of us have the same advantages and disadvantages, I believe that there will be no further conflict between the North and the South.

PRESIDENT MacCOLL: We have just twenty-five minutes before adjournment. We intend to close promptly at one o'clock. We have not yet heard from any of the Southern manufacturers.

MR. CASPER G. DECKER: Mr. Chairman, we have learned that it is just about as important to buy the cotton right as it is to spin it right. There can be as much loss in purchasing cotton when it is too high as not spinning it correctly when we have it. It does seem to me that the business should not be in that position. I have been interested in what has been said about maintaining prices. It seems to me that the great law of supply and demand must obtain in this case, as well as in other cases, but the idea of speculation should be kept out. I think that the price should be fixed at some point that is beyond the cost of production and so as to afford a reasonable profit to every man who is manufacturing cotton. It seems to me the question as to what would be a rea-

sonable price would be a hard thing to determine because that varies for different years, but I have thought that if the cotton could be warehoused lower than it is, so that the man who has cotton would be able to take care of that cotton without having to throw it on the market or store it in some way so that it would be damaged, that in some way would act as a balance wheel. If there was too much cotton, it could be held, so as to help supply a time of need, and that would be to take speculation out of the market, because there would be this reserve for the planter. It seems to me that that would be nearly all that could be done to absolutely fix a prize or attempt to fix a price.

MR. HARVIE JORDAN: Mr. Chairman, I would like to hear from the spinners, if they can give us any idea of what the world's consumption of cotton will be for 1906. That is one of the questions put down here on the programme. It would be a matter of very great interest to the cotton growers of the South, if they could get information of that kind from the spinners rather than from parties who gather this information on the outside. We would like to know what the world's consumption of American cotton will be for 1906; that is, at the close of the season on the first day of September.

MR. HENRY P. GREG: Mr. Chairman, I think I can answer that question very simply. We spinners would like to know that just as much as Mr. Jordan.

DR. H. P. HUDSON: Mr. President, I want to emphasize that last question of Mr. Jordan's. If these gentlemen can

not give us that information, who can? And I insist now that they devote themselves to that question. That is one of the questions on the programme. These programmes have been published sometime. They have an idea of what the world's need or consumption is or will be, and that is what we want to know.

MR. E. D. SMITH: I am afraid that my friend from England is not as well informed as my friend here. One says he does not know anything about it and the other says they will spin all we make. They seem to be a little at sea. Mr. Jordan has put a very pertinent question, and yet I perceive the difficulty in answering it anyways approximately. An individual mill might tell how many bales it would spin, but I guess it would be a very difficult matter for any one man to say how many bales of cotton will be consumed altogether. There are two things that will come out of this discussion that I want to refer to and then I would like to hear from our Southern manufacturers. We have heard from the northern side, the New England side, European side, and now we want to hear from the southern side, then the whole ground will be covered. There are two things brought out in this discussion that have been of benefit to this body. First and foremost that the relation of price to the consumption of cotton does bear a very vital relation; next that the amount of cotton to be consumed is going to be determined entirely by the amount that the South may produce. Now the essential thing that we want to know now and want to do now is, will the spinners of the world cooperate with us now that we have passed the period,--- it is not necessary for me to keep before you gentlemen, speaking of the position that the south occupies, it is

not necessary for me to tell you that we have been in a condition where we had absolutely no voice and could have no voice in fixing the price of our cotton. Let me call your attention to just one thing, and I beg your pardon for referring to it at this time. There is not a spinner today but who has concluded, as one gentleman inadvertently admitted, that when they see a threatened disaster to their profits, that they call the spinners together and say "we won't lose it." We were not able to do that, because we had sold our cotton before every seed went in the ground. The conditions that have existed in the cotton growing section of the south are without a parallel in the world. It was not a question with us as to whether it was profitable to grow cotton or not, it was simply a question of absolute livelihood. Now what would you call a profit? What does a man count as profit? We made forty crops of cotton at the expense of the education and the progress of the South. Is it not true that the South today is under the barn and under the incubus of the dark shadow of 14 per cent. more ignorance, and does not our literature teem with a subconscious sneer at the purest Anglo-Saxon race in the world. Is not that true? Why? Because of certain conditions that were brought about by disastrous war that left us without capital, and we had to produce that which the world was willing to take from our hands at a price fixed before every seed went into the ground. And gentlemen in a school of economy that was absolutely cruel we produced this crop and existed, and we mean to exist and that which has made us poor and ignorant, while the balance of the world has led us in the great progress of civilization, but thank God, with this principle that never dies, we have learned to stay within the bounds of that hardy economy, and in the midst of all that we have scored back some lit-

tle thing that is not a profit but just a mere starting, and we have paid our debts, and now we come before the world and say to them, we are once more rehabilitated. We have paid them at the expense of education and of progress. And now we have come to adjust matters and to overthrow the inertia of forty years. It is true that we have been considered and the discussion here today has largely taken the position, that we are part of a machine that needs more invention put upon it to cheapen the cost of its running. We are human beings and not a machine! It is not a question of cheapening the cost of the world's consumption. It is a question of getting a profit out of the world's necessity; and I want this discussion to take the scope of broad-minded, world-wise men, who see in the South the monopoly of the fibrous production of the world; and let us get together as men. Do not speak of the South any more in the terms of forty years ago. We have wiped them from the board, and by the Eternal God, it will never be written there again. (Applause) I just wanted to keep us within bounds; that was all.

MR. HARVIE JORDAN: Mr. Chairman, I will change my question a little bit. I will ask if the spinners who are present can give us some idea as to the present world's spinning capacity of American cotton within a period of 12 months, when they are running on full time as they are now.

MR. H. W. MACALISTER: There is just one simple answer that will give you the true situation. 12 months ago a concern in which I am interested was consuming 100 bales a week. During the past year we have been consuming 150 bales a week. Why? Simply

because the last buyer wants a different kind of cloth to which he did before. There is nothing else to it. It is quite impossible for me, as an individual to prognosticate or prophecy as to what they are going to use a year hence. That may vary from 200 bales or it may only be 50 bales.

A DELEGATE: I am glad to hear from Mr. Smith as to the economics of this question. He appears to think that the South is a part of a class which the spinners are not part of. We as spinners are equally proud of that fact. Our friend Mr. Knight yesterday gave us some reminiscences as to his experience as to what had taken place in the last seventy years. He began by telling us what, he as a poor boy, earned in the mill. What does that poor boy earn today? Three or four or five dollars. You will be surprised to know that covering a period of over thirty years, our industry has not earned over four per cent. on its capital. You have evidently imagined that the cotton spinners of the world have been making enormous profits, but we are not.

Now in the Southern states, from information we have collected, you certainly are making a great deal more than five per cent. on the capital that you have invested.

MR. E. D. SMITH: Take it for thirty years and we have not made four per cent.

MR. J. R. MONTGOMERY: It seems to me it would be practically impossible on the part of the Southern cotton manufacturer for him to specify just how many bales of cotton the world is going to consume in the year 1906. I think that that is putting a question up to the manufacturers or up to any body of men that would be im-

possible for them to answer; because, in the first place, can you tell, or can any one tell the condition of our crops for the coming season? Do we know just how much of a crop we are going to have. Are men going to be employed throughout the world? Is there going to be a great San Francisco disaster in New York, in London, in Paris, or are things going along smoothly and quietly? If so, the gentleman can figure out the number of spindles in the world, and tell, if they were running at their full capacity, the number of bales that would be used. All he can say is that if conditions are favorable there will be so many pounds of cotton per spindle used, and that is a matter that statisticians can figure on. But I do not believe it is fair to ask, and insist upon an answer to a question of just how many bales can be used. It depends largely on the cost of the material. The cheaper the manufactured goods are sold for, the greater number of pounds will be used. The consumption will be greater because of the less cost. Increase the cost and you reduce the consumption. Now I do not believe that it is possible for you gentlemen to overcome the law of supply and demand. Now, if you can do it, as I said before, the manufacturers will adjust themselves to the prices, but I doubt very much whether it lies within your power, or the power of any body on earth to establish and fix a price that can be maintained.

MR. E. A. CALVIN: Do you think it is within the power of the producer to regulate the supply to the demand?

MR. J. R. MONTGOMERY: If he can tell what the demand will be, and he can tell what he can produce.

MR. E. A. CALVIN: I gathered from the remarks of one gentle-

man here that they attempted to regulate the output of the factory to the demand.

MR. J. R. MONTGOMERY: I did not understand the gentleman so. I understood him to say that when their business became such that they were losing 10% on their capital that they shut down rather than continue doing business that way.

MR. HARVIE JORDAN: Mr. Montgomery, I would like to ask you one question, since you have referred to the question of supply and demand. Do you not consider that the producers violate the law of supply and demand when they market 12 months supply of cotton in three or four months?

MR. J. R. MONTGOMERY: Very possibly; but I believe that finally the great law of supply and demand will fix the price not only of cotton, but of grain, of cloth, and of every other commodity.

MR. HARVIE JORDAN: I would like to ask you another question, and that is to what extent do you regard the figures on consumption as prepared by Mr. Ellison?

MR. J. R. MONTGOMERY: Well, I give it up.

MR. HARVIE JORDAN: In other words, you do not regard them at all.

MR. J. R. MONTGOMERY: I do not know. I am not familiar enough with it. I do not take much stock in those statistics. To a certain extent they may be correct.

PRESIDENT MacCOLL: If you will allow me I would like to give an illustration in cotton growing which was stated by Dr. Knapp, who is the agricultural expert. He stated to me that the cost of growing cotton where a bale to an acre was grown was four and a half cents, and where half a bale was grown, it was seven cents. Now it occurred to me that on the former basis, the farmer could sell his cotton at seven and a half cents a pound against ten cents on the latter basis, and yet make double the profit. Now if the cotton grower wants to make a big profit, and it is possible to grow a bale to the acre, and so reduce the cost, he can make more money on that basis, and yet at the same time, the cost will be lower to the manufacturer.

MR. HARVIE JORDAN: What year were those figures prepared in?

PRESIDENT MacCOLL: 1904; last year.

MR. F. W. DAVIS: I just want to state Mr. Chairman, that during that season, and also this past season, it cost practically three cents to rent it.

MR. HARVIE JORDAN: I would like to ask if that is an itemized statement, or simply an opinion of Dr. Knapp. If he hasn't given the items of cost, I wouldn't care anything about the statement.

PRESIDENT MacCOLL: I don't know as to that. I do not know if he has given the details or the items of cost.

MR. S. H. WITHERSPOON: Mr. President, I grow cotton in the richest lands in the Delta, and also in the hill country, and I

would give any man six cents to grow it for me in the Delta and five cents in the hills. It can not be done.

MR. J. C. HICKE: Mr. President, I would like to say that in the western part of Texas they are paying four and a half cents for gathering it.

MR. E. A. CALVIN: There is another question to be considered and that is this: suppose Dr. Knapp's figures are correct, we must remember that the great majority of cotton grown in the South is grown by those who produce from five to fifteen bales. Suppose he makes a cent and a half on what he grows, what does it amount to. He has just lived and has a few dollars to spend for Christmas toys.

MR. C. H. CLARK: Is it not a fact that the man who never grew an ounce of cotton in his life can tell nearer what the cost of production would be on paper than the man who grows it; and does not the same thing apply to the spinning interests. Here is a man who grows cotton. He knows what it costs to spin the cotton into the finished product and the profit the spinner is making. He knows something the spinner does not know about the business. We frequently come in contact with that. (Laughter)

MR. HARVIE JORDAN: Mr. Chairman, what is the regular hour for adjournment?

PRESIDENT MacCOLL: One o'clock. We are within three minutes of the time now. We are hoping to hear from some of our Southern friends.

MR. T. I. HICKMAN: All I can add in answering Mr. Jordan's

question is that we are using a different amount of cotton every year. Take the mill that I represent, of 55,000 spindles. The last fiscal year we consumed nearly 25,000 bales of cotton. The year previous to that we consumed about 20,000. So that in a small mill we have a difference of about five thousand bales of cotton, and of course trade conditions vary a great deal. Now for instance take our Southern planters. I can not explain why they do not buy the amount of cotton goods of us that they used to buy. We used to have a large trade from the jobbers of the South. Take the old Graniteville goods, we used to sell a lot of it, and in the last five or six years, without any conceivable reason that we can see, that trade has fallen off ninety per cent. (90%). Where a man used to buy from me a hundred bales of goods or a car load of goods, he now buys ten bales of goods. How can you explain it, except, as one of my jobbers recently explained it, that the average farmer was a bull on cotton but a bear on cotton goods. (Laughter)

MR. HARVIE JORDAN: I just want to ask you a question. If it is true that you have not any idea as to what the consumption will be, what do you base your proposition on when you come before us and tell us that you can manufacture all the cotton we can produce even if it is fifteen or twenty million bales of cotton.

MR. T. I. HICKMAN: I beg your pardon, I did not say that. But I believe that given good trade conditions, we can practically manufacture the cotton of the world. I imagine, just roughly speaking, we could consume eleven and three quarter million bales of cotton this year.

PRESIDENT MacCOLL: Gentlemen, the time has come to adjourn, and the Secretary requests me to ask that those of you who have not registered will please do so, putting your name, address and the organization you represent on the card. We adjourn to 2.30 o'clock, when the First Vice-President, Mr. Jordan, will preside.

SECOND SESSION.

Tuesday Afternoon, May 1, 1906.

The Convention met pursuant to adjournment at 2.30 P. M., Mr. Harvie Jordan, First Vice-President, in the Chair.

VICE-PRESIDENT JORDAN: Let the Convention come to order, gentlemen.

Address of Vice-President Harvie Jordan.

In calling the Convention to order, gentlemen, I wish to say a few words with reference to the position the Southern Cotton Association has taken in regard to bringing about a closer relationship between the producers and the spinners of cotton.

To go back a year,-- well, longer than a year, -- in calling to order the first great cotton convention, which was held at New Orleans, Louisiana, on January 25, 1905, which convention organized the Southern Cotton Association, I, as Chairman of that convention, used the following language:

Address by Harvie Jordan, President
of the
Southern Cotton Association, on taking the Chair.

Gentlemen:

In calling to order the first great Cotton Convention which was held at New Orleans, La., Jan. 25th, 1905, and which convention organized the Southern Cotton Association, I used in part the fol-

lowing language:

"We must bring about closer trade relations between the producers and the Spinners, by which our cotton can be sold direct to the manufacturers at prices satisfactory to the business interests of the country.

We must learn to market the crop slowly, regulating the supply to meet the legitimate demand; break up the present power of the speculator and take care of the surplus ourselves."

The Convention on the same day appointed a committee on Direct Trade between Farmers and Manufacturers, composed of two farmers and one manufacturer from each Southern State.

The Chairman of this Committee, Hon. E. D. Smith of South Carolina, submitted the following report to the Convention on Jan. 26, which was unanimously adopted:

"WHEREAS, the wide fluctuations in cotton prices are alike disastrous to the farmer and manufacturer, making it impossible for the manufacturer to promulgate prices for cotton products, based upon a uniform cost of the raw staple, and,

WHEREAS, we believe these wide fluctuations ought to be controlled only by a close relation between the producer and manufacturer, we, therefore, recommend a committee consisting of one cotton producer from each State be appointed by this Convention to confer with the mill men, asking that they join hands with us in effecting a plan whereby the producer can sell his cotton direct to the manufacturers and thereby eliminate the speculator from the market."

This is the first public record that we have in the history of Cotton production where official action has been taken looking to a closer trade relation, and a better understanding between the Cotton growers of the Southern States and the Spinners of the world.

It is particularly gratifying to the officers and members of the Southern Cotton Association to know that the Spinners and Manufacturers of our cotton, have not only shown a cordial spirit of co-operation, but they have taken the initiative in bring-

ing about the first general Conference between Southern Cotton Growers and representatives of leading Spinners and manufacturers Associations in both America and Europe.

The preliminary meeting which provided and arranged for this General Conference was held in New York, Jan. 24th between representatives of the Southern Cotton Association and representatives of the New England Spinners Association and the American Cotton Manufacturers Association.

The significance of this occasion is that it is International in character and the first general Conference of the kind ever held in the history of the world's Cotton production.

Great credit for this Conference is due on the part of the Spinners to the active and earnest co-operation of Mr. J. R. MacColl, President New England Spinners Association, Mr. R. M. Miller, Jr., President American Manufacturers Association, and Mr. Maccara, President of the International Federation of Cotton Spinners of Europe.

Now that we have assembled together I trust that the deliberations of this body will be characterized by wisdom and an earnest, sincere desire on the part of all to carry into practical operation those splendid benefits which can be realized to all the interests here represented.

Friendly Cooperation.

At the outset it is well to understand that whatever seriously affects cotton production will react disastrously upon the Spinning industry, and vice versa. Hence the prosperity of one depends upon the prosperity of the other. Therefore the interests

of the two are interdependent and must be so considered in the discussion and solution of the problems which we have met here as representatives of our respective industries to consider and solve.

The Growers and Spinners of American cotton have been strangers too long. Divided, they have been the prey of, and have had to submit to the dominating and disastrous effects of the buying and speculating influences of the world.

This unsatisfactory and largely unprofitable system of marketing and pricing the American crops of cotton in years gone by, and even at the present time, will continue to prove unsatisfactory to the legitimate handlers of cotton so long as it is permitted.

There are forces now at work which will rapidly systematize the future marketing of American cotton, and place the price making power in the hands of those legitimately engaged in its production, manufacture and Consumption upon a fair and equitable basis to all.

The South is rapidly waking up to the realization, that, at the present time and indeed for all time, she does control, and can continue to control, a practical monopoly of the world's Cotton production.

With only one tenth of her cotton area at the present time in cultivation her people can, under an intelligent intensive system of culture, annually produce 300,000,000 bales of cotton, should the world's requirements ever demand that enormous amount of the staple.

And this gigantic monopoly of production can always be held successfully against the competition of other countries, largely owing to the peculiar climatic conditions of the South influenced by the waters of the Gulf of Mexico. While we hold this monopoly

of the world's fibre for clothing, there is not now, nor will there be in the future, any disposition among the Cotton Growers of the South to abuse this monopoly or unrighteously take advantage of so splendid an endowment made possible by the hands of Providence.

Demand A Fair Profit.

The cotton growers of the South will in future, however, insist upon and enforce the payment of a fair and profitable price for this splendid product of their labor legitimately required in consumption each year.

The day of producing cheap, raw cotton in this country at from 6 to 8 cents per pound has passed. So long as the price of labor, the cost of supplies and other commodities which enter into the cost of production under existing methods, the price of cotton must be maintained at present levels between 10 and 12 cents per pound if the increasing demand of consumption is to be met each year, and the spindles of the world kept busy.

If, through the cooperation of the Growers and Spinners the future prices of cotton can be maintained on a stable basis showing a fair profit to the Growers, as well as to the manufacturers, the South is prepared to guarantee the production of a sufficient quantity of American cotton to amply supply every demand from every source. The labor largely employed heretofore in the production of cotton in the Southern States is fast moving away from the field to industrial works where higher wages are offered and paid.

Certainly no foreign labor of any description can be brought to this country which would work even as cheaply as the present negro farm laborer.

Hence the price of cotton must be maintained at a figure that will permit its growers to compete in the employment of labor or the industry must in the very nature of things go backward rather than forward.

This is a matter of serious import to all legitimate interests identified with the cotton industry and any combined effort to force down the prices of raw cotton to the present cost, or below the cost of production, will result in serious consequences that will react with telling effect upon the future cotton trade of the world.

Paper contracts and chalk marks must not be the future guide to prices. These must be based upon the cost of production, with a legitimate profit added, the cost of manufacture with an equitable interest upon the investment, the ability of the consumers to buy and not by the fluctuating temperament or the manipulating figures of "Bulls" or "Bears".

Leading Features of Cooperation.

From the standpoint of the Southern Cotton Association which reflects the views of growers, bankers, merchants, and other allied business interests in the South, there can be active and effective cooperation with the Spinners and manufacturers of American Cotton both in this country and abroad at the present time along the following lines:-

First: Baling and Ginning of cotton at local ginneries.

The gradual abandonment of the present saw gin and the use of gins that will separate the fiber from the seed in an uncut and damaged condition, as at present, and which deteriorates the staple for

manufacturing purposes. The abandonment of the overhead steam tramping press which through negligence on the part of the operator allows more or less condensed steam to go into the bale in the process of packing, producing a higher percentage of what is known as "damp" in cotton that is alike detrimental and objectionable to both the growers and spinners.

The rapid introduction and use in local ginneries of the modern power press for the purpose of fully compressing the staple in a neat commercial package of proper density at the initial point and thereby get rid of the present primitive methods of transportation, cost of handling, and recompression of the present cumbersome loose package that places each year a heavy and unnecessary burden upon the growers.

Second: Tare. The reduction of tare to the minimum quantity of bagging and ties which is required to deliver the staple from the grower to the spinner in good condition, and the deduction of tare based upon a uniform weight for all bales alike rather than upon a percentage of the gross weight of the bales, or the establishment and maintenance of some equitable and satisfactory system that is more desirable and economical than the present.

Third: Country Damage. This feature which annually entails heavy losses upon both growers and spinners, especially the former, is the result of carelessness or indifference on the part of the producers which should be overcome at the earliest possible moment.

A great deal of proper missionary work is needed to educate our people to a higher appreciation of the importance of delivering their cotton to the spinners in first class, and as nearly perfect, condition as possible.

The building of proper storage facilities where the cotton, after it is baled, can be properly stored and kept dry from the damaging effects of the weather until sold, is a matter of very great importance to the whole cotton trade, and to the growers and spinners especially.

The matter of false packing, where different grades of the staple is incorporated in the same bale is also a matter which should be corrected at the earliest possible moment, to the end that the staple of each bale will be as nearly uniform as possible.

Fourth: Stability of Prices. The production and manufacture of cotton will always be a more or less precarious industry until the business is handled in such a way as to each year regulate and fix the price of the raw product by the laws of the legitimate supply and demand, maintaining that price as far as possible upon a stable basis, devoid of wide fluctuations in values.

While it may never be possible to reach a price that would be entirely satisfactory to all the growers or to all the Spinners, yet it does appear feasible that by the cooperation of both, prices may be kept within such bounds as that the interests of neither would be jeopardized and the business of both be protected along safe and conservative lines.

Fifth: Annual Supply. In order to regulate the supply to meet the demand and also overcome the many evil effects of country damage and other unnecessary losses and troubles occasioned by present methods of handling the staple on the markets of the country, it is imperative that adequate warehouse or storage facilities be provided for storing and financing the crop while in the hands of the producers.

The building of these warehouses is now being pushed rapidly in the several cotton states of the South and in a few years this feature of the cotton trade will be in general operation.

If any considerable surplus of cotton should be produced beyond the immediate demands of consumption, such surplus can be stored by the farmers, financed by the banks, and held until needed, thereby avoiding the damaging effects of glutting the markets or encouraging the evils of speculation.

In regulating the annual supplies of American Cotton to meet the legitimate needs of consumption it is imperative that the spinners of our cotton furnish us with as correct statistical information with reference to consumption as possible, and in this matter great good to both industries can be accomplished by a free, open and full discussion of that subject.

Let us work together in harmony and in an earnest effort to arrive at the truth with reference to all statistics pertaining to the annual production and consumption of American Cotton.

Sixth: Broadening Markets for American Cotton. The broadening of the markets and uses of American Cotton is of deep concern to both the producers and manufacturers. The greater the demand, the more healthy the industries affected and the greater the possibilities for satisfactory margins of profit on both the raw and manufactured products.

There is every reason then why the Growers and Manufacturers of cotton and cotton goods should join hands in an active crusade to broaden and enlarge the demand and uses of the staple until all of the civilized and uncivilized peoples of the Globe have

learned to buy and wear fabrics woven from this magnificent and royal staple, which can be made so fine as to satisfy the artistic tastes of the rich or so coarse as to meet the slender purses of the poor.

A texture that is as fine as silk, as warm as wool, and as cool as linen.

Seventh: Speculation. Speculating in cotton futures as the business is now conducted is perhaps the greatest leading evil of modern times. It overrides the will of the manufacturers and subjugated the growers to a condition of helpless servitude well nigh bordering on slavery.

Like the rise and fall of the thermometer in a fickle climate, the pendulum of fluctuating prices vibrate backward and forward each day in the Cotton Exchanges of the country, while the operators in these gambling dens of iniquity rarely handle or see the actual commodity in which they pretend to deal.

There should be active concert of action between growers, spinners, and all lines of legitimate business affected, until the Exchanges where cotton is handled is placed on a safe legitimate basis.

Speculation should be restricted and minimized and it is the duty of the Federal and State Governments in this Country to enact such legislation as will give the reforms needed in that branch of the cotton industry. I believe that many and lasting benefits will result to both the Growers and Spinners from the foundation of cooperation manifested at this meeting.

I especially desire to express the appreciation of the Southern Cotton Association and of myself personally, for the pres-

ence of these English Spinners who are with us today and who, I feel assured we can depend upon to aid in bringing about many of our needed reforms.

An interchange of ideas and views, with annual visits and Conferences between our own people and the great manufacturing centers of England and the Continent must in the nature of things bring about a cordial relation that will ultimately prove most beneficial to all interests affected.

Eighth: Direct Trade. The Cotton growers of the South earnestly desire a more direct trade relation with the Spinners in order to reduce to a minimum the present multiplicity of middlemen and to avoid many of the present losses attendant upon the present bad system of marketing the South's great staple crop.

MR. CHARLES H. FISH: Mr. Chairman, while talking to the American manufacturers about shortcomings, it occurs to me that the ginning, baling, tare, moisture, and I want to say, transportation of American cotton is one of the principal shortcomings.

Having spent a considerable portion of the time during the last few years in England, I know the tenor of the English mind in reference to the condition, including baling, tare and ginning of American cotton, and to use an original expression of our English friends, which I hope the stenographers will not make a report of, to the effect that the baling, and other questions that go with it, are more or less "rotton." I feel that perhaps more coming from our English friends than if it came from an American manufacturer.

That the baling of American cotton is not what it ought to be is a well-known fact. Without criticism of the American ginners, I think it is fair for me to say that they ought to do better than

they do in the baling of American cotton. The American bale is not a good bale of cotton. There are, without doubt, many reasons why the bale is not what it ought to be. There are questions of the hurry; there are questions of inadequate means for baling a great number of bales, and there are other questions at the different ginneries. But it is, nevertheless, to be deplored that we receive in our cotton mills in the south and in the north, in England and the rest of the world, American cotton with all the way from half a dozen to twenty-five hoops to the bale; with tare all the way from a few pounds up to a great many. And it seems to me that this broad question which is coming up this afternoon is not one which should require very lengthy discussion.

I believe even the ginners themselves will admit that they can improve upon,--I won't say the ginning, but the baling of the cotton as it is received by the mills,--shipped out to the mills, and I think without any question they have all made up their minds to improve greatly the American cotton bale as it is put up today. I say that with all earnestness to the ginners, but as I have already stated, I feel, perhaps, that the first criticism ought to come from the American manufacturers rather than to have it come from the English manufacturers, as something we are not acquainted with or do not recognize.

MR. JOHN MARTIN: We would be glad to hear the gentleman further, if he will give the changes needed. The farmers of Texas and the South will attend to that, but we want to deliver it to them the way they want it. Our bales may not be the proper size we would like to have them. We want to know if our cotton after it leaves the gin and gets to the market is not like it ought to

be. We know we let it lie on the ground and rot and we are now going to change that, and we want to know just what you would advise and ask you to state what kind of bale you think would be the best. It would be a very little question to our ginners if it is not the proper size. The ginning, perhaps, you said, would be all right, but our baling would not be. That we would perhaps have only six ties to the bale and a few would have twenty-five ties to the bale.

Now we want to locate where these bales come from and ask you to please state.

MR. CHARLES H. FISH: As I understand it, there is a Standard American cotton bale. We do know that the census statistics count on so many pounds, a cotton bale of five hundred pounds or whatever it may be, but the ordinary manufacturer or buyer of the cotton, when he buys a bale, does know what he buys; while we buy five thousand bales and between the time we buy and the time the cotton is delivered, if the price materially advances, we get four hundred and twenty-five or four hundred and fifty pounds as an average to the bale. If the price materially declines, we get five hundred and fifty or even six hundred pounds to the bale.

I do not wish to say that the advance or decline in cotton has anything to do with it, but it is a fact that the American cotton bale as received by the manufacturer varies very much more than there is any apparent reason for.

As to the number of hoops, I do not think it is material whether there are six hoops or ten hoops. I think it is first of the utmost importance that there are sufficient hoops and sufficient sacking, or bagging, to cover the bale and protect it in the

course of transportation. It is a mistake to start bales in such a condition that when they arrive at their destination they are ragged and torn, with a great deal of the cotton lost, and it seems to me that it is not so much the question of a few hoops, or the question of standardizing the number of hoops, as it is the method of sacking, and the weight of the bale, so that when we buy cotton we know exactly what we are going to get.

This question appears to me to be one that the ginners themselves could handle, if they were amind to, better than the manufacturers, or without much suggestion from the manufacturers.

MR. C. B. BRYANT: Mr. Chairman, being in the cotton business myself, and representing that side to a certain extent, I wish to say that in the summer of 1905 representatives from the Southeastern Cotton Buyers' Association, principally located in Alabama and Georgia, and representatives from the mills in the Carolinas, Georgia and Virginia, adopted a set of rules covering the delivery of cotton to the mills, and the tare allowed was twenty-five pounds per bale. It also allowed six pounds to the bale on soft cotton, uncompressed, and eight pounds to the bale on compressed cotton.

On forward shipments the seller guaranteed to deliver fifty thousand pounds for one hundred bales of cotton, subject to a reduction of one per cent. which makes forty-nine thousand five hundred pounds or fifty thousand five hundred pounds which have to be delivered. If it takes one hundred and ten or ninety-five bales to make the weight we must deliver it. On prompt shipments of cotton these rules of weight do not apply. The country averages ap-

plies. But the tare of twenty-five pounds has become standard in quite a number of Southern mills. Where we ship more we are called upon to pay the mills the difference. I have not yet been able to get the farmers, or the country merchants or ginners to agree to this tare.

MR. JOHN MARTIN: It seems to me that on this subject our friend has failed to state any objection to the present baling of cotton that lies at the door of the farmer. Living in Alabama, in the cotton belt, as I do, I know, Mr. Chairman, that the farmer who raises cotton and prepares it for market nine times out of ten uses new ties and new bagging and the cotton is gotten to market practically in perfect marketable condition.

Our friend says that in buying cotton if the market goes up they give him small bales. If it goes down, he gets large bales. Mr. Chairman, that is not by virtue of any fault of the farmer, or any manipulation on the part of even the country merchant, who usually buys the cotton from the farmer direct, and it could only be done by the speculator who has been in the market all the while buying and storing this cotton. No other man could do it. As a rule when the farmer sells his crop he sells his entire crop and it passes out of his hands entirely. Then if this be true it behooves us both as producers and manufacturers to look into the matter from the standpoint of the compress man as to the condition of the cotton.

Nothing has been said as to the covering of the cotton; whether that should be regular jute bagging or whether it may be sugar sacks in good condition, or what it should be, and I think these questions, Mr. Chairman, ought to be discussed with our

friend, while we have him here as to their views in regard to the bagging and the number of ties they would like to have on each bale.

I cannot think it safe, Mr. Chairman, that we make a rule as to the size. The irregularity in the size requires more ties than any other bale would have to have.

But while we are discussing this matter I would like to impress upon our friend here that the cause of the complaint they have made here does not rest with our people but it rests with the speculator.

JUDGE CHARLES W. OGDEN, of San Antonio, Texas: The discussions which took place this morning seem to me to be of great value, because it developed the fact that the representatives of the different interests here had conflicting views on the subject that was discussed. The frank expression of those conflicting views is the only road to mutual understanding.

A proposition, however, Mr. Chairman, upon which everybody seems to be perfectly agreed admits of very little useful discussion. The proposition now under consideration seems to be of that character. I have heard of no one who knows anything about the subject who does not agree that whether or not there is any possibility of reducing the cost or improving the method of producing the cotton---who does not agree that there must be some way of improving the method of reducing the cost of baling and marketing--- delivering the cotton to the market.

The deficiencies in the present system are known to everyone. The cotton raised in this country is the most important agricultural product of the land, and still it is the only one that is

not carefully handled and housed at every point from the time it is harvested until it is delivered to the consumer.

Cotton has a value per ton five times greater than that of wheat, ten times greater than corn and oats and twenty times that of hay, and while improvements have been devised and adopted for handling all of these less valuable products, the great majority of the cotton crop of Texas is today handled in the more crude, wasteful way that it has been for fifty years or more.

It is true, Mr. Chairman, that steel ties have been substituted for rope, and that powerful compressors have been constructed for the purpose of increasing the density of the ginners' bale whereby it is somewhat improved as a shipping package, but it still remains a dirty, damaged, watersoaked and highly inflammable turtle-back deformity. (Laughter)

It is simply appalling to think of the amount of value, running annually up into millions of dollars, that this misshapen thing is responsible for. That sum, Mr. Chairman, is made up of the following items:

First, the cost of the packing and the metal tie, and the freight thereon from the gin to the mill.

Second, the damage from exposure, dirt and moisture.

Third, the cost of compression.

Fourth, the damage after compression.

Fifth, the high rate of insurance.

Sixth, the cotton lost and stolen from the exposed portions of the bale.

Seventh, the increased cost of handling by reason of the clumsiness of the package.

Eighth, the cost and loss incident to putting the cotton

into the hold of the vessel.

The details of this list are known probably to every member of this conference.

Ninth, The high steamer charges by reason of the cotton being classed as light freight; and

Tenth, the increased cost of handling at the mill.

I presume that most of the gentlemen here who know a great deal more about the subject than I ever will can add a great many items to that list, but it is long enough to convince us, Mr. Chairman, that the method is antiquated and almost criminally wasteful. Why, I understand that the calculations and estimates made by gentlemen who know about this subject place the loss on the cotton crop of Texas every year by reason of this method of handling it at not less than six per cent. of its value, and others place it much higher.

Now, just think of it, Mr. Chairman, the gentleman who presided over the meeting this morning, Mr. MacColl, says that the value of the annual cotton crop of the United States is about six hundred million dollars, and that amounts to nearly six per cent. It is an enormous sum of money that is being thrown away daily.

I think that thus far everybody will agree that there is something wrong with existing conditions and methods. I am a little bit afraid, however, that there would be more uncertainty about the answer which would be returned by all the gentlemen here present to the question as to whether or not in the past they have given to every creditable effort to improve the methods their cordial and active support.

I have no doubt that everybody here knows, and Mr. Martin, the gentleman from Texas, has testified to the fact, that the reason

this system has not been long ago abandoned is not to any indisposition upon the part of the farmer or the ginner or the business interests of the South to have better methods. They all understand that in the distribution of the saving which would result therefrom they would, if they were fairly treated, receive their share.

It is also, I think, pretty well known that the three principal causes why no decided forward step has been taken in this important matter are the facts that certain powerful influences, whose interests tend in the opposite direction, are always on the lookout to prevent it. And second, because of the passive nature of the support and encouragement that has been given to these efforts by those who would be the most benefitted by it. And third and last, because it must be admitted that just the right kind of machinery and mechanical appliances with which to overcome all the difficulties have not been available for general use. It seems to me, Mr. Chairman, that this convention should give its unqualified support to every effort that is being made to improve these methods.

Now, inasmuch as the planter, through his representative, has spoken in his own interest, and inasmuch as the spinner in his behalf has been spoken for, I want to say that I am not here in an entirely philanthropic service.

I want to speak for and call your attention to a new method of baling cotton which is being inaugurated in Texas and is well under headway. It is a method that was devised by a practical ginner and a mechanical genius. He is a nephew of that great commoner and statesman whose name is dear and revered in the State of Texas and all over this land---John H. Reagan. The Reagan round bale automatic system is being placed in many of the gins in Texas, and

the work of installation will go on as rapidly as the Dixon Car-wheel Company, the largest manufacturing plant in Texas, can rush the work of construction, under a contract which binds them to have thirty presses completed and ready for occupation by August 1st next. The bales from these presses will be on the market next season, and we feel very certain will win your commendation by their very excellence. The system is composed of a compressor and an auxiliary press, working upon entirely different principles than any of their predecessors. In the practical operation of the system the cotton is received as it comes from the gin flue by the compressor, which takes from it all dirt and trash and converts it into a continuous and uniform bat, which is passed thus to the auxiliary and then on to the main press, and pressed into a cylindrical bale 35 inches in length and from 18 to 22 inches in diameter, as desired, and having a density of from 35 or at the will of the operator 60 pounds per cubic foot. The capacity of each press is 150 round bales of 250 pounds each per day, or the output of 470 gin spans.

I will not trespass upon your time to give a detailed statement of the description of this machine or the principle upon which it operates. I will simply say that a great many practical ginners and machinists and skilled mechanics have examined it in all its details and witnessed its practical operation, and pronounce it a complete success, possessing in a high degree the virtues of practicability, durability, strength, cheapness in the cost of construction and installation as well as operation, and above all in efficiency.

The bale is a perfect---

MR. D. A. TOMPKINS: Mr. President, I do not believe it is relevant to the purpose of this Convention that one particular machine be exploited, and I want to make the point that the gentleman is hardly in order.

VICE-PRESIDENT JORDAN: The point is well made, especially in view of the fact that the gentleman's time has expired, unless it is the wish of the Convention to grant more time.

JUDGE OGDEN: I want to say to the gentleman who has suggested that my remarks are entirely out of order that my suggestions in regard to the Reagan round-bale system were made to this Convention with the express consent of the Chairman of the meeting this morning, Mr. MacColl, and under the supposition that this conference desired to know all that was going on in the cotton world.

I want to say that we are not promoting this enterprise; it has already been financed; we have not any stock for sale, nor have we anything that anybody in this Convention can do for us except that we ask them to investigate this new method, and if there is merit in it, give it more support than they have given in the past to the efforts that have been made to improve the conditions in this regard. That is the only reason it is referred to, and I have referred to it with the express consent of the Chairman, who spoke for the meeting this morning as its Chairman.

I assume that the members of this convention, if they are interested in this subject of improving the bale---and I do not know whether they are or not---I don't know whether the gentleman who called me to order cares whether the bale is improved or not---

but if there are any persons in this Convention who are interested in this question, the matter that I have been talking about ought to be of interest to them.

MR. W. F. VANDIVER: Mr. Chairman, I would like to ask what the bale is covered with.

JUDGE OGDEN: The bale here is wrapped with burlap.

MR. W. F. VANDIVER: You could not use cotton sack?

JUDGE OGDEN: That is not yet determined. Burlap is the only available wrapping now.

MR. W. S. MILLER, of Texas: Will the presses be sold or leased?

JUDGE OGDEN: They will be sold to the ginner, and only those will be leased where we cannot get the ginner to buy them. Not only that, we want anybody who has anything to do with cotton to buy the bale, so that a firm or a ginner can sell it to any man who wants cotton, not only with the Reagan Round-Bale Company's trademark will carry with it the guarantee that it is a perfectly improved bale without oil-spots, but that it is without damage of any kind, and that the responsibility of the Company is behind that guarantee and deposits will be made in the banks of the country in support of that guarantee, and we want the ginner to own the press and we want him to press the cotton for the farmer and give the farmer a bale that he can easily protect from damage and sell upon the open market.

A MEMBER: What will be the cost of the press?

JUDGE OGDEN: \$5,000 for the complete system.

MR. WILLIAM D. HARTSHORNE, of Massachusetts: Mr. Chairman, I have nothing to say especially about the round-bale except to this effect, that I think before any particular bale can be considered as having earned its position in the market it should have earned its position at the mill. I am not sure that the round bale has. There is only one form of bale and one style of putting up cotton which most manufacturers know about, and that is the Egyptian method. I think there can be no exception taken to the method in which the baling is done in Egypt or the grading of the cotton.

I appreciate the fact that the advantages of Egypt are far greater than we can have in this country except in local places, for such grading as they do there. It might be possible, perhaps, at some one port, like Galveston, or some other port like New Orleans or Savannah or where not, to use such a system as they have in Egypt at Alexandria.

The character of the cover of the Egyptian bale surpasses anything that we have in this country, unless it be the round bale, which I have seen and which is good. There is this difficulty, however, which is apparently overcome in what the gentleman has stated as to the character of the cotton throughout a given bale--there does not seem to be any assurance that the quality of the cotton from one bale to another will be any more alike than it is now from any one ginner.

If it were possible to carry the cotton to a definite place to re-bale and then make all bales alike, as they do in Egypt, it might be a very great improvement, but when a bale like the round bale comes to a mill, and has to be unwound, so to speak, in order

to be passed into the machinery, it is certainly not easy from my point of view---I might be mistaken; others may have completed what has not yet appeared to me to be done---to make a mixing of any definite percentage except one which relates to the size of the bale. There are very few mills, I presume, that do not mix their cottons unless they have been very properly graded beforehand, as is the Egyptian cotton. The covering is certainly of vast importance, and it is that covering which has been so much criticised in the past in regard to cotton bales. Whether it has three hoops, or ten hoops is of small consequence, provided the covering is continuous in its surface and does not contain holes as large as a man's coat, or in fact just about as large an opening between the meshes as could hold together. Of course the question of whether it is economical to charge the price of the bale covering as a part of the cotton, will depend on the press. The Egyptian cotton is not sold in that way; we buy the cotton and not the bale, and it seems to me that that, from the manufacturers' standpoint, is the fairest way.

MR. JAMES R. MacCOLL: In my opinion, the ginning of cotton has not improved in recent years, but has rather deteriorated. I think most manufacturers will agree with me on that point, and we are very anxious to convey to the growers, and the ginners, the fact that poorly ginned cotton is a great loss to the manufacturers, and also to the original producers. Now the cause of this deterioration can perhaps be better explained by those who are more familiar with ginning than I am. Manufacturers know that in the processes to which cotton is subjected in the mill, it is a very easy matter to destroy the staple, and I understand that one reason for

poorly ginned cotton is, that gins are frequently run too fast and too large a quantity is put through. The ginner and the grower do not realize fully the necessity of preserving the staple of cotton. By doing this they would add to the value of the cotton, the manufacturers would pay them more, and the little extra expense put into the process of ginning would be many times repaid.

There has been in cotton of recent years, a great deal of what we call gin-cut. We have to take out a large quantity of waste before we arrive at the actual workable staple. Now, if this convention results in nothing more than to emphasize this matter of poor ginning, and to induce you gentlemen of the South to take the matter in hand and try to have your cotton better ginned, and more carefully handled, so that we will receive cotton with less waste, and be able to pay you more for it, we shall have been amply repaid for coming to Washington at this time.

MR. SMITH of Arkansas: I want to call attention to the fact that that question of improved baling is one of the easiest that can possibly come before this body, and you will find that the reason why it has been indifferently ginned, indifferently packed and put on the market in any old form, is that you give the same price for good and bad, and a man would naturally ask himself the question, why should I go to work and pick carefully, pack carefully, gin carefully and handle carefully, when my neighbor who puts it up in any old way and dumps it on the market, gets almost the same price. The solution is, that if you manufacturers, both foreign and domestic, will so graduate the prices, and will put a sufficient premium on a properly baled and handled cotton, you will get it. That is, the buyer is the man who controls the whole thing.

MR. JAMES R. MacCOLL: May I say that I think the last gentleman is mistaken. We are always ready to pay more for the better handled cotton, and there is not a manufacturer here, that knows his business, that would not be glad and ready to pay more.

MR. SMITH, of Arkansas: I see your difficulty at once. The purchaser that comes in contact with the producer is the man who makes no difference; now you reach him. He comes here,-- here is a bale splendidly packed, and he drops the price of the good one right down to the price of the bad one, but he sells it to you, he takes a premium on the good bale. We want to get it on the platform, on to the F. O. B. fellow there, and we can show you that if you will only say specifically what kind of a package you want it,-- how you want it covered, protected entirely, or do you want so many yards of covering and so many ties, - and we will be glad to do it. That question can be settled.

I know that in my own town when I went back, I said something about the different new processes we saw, and several gentlemen went around and introduced the square bale that puts it in a neat little package, and the question arose right away, will it pay us enough to put on the price. Will it pay enough to the grower? Now that solves the whole problem of using the enhanced value of stuff.

Now I heard some gentleman speaking a moment ago about the losses, enumerating ten cases where there was a loss. I have in my hand here, a case where twenty-five pounds was stolen from a bale in passing from the field to the final foreign factory; this man would take out so much and that man would take out so much and so on. Now if all of that is lost to the manufacturer, if we can

get down to a basis by which there will be an open difference on the platform, where a cotton buyer could have a say, -- here is a package that comes up to the dimensions, it is packed properly, you will get a premium so much over the other man who hasn't his cotton in such good shape. That will solve the whole business, but under our present system of handling the buyer makes no difference on the platform, but makes a difference with you and puts it in his pocket.

MR. J. A. TAYLOR: I have listened with very much interest to the criticisms by the gentlemen present, and have waited to hear as much as I could before replying. In the first place, while I think of it, I will say something in regard to this point which just came up. As well as being a ginner, I am a buyer in the street in a small way. We have to buy cotton to keep our gins going, and necessarily while we are on the street we can buy bale cotton. I remember a few years ago, in buying, we had a different house we bought for, and the house sent us different sheets for different length staples. The last few years that has been done away with. Now the average receipts of my house show that the cotton is all bought at the same price at the same grade. While there is a difference in value of the staple of probably three or four dollars a bale, yet the man comes in there with his short bale and he practically gets the same amount with his short staple as the man with the long staple. The man with the good bale gets practically the same as the man with the poor bale. The man responsible is the man behind the spinner and the grower. He gets this cotton at the compress and he asserts his out and this extra staple is really a clear gain to him.