

Now in regard to the ginning of cotton. I think one great trouble has been that the gin has deteriorated; I know that it has, - I am a pretty good judge, it is on account of the gradual reduction in the price of ginning. A few years ago we got about four dollars a bale for ginning, and sometimes as high as five. Now in some sections they have actually got it down to seventy-five cents a bale. For that cotton in the west, the common price is about two dollars a bale. These cuts in prices has allowed the ginner to buy machinery to do fast work, run his machinery to the very limit, and consequently he does not turn out a good product. But I do not believe the ginner is entirely to blame. If the farmer would not crowd him to reduce his prices on the ginning, he would not be compelled to gin so fast and run his machinery so fast. and he could buy better machinery; he could buy more machinery and he could run it to much better advantage. So that is one line.

Now in regard to the round bale. Now in the first place, any plantation press to be successful, has got to combine three things. The first is, it has got to be within reason in regard to price. The second is it has got to be light, or at least not extra heavy, so it can be carried to the country gin; for instance, the American presses weigh so much it would be hard to get them to the country gin. In the third place, the power necessary to run these plantation presses must not be very great, because the average ginner cannot afford to take out his power and put in new power. Up to the present time I have never seen a square press that followed these principles. I saw one in New York that came the nearest to it of anything I ever saw. I understand the press can be put on the market for \$1,000. Now presses that cost as much as \$5,000 cannot be installed. Any com-

press cannot be put into use that costs as much as five thousand dollars, and under the present system of marketing cotton, it will be almost impossible to introduce such a press. The average gin in the south, I do not suppose, today costs over three thousand dollars. Now when you say he must put in a five thousand dollar press, something that cost almost twice as much as his whole plant, and throw his other press away, you are asking too much of a ginner, or anyone else.

The method used to introduce the two round bales, was rather the farthest method, I called it. They come down there and told us if we did not put in one of their gins and compresses they would put up a gin plant right by the side of us and put us out of business. Their price was so high that I do not believe they got many of their presses introduced, and consequently they did start up their gin plants and undertake to run us out of business, -- two of the biggest round bale systems in the South, one costing \$20,000. and the other \$14,000., - and we are still running our square bales at the present time.

Now in regard to this plant by which we can get better work. The ginner is ready to fall into line in anything that is within reason. We know the spinners actually want that, and will pay an enhanced value for it, so we can charge a little more for the ginning, and the farmer can get more for his cotton, -- then we are ready to adopt it, but we do not know what you want.

Now the fact is the round bale people told us that these round bales were worth so much more than a square bale. It has only been within the last three or four months that I have found out what the spinner actually thought about the round bale. They tell

me they object to both bales in use at the present time. One objection is that it has ties a yard apart and the cotton is practically lost. The Lowry presses they object to because the iron presses iron the eye-brow. I know from what I have seen, it must be very objectionable to get hold of by the spinner.

Now in order to meet this condition, I would suggest that a committee be appointed by the Ginners' Association, by the Planters and by the Spinners, who would take time, and not try to pass judgment on something that is of so vital importance as this, and investigate all the different methods of ginning, and all the different methods of presses, and after due consideration, come out and make a report. That report would be of such a nature that the ginners would not be afraid to go ahead and put their money in machinery, because they know that they would possibly get some benefit from it. But just to take one man's word for it and go down there and try to get us to put it in, why we cannot afford to do it; so I would suggest that such Committee be appointed, in some manner, for I do not know just what would be the best method, but I believe that that would be the best way of solving that question.

Now in regard to the heavy and light bales. I agree with the gentleman over here as to the responsibility; it is not with the planter, nor with the ginner, but it is with the buyer that buys from the farmer. He gets his cotton at the presses and in the market has gone down, he gets out the light bales, and if the market is up he sells the heavy bales. There is no question but what there is a heavy loss to someone. We all know that anything that comes as a loss on any product, really comes off the plant.

For instance, a spinner in Manchester receives two cables,

one from Egypt or from India, the other from America, offering two different lots of cotton, probably of the same grade. He sits down and figures: "What is the insurance to be; what is the freight to be; what is the tare?" "Now," he says, "when I get the American bale the chances are that I will lose five or six per cent. of it." So he figures that off the price and finds the Egyptian is the cheaper, and so he gives the preference to the other fellow. We are suffering just that way, and the quicker we get out of that the quicker the planter will get his price for his cotton.

I would like to say just one word in regard to the Egyptian bale. The Egyptian method, as I understand it, can never be adopted in this country, because they have their cotton all sent to one place and pressed at one place--- that is, at the very large centers. We cannot do so here. Our crop is so enormous that we cannot possibly handle it in the rush of the season under that method. So that, while I like the bale, I do not think we could possibly adopt their method.

MR. BENJAMIN RICHARDS, of Massachusetts: Mr. Chairman, I would like to present a side of this question which has been but briefly touched upon. It is my purpose to briefly point out the excessive loss on the cotton bale by fire on account of the poor baling of American cotton, and with your permission I will read a few notes I have prepared.

THE AMERICAN COTTON BALE

as a

SOURCE OF LOSS BY FIRE

by

Benjamin Richards, Boston, Mass.

It is the purpose of this paper to briefly point out the

excessive waste in loss by fire caused by the poor manner of baling and handling the present American Cotton Crop.

The statistics, as given in the Chronicle Fire Tables, show that fire losses in raw cotton alone, not including cotton in gin-houses, mills nor the damage to the building in which the cotton was stored, for the nineteen years preceding 1903, amounted to over twenty-one millions of dollars, 85% of which was covered by insurance. Of this yearly million dollar tax, 63% was loss on cotton in warehouses, the remaining 37% being about equally divided between the losses on cotton in transit and that awaiting shipment on wharves and platforms.

The warehouse fires, which comprise the 63%, averaged about \$20,000. each, and on wharve and platform and in transit about \$5,000. each. Roughly speaking, the fire loss alone is three tenths of a mill per pound on the American cotton crop while awaiting and during shipment.

To this actual loss, we should add the great damage to other property from fires originating in cotton, the most notable instance of which is the four and a half million dollar fire at the Hoboken docks in the summer of 1900 which originated from sparks in a bale of cotton.

CAUSES OF FIRE.

A brief review of the causes of the fires in raw cotton show the following surprising results:

Excluding all fires caused by exposure to other fires, of the causes reported, 50% of the fires in cotton in transit and awaiting shipment were caused by sparks from locomotives.

Other sparks caused 19% more. In other words, sparks alone

were responsible for over two-thirds of all the fires in raw cotton during and awaiting shipment. Of the remaining fires, 11% were incendiary, 6% were caused by cigar stubs and 5% by the misuse of matches. The familiar scape-goat, "Spontaneous Combustion" is charged with causing 6% of the fires.

Of the fires within cotton warehouses, 21% were reported as being caused by sparks, half of which were from locomotives. The usual 5% can be charged to cigar stubs and 10% to matches, while "Spontaneous Combustion" is claimed to be responsible for 16%. Further on, we will endeavor to show that a portion of these spontaneous combustion fires, as well as those of the 30% of fires whose cause is unknown, could more properly be charged to some of the other causes mentioned. Therefore, approximately 75% of the cotton fires are from causes which are well known, may be easily avoided, and to which other merchandise, if exposed in a similar manner, is not subjected to such a heavy loss by fire. The source of this proportionately excessive fire tax can be traced to the poor manner in which our cotton bales are prepared for shipment.

RELATION BETWEEN POOR BALING AND FIRE LOSS.

One objection to the American bale, from the fire protection standpoint, is its poor covering. With a closely woven and untornd burlap covering, it is probable that practically all of the fires from sparks would be avoided. There would be no droppings from the bale and, therefore, wharves, platforms and warehouses could be kept clean and free from loose cotton lying about.

Fire rapidly flashes over an ordinary pile of American compress bales in a storehouse, as a result of this loose cotton pro-

truding, thus gaining extent beyond easy control. This will not occur in storage of Egyptian, Indian or cylindrical bales.

The other great needed improvement is in the baling at the compress. Were the bales properly packed before shipment, even with the present covering, there would be less damage from fire. A large part of the unknown and spontaneous combustion fires are, doubtless, the result of the present method of packing. The bale is greatly compressed in baling but is not fastened sufficiently to maintain the maximum amount of compression, therefore, when released from the press, the bale expands. This makes the bale like a sponge in the hand; when pressure is released, it sucks in air, the result being that the bale contains channels of breathing holes and passages from its surface inward which have been formed by the in-rushing air. The spark falls on loose cotton protruding from the bale and at once buries itself into the bale by following these air passages. There it lies unseen and the small hole where it entered, often not larger than a pencil, is readily overlooked or becomes obliterated as the bale is handled. The bale may then be put into a vessel or warehouse. The fire feeds on the cotton and air and gradually burrows out a hollow inside the bale from which it burns outward, finally gaining sufficient heat to flash up, resulting in a fire which we find very convenient to classify as an unknown or spontaneous combustion fire. This action was observed by conducting tests on a few small bales made by packing cotton tightly in a box by means of a dull chisel and mallet and binding it together with wires. When the box was broken away, the miniature bale expanded in like manner to a compress bale. The cotton was ignited by touching the glowing end of a piece of burning twine to the side

of the bale. In a few moments, nothing but a black spot was seen and the spark had apparently gone out, but after awhile smoke would come out all around the bale, increasing until finally charred spots would appear on all sides. The fire would often go out before consuming the entire bale, thus leaving the cotton in the form of a hollow shell, the fire having eaten out the inside completely.

As in baling American cotton, the surfaces of the bale to which the pressure was applied in the compress are of much greater area than the other surfaces, there is a constant tendency for the bale to expand to an oval form, thus the absorption of air goes on continually until it is opened at the mill. This probably accounts to some extent for the rapidity with which sparks are taken in by the cotton bale.

It is without doubt probable that 70% of the fires in American cotton could be avoided were it baled as well as the Egyptian and Indian cotton.

We find practically no inherent fires in Indian or Egyptian cotton from the aforementioned causes. The condition of the bales on reaching the mill is usually satisfactory. Mr. Robert P. Skinner, Consul General at Marseilles, in his report on Indian cotton as recently printed in the Textile World Record, states:- "A foreman on the docks, with whom I discussed this question, told me that a lighted match might be thrown upon an Indian bale, without much fear that the bale itself would be damaged, and that the working men, who are in the habit of smoking a great deal, were under no special instructions as regards sparks and matches when handling Indian cotton. On the other hand, when American cotton arrived,

the most minute precautions were necessary to prevent accidents." Also he says in another place, quoting a Liverpool compress manufacturer, "No instance of a cotton fire on board ship or in a warehouse has been known with these Indian-pressed bales, whereas fires are of constant occurrence with American bales."

The present cylindrical bale, as marketed by the American Cotton Co., is also fairly satisfactory. A committee of the National Fire Protection Association, of which Mr. Charles A. Hexamer was Chairman, made tests on cotton bales in 1902 and found this bale, "Not subject to a flash fire", and also that it could not be burned when set on fire on either end. When the bale is ignited on the side, however, the fire will spread quite rapidly. The Lowry bale, which formerly was in use to some extent, behaved exactly in reverse of this, a fire started on its side would not spread, but one started on the end would follow the coils and consume the whole bale.

The greater the density in a cotton bale, the less it is subject to damage either by fire or water. In the test heretofore mentioned, the salvage from the fire test was about 71% on the cylindrical bale against 65% on the compressed and 50% on gin bales. The density of the bales was thirty-five pounds, twenty-two lbs. and twelve lbs. per cubic foot, respectively. In an immersion test of forty-eight hours each, the gin bale absorbed over two hundred per cent. of water, the Compress bale over one hundred and sixty two per cent. while the American bale, with its greater density, absorbed but thirty-five per cent.

It will be observed that the compress bale used in the test was somewhat more dense than the average. These bales as received at New England Mills often run as low as fifteen lbs. per cubic foot.

Wet and damaged cotton must be opened out and rehandled practically by a handful at a time. Often it cannot be used on the mill on account of stains and must be sold for other purposes.

A FIRE PROTECTION PROBLEM.

In reducing the loss by fire, the fire protection engineer naturally first turns his attention towards eliminating, as far as possible, the elements which cause the fires. We cannot prevent locomotives, chimneys and people who smoke from throwing fire about promiscuously. We can usually, however, protect our goods against these well known and common exposures, but in the case of the American cotton bale, the cause is practically beyond the influence of the Underwriter. He sees the crime but cannot lay hands on the culprit. He must insure the cotton as he finds it sparks and all. One way to do this is to make a rate and trust to good fortune. A better way, and the one to which we are giving our attention, is to try in some measure to counteract the danger from fire caused by poor baling, by applying improved methods of storage and by modern fire protection.

Although it is not the purpose to here mention all the possible saving in improving the cotton bale, a few matters relating especially to insurance will be considered. It is not uncommon now for nearly a year's supply of cotton to be purchased at one time and stored in the mill yard. This has meant a great increase in the number and size of storehouses. The Insurance Companies have usually asked that cotton be stored separately from other goods. Had the cotton a density of thirty or forty lbs. per cubic foot, as has Egyptian or Indian, instead of about half that, as at

present, the cost of storehouses would be decreased proportionately and, therefore, the insurance on same would be less.

In order to reduce the losses as much as possible, the Underwriters have been compelled to ask that the values per fire section be kept low and, therefore, the present standard type of cotton house with wooden sides and brick fire walls dividing it into sections, has been developed. This type of building costs forty to fifty cents per superficial foot, and a material saving would, therefore, be possible were the cotton compressed to twice its present density. Moreover, many mills have been put to the expense of equipping their storehouses with automatic sprinklers in order to save in the cost of insurance. As the buildings are not heated, the sprinklerequipment is considerably more costly than an ordinary sprinkler system as a special automatic dry pipe valve must be used to keep air pressure in, and the water out of the pipes until a fire occurs.

We do not wish to appear as discouraging sprinklers in cotton houses and we do not say that sprinklers would not have been required if the cotton bales were all similar to the Egyptian and Indian bales, but the loss by fire would certainly be less and, therefore, also the cost of insurance.

This is also true of Marine insurance. A large underwriting house in New York who make a specialty of cotton, state in a recent letter that other things being equal "The Marine rate would be much in favor of Egyptian cotton on account of the superior baling of this article."

We realize the difficulties to be met before improvement in the present bale can be made. Doubtless, under the present system of sampling, the underwriter must be contented with a somewhat

ragged bale. There is no doubt, however, of the benefits to be obtained by a greater density in the bale. The Egyptian and Indian cottons are a better insurance proposition than grey print cloths in bales, and we hope to see the American bales raised to the same level. Of course with greater compression, the underwriters will probably have to cope with larger amounts of loose cotton in the opening rooms of the mills, but this danger can be easily guarded and is more than offset by the reduction in number of fires we could expect under the improved methods of baling.

We trust that in considering any plans for the betterment of marketing American cotton, the matter of loss by fire will be given proper attention. It is perhaps needless to state that modern fire prevention devices should be installed in all large gin houses and warehouses throughout the South, and special care given to prevent any oils or other foreign matter being baled up in the cotton. Then, with a density of forty pounds per cubic foot in the bale, and a covering that will shed sparks, we could look for a material reduction, not only on the million a year loss on cotton passing between the compress and the mill, but on the fire tax on all American cotton wherever handled throughout the world.

A DELEGATE: Mr. Chairman, I would like to ask one question, or rather, I would like to ask a favor, and that is that Mr. Richards will in as few words as possible show the distinction between the Egyptian bale and the American bale, showing the advantage of the Egyptian bale over the American, what the Egyptian bale is covered with and in what other respects it is preferable to the American.

MR. BENJAMIN RICHARDS: I think the main advantage of the Egyptian bale is its great density.

THE DELEGATE: In the original bale?

MR. BENJAMIN RICHARDS: The finished product; I do not know about the gin bale. Therefore it does not absorb sparks and the cover is practically intact.

MR. W. S. MILLER: Mr. Chairman, I would like to ask a question in the line of what people will ask me when I go back home. Could we have a cotton bagging manufactured that would protect our cotton better than the present bagging? Sometimes we have a good deal of cotton on hand which we cannot sell, and we want to get rid of it, and if we could have it made into bagging we could give some of you men a job. We want to hear from you spinners on that. The question is often asked in that way. If so, state what kind of bagging and something about the cost of it.

MR. H. W. MACALISTER: Several points have been discussed which I would like to touch upon. First of all, in order to adhere to our program, I must speak on the subject of ginning. During our travels in the South last month we have seen several new principles of ginning which to us as spinners made rather a good impression. But we are not here as spinners to attack any particular system of ginning, and in speaking today I merely wish to bring before your particular attention the fact that if you gin your cotton better you will obtain a better price for it. One of the gentlemen from South Carolina (Mr. E. D. Smith) spoke of the difficulty that there was in getting at the gin a fair price for his cotton; that is to say, that if the planter brought two or three grades of

cotton to the gin and had them ginned, when the buyer came and he had to bid for that cotton the buyer made no distinction between the value of one grade as against the value of another. I merely refer to this to show you as pointed out by Mr. Smith that therein lies one of the great economic difficulties of getting rid of the middleman and bringing the spinner into direct touch with the planter. If the spinner in England or in the Northern States of America wishes to buy a certain grade of cotton and he telegraphs down to Mr. A. a planter, to ship 100 bales of middling or low middling or as the case may be, I would ask whether the planter is acquainted with those grades -- whether it is not necessary that there should be an expert between the seller and the buyer to grade the cotton? The mere fact of the buyer giving an average price to the planter -- that is, the same price for the lot -- does not imply that he is giving him too little for his cotton, because the buyer in grading his purchase to suit his customers subsequently sells the higher grades at a higher price and the lower grades at a lower price than he has paid to the planter, thus securing to himself an average value which includes his profit.

And that brings me to another point of the question. We, as spinners on the English side of the market, you will perhaps be surprised to know, can differentiate to the tenth part of a cent as to the value of cotton. Mr. Smith would perhaps say to me, "Why don't you do that with the planter?" But is the planter sufficiently acquainted with the market to know this? He cannot be so, as this knowledge is only in the mind of the man whose agent the intermediary is. I mention this to show you what a difficult thing it is for the planter --- at any rate until he is

brought into closer touch with Markets to value those things for himself.

Another difficulty is that when the planter brings his cotton to the gin he does not differentiate between the different qualities of his Seed cotton. That to a certain extent depends upon the ginner, and then the human nature of the ginning part of the question comes in. Some ginneries, as I understand, gin the cotton on commission; others buy the seed cotton from the planter. Now you can see, that in those two ways of dealing with the seed cotton human nature enters into the matter on two sides. On the one hand it is to the advantage of the planter, if he is having his seed cotton ginned on commission, to get the largest weight possible of cotton lint, if the seed cotton is in a damp condition he may think it is to his advantage by reason of its increased weight. But as a matter of fact, he does not gain by it, because the putting damp cotton through the gin cuts the fibre and makes it of less value to the man who finally uses it.

Now for the other hand, if the ginner buys the seed cotton at so much a pound he takes good care that he does not run the gin too fast, and the lint he produces is therefore not cut and damaged. In the first case if he has half a dozen farmers waiting outside of his gin-house and all clamoring to have their cotton ginned, he speeds up his engines in order to get through more work. The farmer's man wants to get home; he does not care about the value of the cotton; and as the Ginner gets so many cents a hundred pounds of lint turned out on the Bale the quality of the cotton does not affect his pocket.

As to the mechanical improvements that are likely to take place in the ginnery. I feel certain that it is only a matter of

a little time because inventive minds are already being brought to bear upon this subject, and there is going to be an improvement in ginning. We have seen one or two gins which certainly to my mind have improved the quality of the cotton passed through them as compared to the Saw gin. During our visit in the South we have asked the owners of several of these improved Gins if they would send samples to this Congress of cotton ginned through a saw gin and through the improved gins, in order that planters here might be able to see the difference in the cotton ginned by the two processes. I want to insist, gentlemen, that you keep before your minds the fact that if planters will give their attention to insisting on having their seed cotton ginned with greater care, whether with the Saw Gin or an improved gin, they will get better stapled cotton.

Now to pass on to the question of baling. One or two of the speakers have referred to Egyptian bales, and I want to give you an ocular demonstration as to the improvement the Egyptian bale is on your American system. I have here some photographs of an Egyptian bale which I had taken at our factory in England, and you will notice that two of the bands have been taken off for sampling purposes. Any gentleman who wishes can have one of these photographs. But I want to point out with regard to this Egyptian bale, first of all, the wauvas which covers it (sample shown)

A DELEGATE: Mr. Macalister, do you know the weight per yard?

MR. H. W. MACALISTER: You can weigh it in a few minutes.

A bale of Egyptian cotton weighing 750 pounds has from five to six pounds of that canvas on it.

A DELEGATE: How many yards?

MR. H. W. MACALISTER: That I cannot tell you because I do not know, but I do not suppose it will weigh more than six to eight ounces to the yard.

MR. J. A. TAYLOR: About eight ounces to the yard.

MR. H. W. MACALISTER: Upon an Egyptian bale of cotton there are four to six pounds of that canvas. Upon the same bale there are eleven bands, as you will see by the photograph. Two of them are missing because they were taken off for sampling purposes before the cotton arrived at the factory. That means that on a bale of Egyptian cotton there are about 24 pounds of tare and bands. That bale weighs 750 pounds. An American bale of cotton usually weighs an average of 500 pounds or thereabouts and carries eight to nine pounds of bands --- taking seven bands as the average number on an American bale when it arrives in England, and it carries 22 to 24 pounds of canvas. The difference is considerable. In the American bale you have 30 to 31 pounds of tare and bands for 500 pounds of cotton as compared with 24 pounds of tare and bands upon the Egyptian bale of 750 pounds. One of the great disadvantages of the American bale as compared with the Egyptian is this, what we call the flat side of an American bale is the narrowest, the round being the broadest side. In an Egyptian bale you will find that the flat side is the broadest and the round the narrowest, and on this account it packs better on board a ship or on a railway truck than an American bale.

The Egyptian bale has another advantage that its bands are

all fastened in this way (illustrating). Here are the two ends of the bands close together. These are all cut into standard lengths to suit the circumference of the bale. When the pressure comes on and these two bands are brought together, these rivets are slipped into their places and the expansion of the bale when relieved from the press holds them tight. When the bale is packed there are no ragged tie ends sticking out, and the consequence is when you come to ship the bale its bands do not tear the canvas of the bale next to it, consequently the handling is easier and the damage in transit is comparatively nil.

One of the gentlemen mentioned the fact --- and perhaps I should now ask him for further information on the subject --- that with the firm he represents an estimate of 24 to 25 pounds a bale is the recognized quantity of tare (canvas and bands) that is put on a bale over here. We do not find that so in England.

MR. E. A. CALVIN, of Texas: What did you say the weight of the canvas or the bagging on a bale of cotton is when it reaches the factory? 24, 25 or 26 pounds?

MR. H. W. MACALISTER. Egyptian cotton?

MR. E. A. CALVIN: No, American Cotton.

MR. H. W. MACALISTER: American cotton, about 30 to 31 pounds. (canvas and bands).

MR. E. A. CALVIN: The average weight of the tare, hoops and all, in the United States when it is ginned is 23 pounds. I just wanted to say that the purchaser is not responsible for that excess weight of tare. He has his cotton ginned at the gin ---

MR. H. W. MACALISTER: I quite recognize that, sir, if you will excuse me for interrupting you, but I want the gentleman over

here (addressing Mr. Bryant) to elucidate that from his point of view before I go on. Perhaps he would be kind enough to do that, and explain why it should weigh in England 30 pounds on a bale instead of 24 or 25 pounds?

MR. C. B. BRYANT: Twenty-five pounds is regulated by the mills in a certain section and by cotton buyers in that section as a basis on which shipments should be made. It does not necessarily follow, as I stated, that the bagging and tare on the cotton is 25 pounds. We find in shipping cotton to the mills that we often have forty pounds and we have to rebate the mills fifteen pounds to bring it to the twenty-five pound average.

MR. H. W. MACALISTER: It is very evident, gentlemen, that a considerable addition is made to the tare upon a bale of cotton between the time it leaves the planter's hands and as it reaches us in England.

MR. E. A. CALVIN: I have stated that that extra tariff is put on to cover stealage.

MR. H. W. MACALISTER: Stealage?

MR. E. A. CALVIN: Yes, stealage.

MR. H. W. MACALISTER: I am much obliged to you for the information.

MR. JAMES R. MACCOLL: I think I can answer the question. The Englishman buys his cotton at six per cent. and they accommodate him; before it gets to the mill they get the six per cent. onto him.

MR. H. W. MACALISTER: It is quite evident that the Englishman ought to alter his ways. Now to go further into the question as to the cost of carrying the American bale as compared with the cost of carrying the Egyptian bale, I find we can bring a bale of Egyptian cotton from Alexandria in Egypt to Liverpool at a cost of about 5 s. 6d. That is to say, ---

MR. J. R. MacCOLL: \$1.32.

MR. H. W. MACALISTER: \$1.32. It costs to bring 500 pounds of American cotton from New Orleans to Liverpool about \$1.50. That is to say, it costs as much to bring an American bale from New Orleans as it does to bring an Egyptian bale which is half again as heavy as the American, over the same distance on the sea. This shows you gentlemen that there must be something wrong in your methods. It shows you that it is cheaper for the ship-owner to carry the Egyptian bale than the American bale.

MR. W. F. VANDIVER: I would like to ask, is it not a matter of competition and not a matter of the condition of the bale so far as the transportation line is concerned?

MR. H. W. MACALISTER: It is a matter of space occupied entirely.

MR. W. F. VANDIVER: Are the bales of the same caliber?

MR. H. W. MACALISTER: The difference lies here: The Egyptian bale contains 750 pounds of cotton, whereas your American bale of only about 500 pounds weight, occupies about the same space.

MR. W. F. VANDIVER: Then I would like to ask this question:

Is it desirable or to our interest that we should pack a 750 pound bale versus a 500 pound bale?

MR. H. W. MACALISTER: No, sir; I do not for a moment contend that the size of the Egyptian bale is suitable for your particular conditions. It is a question of the form of the bale and its density.

MR. W. F. VANDIVER: That is what I am driving at. I am trying to develop the difference in the two.

MR. H. W. MACALISTER: Quite right, sir. I am pointing this out in order to show if you make your bales more in the shape of a brick, i. e., "square", and take away these rough ends of bands that are always sticking out and adopt the Egyptian system of fastening the bands so that they will lie perfectly flat, your cotton will go into a smaller space, the ships will carry more weight in the same space and they will charge relatively less freight for it, because, after all, you must remember that a ship is only a machine for the transport of goods. The more weight you can put into the space she has for cargo the less it costs per 100 to carry goods. A ship must earn so many thousand dollars every trip or she cannot pay. If she can get the competitive amount which pays her interest on capital, the cost of running, coal, wages, etc. etc., plus a profit, that is all her owner wants. The shape and density of a bale of cotton affects the cost of carriage and therefore the interest of the farmer just as it does the interest of the man who last receives it.

MR. W. F. VANDIVER: Mr. Chairman, what I want to ascer_

tain, if possible, is to locate the difficulty -- and there is no better time to do it than when we have representatives from both ends of the line ---

MR. H. W. MACALISTER: Hear! hear!

MR. W. F. VANDIVER: That is, representatives of the American shipper and the English receiver. And it seems to me very clearly demonstrated, if you will allow me, that the trouble is not with the American farmer or with the American ginner, so far as the baling is concerned. It is important, Mr. Chairman, that we locate this trouble with the view of correcting it. If we as producers are being penalized either by the speculator or the buyer of our cotton or by the compress man, we want to get in behind that department and correct whatever the difficulty is. I see day after day the receipts of cotton in original packages coming from the original producer in our market. I do not see the evidences of neglect or raggedness, if you please, or the long ends of the ties. Now, Mr. Chairman, when it comes to the compress we do know that they buy largely of cotton ties to put additional bands upon the bale. We also know that they buy largely of bagging to put additional bagging on the bale --- they say to cover up holes. Compressing does not give them any more bagging, but they buy more bagging and put it on and patch the bale before they compress it. If that is our trouble, then we want to by legislation or otherwise compel a compress to clip off these long ends of bands instead of leaving them on and having to account for this short weight when it gets over on the other side. We want some standard fundamental principle to govern us in delivering our cotton for

export as well as in delivering it to our American manufacturers. The railroads compress ---- you know why, gentlemen --- for the purpose of getting more bales of cotton into their cars in order to save the investment in capacity for tonnage. That is a reason they do it. It is a good reason; it is a business reason; I do not blame them for it. But in changing it to their economy they ought not to penalize the farmer who produced it in order that they may be able to carry more tonnage in a given space.

Now while I am on my feet, Mr. Chairman, I will answer a question --- Mr. Smith was not in the room at the time Mr. Macalister asked it --- and that is as to the great difficulty he seems to see in the suggestion we have made of dealing directly with the farmers and producers of cotton throughout the south. My understanding is, and it is my observation every day, that cotton is stored in a warehouse, a very long table is provided and on this table are placed perhaps eight or ten or fifteen crops of cotton, each one having its number and its initial upon it indicating to whom it may belong. Now, then, if our suggestion that you deal directly with our people should be considered favorably, and carried out in the old way that you manufacturers used to buy from the South -- that is what it means, simply that and nothing more -- it means that you can go to these warehouses, or your buyer or representative, and ask for so many bales of cotton. There is your price for that certain grade of cotton, which is a better price than it is for the low grade, and it is so much better that the farmer says, "Well, let him have it." That instruction is given usually when the cotton is stored --- "Whenever you can get it on the table with a good lot of cotton, sell it all together unless

you can pick up the good cotton and get more money for it." That is easy to be done; it is not an impossibility at all for you to deal directly with the farmer, so to speak, and not have so many middlemen coming in between the producer and the manufacturer of cotton. You will not have so much tare added. I will come to that in a moment.

Now, Mr. Chairman , you asked a very close question of our friend right over there. I don't know whether he told you all he knew or not. I don't believe I would have done it if you had asked me such a question. The first thing that is done with a bale of cotton when a farmer brings it to town, some fellow comes along and with a hook he rips a big hole --- and what next? Pull out a little of it? Not at all, but he bores into it with an auger for that purpose and he yanks it and he yanks it until he gets out a great big hunk of it. He puts the number of the bale of cotton on it and when he is through sampling that entire lot of cotton he carries it to his office to offer the cotton for sale.

The next proposition is, the man who buys it for you to be shipped to England comes along and repeats the dose with a good-sized auger, larger than the warehouse man's auger considerably, and he pulls out a whole lot more. From that he selects you a very nice sample, ships it over to you, and you get about half of what is pulled out of the bale, but he no doubt charges you with the entire amount. He either did it directly or indirectly, one of the two. You did not get the cotton and he did. There is a great deal of that kind of cotton taken out and rebaled and repacked and delivery made afterwards.

I think, Mr. Chairman, early this morning there was a lit-

the lack of candor on the part of the manufacturers here. I know that the representatives of the cotton producers of this country are before you, gentlemen, in the proper spirit. We are not here to seek information for the purpose of taking advantage of it. (Hear! hear! from Mr. Macalister.) We are to consult with you as men identified together, as a mutual interest to us all. How can we as producers of cotton in this country act intelligently and use that wisdom which we ought to have unless we can consult together? And let us talk without mental reservation. We are not afraid of you. (Hear! hear! from Mr. Macalister.) you ought not to be afraid of us. We are dependent on you; you certainly are dependent on us.

Now, Mr. Chairman, our interests run along on parallel lines absolutely at every point. It is to your interest that we should have good land on which to grow more cotton. You have told us candidly to use more fertilizers for the purpose of growing more cotton. We believe you are right. Then we turn around and say, "Now, here, gentlemen, we want to take your advice, but we want to act intelligently. How much cotton do you want?" and every last one of you will just sit right back. Now, you know a heap more than you are telling. Yes, you do. I can prove it by some of the statements that were made here this morning. You are not quite as candid as you ought to be. I am talking very plainly to you, but I mean it in all kindness. Here is a gentleman over here who does not know anything about how much cotton he is going to want. That is what he says. Now at the beginning of the season we go and buy our year's supply of cotton. How do you get at an idea of what you want?

MR. STEPHEN A. KNIGHT: That only referred to one concern.

MR. W. F. VANDIVER: If one can do it another can.

MR. STEPHEN A. KNIGHT: Yes, but one cannot do it for another as well as he can for himself always.

MR. W. F. VANDIVER: Oh yes, you are all doing it, every last one of you. Good prudent business men are doing that same thing, and if I was in your place I would do it, too.

Now, gentlemen, why do we want this information? We want to raise all the cotton that you need. We don't want to raise a question that is radically against us; we are not going to if we can help it. We don't want you to do it, but let us be candid, let us reason together. Why do we want all this information especially now? We want it for a purpose. What is that purpose? We want to know, Mr. Chairman, when this Executive Committee meets later on, what price to put on this cotton. That is what we are driving at. Now we say to you, help us do this; help us arrive at an intelligent conclusion. Do not forget that we have got some sense about the proposition. Do not think that we are going to put the price of cotton so high that it is going to let in short staple cotton from India and everywhere else and knock out our cotton. We are not going to do that. Selfishness, if nothing else, is going to keep us from doing that. Therefore we come to you and say we want this information and we want your co-operation, and we want you to name the price that you can pay for cotton. That is the plain English of it. We want to make all the American cotton you want. We can make, as your President has told you, 300,000,000 bales of cotton if you need it. We have the territory to do it in. When we come to you, gentlemen, in this spirit and ask for your in-

fluence and ask for your co-operation, just come across and let us have a candid expression from you and give us all the information you possibly can, and then if we go on and make mistakes we will be to blame for it. But if we make mistakes which are against your interests, "shake not your gory locks at us; you cannot say we did it." (Applause.)

MR. H. W. MACALISTER: In answer to Mr. Vandiver's question as regards the consumption of cotton, I would like to answer that by asking him a question. How do you think it is possible for me to tell you what I am going to use in the shape of cotton after September next when I do not know what my customers are going to ask for? I have orders on my books now to keep my factory going until September; I cannot go any further. They may come in next season and ask for quite a different thing. As I have already said, two years ago I was using about 100 bales of cotton a week. During the past year I have been using about 150 bales a week, but that is not because I have added to my machinery. I have not added a spindle. At present they want coarse cotton; later on they may ask me to spin finer, which means less cotton. If they do so, I shall have to meet their requirements. But I must return to the subject of baling. I have pointed out that if you will make your cotton into a better bale it will cost less in freight, in insurance, and in handling generally; the saving will probably be divided between the planter, the middleman and the spinner.

Now with regard to the tare on cotton, I have pointed out to you that this style of tare (samples now shown) is all that is necessary to cover a bale of American cotton. All that you have

to do is to make the bale a better shape, put more bands on it, similarly to the Egyptian bale.

MR. W. F. VANDIVER: Do I understand that you want a more symmetrical bale?

MR. H. W. MACALISTER: Yes.

MR. W. F. VANDIVER: In other words, you want a compress that will make a square block?

MR. H. W. MACALISTER: Make a square block bale like a brick, so that a greater number can be put into the same space in a railway car than can be done with the present style of bale.

MR. W. F. VANDIVER: Do you mean the original bale now?

MR. H. W. MACALISTER: The original bale.

MR. W. F. VANDIVER: The original bale, not to be compressed after it leaves the gin?

MR. H. W. MACALISTER: We want you planters to go in for compressing your bale at one operation; there should be no second compress.

MR. W. F. VANDIVER: At the gin --- that is what you mean?

MR. H. W. MACALISTER: I do not think that is an impossibility. I believe that I could find a press now which is made in England, which will not cost more than four or five hundred pounds --- that is, \$2500 --- against something like \$6,000, which one of the other gentlemen stated that one of your American presses would cost. I am referring now to a press made in England,

the same press exactly which goes to India for making the Indian bale. I think you can bring that press here and pay 50 per cent. duty, and it will not cost more than \$1500 or \$2,000, and I do not see why the compress man should not adopt it.

MR. W. F. VANDIVER: Do the farmers in India bale the cotton on their farms?

MR. H. W. MACALISTER: I think not.

The last item on this list is the subject of moisture and transportation. That includes the question of country damage. In our travel through the South, we have seen hundreds of bales lying in the open air, on the roadsides and in the fields. In the city of Memphis we were in a warehouse where there was a compress; there was not a bale of cotton under the shed but in walking along the streets we saw at least a dozen lying in the gutters. You may say that is an advantage to the owner of the cotton. Perhaps it is --- he may think so, at any rate. It absorbs moisture which he thinks he gets paid for as if it was cotton. But I find on inquiry that when a man comes to buy cotton in these interior towns which has been lying in the open air, he insists on having an allowance for moisture, and you may be sure he knows perfectly well as an expert in buying cotton how much moisture the cotton contains. If you ask me as a cotton spinner how much waste there is in a bale of cotton and you show me the sample, I can tell you to one or two per cent. what it will lose in sand, in leaf. And so the man who buys cotton can tell you pretty closely what allowance he should receive for moisture, and he makes you make an allowance at the scale for that moisture. That opens the door to fraud on

our side of the water. You see the position. An allowance is made for moisture by the planter here - which the buyer abroad does not get the benefit of.

In addition to this there are other methods of fraud, we find --- in fact we have seen it ourselves --- where there are opportunities at the press of putting moisture into cotton. It is rather a curious thing that in different parts of the country one district produces damper cotton than another. Mr. Christopher P. Brooks of New Bedford, Mass., in a paper which he read before the New England Cotton Manufacturers Association about two years ago pointed out the fact that American cotton averaged for Texas, New Orleans, Memphis, Sea Island, Norfolk and Florida something like 9.2 per cent, while cotton from the Savannah District averaged 13.8 per cent. of moisture. Now can you account for this gentlemen? Why should cotton from the District of Savannah contain so much more water, why should it rain more in Savannah than anywhere else? Does it rain more in Savannah than anywhere else? It does seem to me to be a remarkable circumstance that this should be the case.

Another matter, gentlemen, I would like to point out to you. It is somewhat remarkable that in October, 1904, notwithstanding a remarkably dry September, the Little Rock Board of Trade discovered that cotton was coming into the town in a very wet condition. They took the trouble to investigate the matter and eventually they issued a circular to their members, and this is a copy of it: (Reading from Little Rock Board of Trade Circular)

"In the face of an exceedingly dry September there are numerous complaints as to the dampness of cotton and a heavy loss in weight. Many bales have been received here by buyers that were water-packed or steam-packed. In one instance an entire carload has been rejected for this cause and the cotton is in an unmarketable condition."

Now, gentlemen, that speaks for itself. Here is one of your own Institutions which has asked its members to see what they can do to stop this fraudulent dealing with cotton at the press. It rests with you all as men in the trade to see that this kind of thing does not go on. Fraud is always discovered in the end. Somebody secures a temporary advantage but the old proverb is still true, "Once bit, twice shy." A man is not usually taken in a second time.

I do not think I need enlarge on this subject.

Now, gentlemen, I have spoken to you straightforwardly --- I have told you all that is in my mind, and although my friend Mr. Vandiver may think that I am keeping something in the back of my head, I assure you that I am not. As a spinner it is impossible for me to foretell how much cotton I am going to use next year as compared with this year. It is an utter impossibility. I might tell you that I may use five per cent. more, but it would be an absolute guess on my part. I might tell you that I shall use ten per cent. less; it would be equally a guess, because I do not know what my customers are going to ask for next year.

DR. N. P. HUDSON, of Tennessee: I never had the pleasure of being in Savannah, but I would like to answer the question that has been put here as to why sometimes there is more water in certain sections of the world than another. All of us know that in certain climatic conditions cotton will absorb more water than it will in other conditions. The exceedingly moist bales that the gentleman referred to are not to be laid at the farmer's door, because that farmer gets a public man to gin his cotton and if he wanted to have it water-soaked or steam-soaked he could not get

it done anyway. That applies to some of these larger concerns. I do not know where they come from, but wherever they are they ought to be spotted. We come from the men who actually raise the staple, and ask these spinners to say what class of bales they want, and when we go home we will try and put it up to the ginner so that he will have to furnish it. I think this Conference is going to accomplish much in the way of bringing us together. We would be glad to know the exact shape of package you want, and if you will give it to us we will make our ginner furnish it. We want to furnish it in the shape you will pay the most for it, and we will be glad to have you state it. That is what we want. It seems as if each one of you is afraid to make a statement for fear of conflicting with somebody's else interests. We raise cotton, we do not gin it as a rule, but we will make the fellow that gins it furnish the kind of package you need, and I wish you would get together and point it out.

MR. H. W. MACALISTER: You have just referred to the question of somebody's interest in this matter other than the planter's. In my remarks I wish you to understand I am not referring to the planter. I am speaking only as a man who has to use cotton and to point out the defects in the condition in which it reaches me.

With regard to these other interests I am sorry that I have to point them out, but I must be plain. You have a baling trust, you have a tie trust, you have a bagging trust, and you have a seed trust. Gentlemen, those are the people that are taking the money out of your pockets. I am surprised you do not see it!

VOICES: We do see them.

ANOTHER VOICE: We feel their hands in our pockets.

MR. H. W. MACALISTER: I am delighted to hear it -- that you realize it.

A VOICE: Yes, sir; we realize it fully.

MR. E. D. SMITH: That is why we want to fight the devil with fire.

MR. H. W. MACALISTER: Forewarned is forearmed. One of the first measures that you can adopt is to discover amongst these bales which I have seen the most desirable one. I have seen two or three of them in the South. There is the bale called the Luce bale, the Thomas bale, the Roger bale, and one or two others.

A VOICE: The Lowry.

MR. H. W. MACALISTER: The Lowry bale and the Reagan bale and the American bale, all of which have their advantages and disadvantages. I am not going to advocate the use of any one of them. That is not my business. My business is to get bales of cotton from you that will cost less to carry in the ship, that will cost less to carry on a railway, that will be less subject to fire, that will reach us in England from the farmer at a cheaper rate than at present. That is the crux of the whole business.

Mr. : Let me ask you one question. How do you regard the Lowry bale or the round bale as compared with the square bale? I ask that question because I am a receiver of both kinds of cotton ---

MR. H. W. MACALISTER: If you will allow me to first finish

the subject I was on.

In regard to moisture in the bale. I want to ask the farmer as a farmer, as a planter, after he has got his cotton into a bale, if he will take better care of it than he has done heretofore. We are users of cotton, whether in New England or old England, or the Southern States, ---- particularly in old England, because we are very much farther away from the first seller and it is much easier for us to be defrauded than it is for a man who is on this side. The New England Association has fixed certain rules as a basis upon which they will buy cotton from the Southern States. I do not say whether it is the planter or the agent or anybody else, but they say, "We buy this cotton with so many pounds of tare and we will not have any more." In England we have been accustomed to buy it hitherto with a good deal more tare. That we will look into when we get home. But in regard to this question of country damage, nowhere in the Southern States have we seen space where cotton can be stored after it is baled. We have seen more cotton outside exposed to the weather than there is inside in the whole Southern States put together. I should think as an average that there are ten bales outside to one bale inside. That is really one of the things that we are suffering from on our side of the water --- the country damage that takes place to the cotton.

Just before I left England we had this matter very seriously under consideration amongst us as cotton spinners. I was one of a deputation who was asked to go and see the gentlemen who represented the underwriting interests--- that is, those people who insure the cotton from the plantation or from the town where it is ginned right through to England. We asked them if no better methods could be adopted to prevent this country damage. They said they did

not see how it could be done. We suggested that they should have the cotton picked in New Orleans or Galveston or wherever the port might be before it was put on the ship. They said they had tried that and it was very much more expensive to do that work here than in England, therefore they had abandoned it. You can see as a matter of economics, gentlemen, that it is impossible for an association of underwriters to pay a man in every town to look after their interests. The man's salary would be a great deal more than the premium collected. Therefore they can only deal with that matter at the ports where the cotton comes in in great masses. They have a system of examining cotton before it is put on board ship, and if it is country damaged and has not been insured, they will say, "We will not insure that cotton," or they will put a price on it which will enable them to pick it when it reaches the other side. It of course comes out of somebody's pocket; it is either the man on this side or the other, or both. I ask you, gentlemen, as the men who deal first hand with the question of cotton, to deal with the question of protecting it from the Weather.

Mr. Smith has pointed out the needs in growing cotton. I have replied by telling him that every year that passes it will cost more to grow cotton. If you build warehouses it will cost more; the interest on the money has to be paid. Therefore you see that if your business as cotton planters is to be exploited and brought up to a higher plane, you must improve your machinery. The original hand spinner, ten thousand years ago perhaps, took a bit of cotton and twisted it in his fingers and made a thread, and eventu-

ally wove it into a piece of cloth. Why did some spinner who came after him invent a piece of machinery to accomplish the same thing? Simply because he had found he could cheapen the production and he could sell more of the product. It is exactly the same with all of us. We as spinners are continually having to adopt improvements. Since I came to this country I have seen an improvement which will enable one girl to do as much work with a machine as sixteen people have done before. What does that mean? It means that we are reducing the cost of producing cloth and we are going to be able to sell more of it to the world in general. It is exactly the same with the production of cotton. If by the use of fertilizers, by the use of machinery, by improving the education of your people, by all other progressive methods, you enable yourselves to produce more than before out of the same acre, you are doing the best thing you possibly can for yourselves and for the world in general.

MR. E. D. SLITH, of South Carolina: ** Let me ask you one question. You were speaking of the improved methods of handling. We want to get down in this conference to the basis of this matter, and to emphasize the close business relation between the grower and the spinner. In the first place, let me call your attention to the fact that through the facilities for transportation and communication the world is growing infinitely smaller while the individual is getting infinitely great. Now you can obviate all these difficulties that you mentioned by obviating the terrible fluctuations in the prices of cotton. Can't you understand how the grower in picking it from the field, carrying it to market today, when it is worth 10 1/2, the half cent representing \$2.50 on

the bale, and tomorrow it is worth 10, a loss of \$2.50 on the bale, day after tomorrow it is worth 9 1/2, a loss of \$5. on the bale---- he simply has no fixed appreciation of the value of his cotton except as currency which today is worth maybe 25 per cent more than it is tomorrow, and he is just watching the market to see where there is a little profit and shoves it in without regard to its intrinsic value. If the spinners of the world will come in conjunction with us and, as I am intending to do in South Carolina, to demonstrate it, ---- build my chain of warehouses, have the cotton stored according to plans and specifications acceptable to the spinner and display my samples on the table and allow the agent of the spinner to come in and place his order, then the farmer knows the intrinsic value of his cotton; it will not fluctuate so that it will be tomorrow any more above cost than it was today, and the value of it is going to be determined by the intrinsic value of the package that he puts up to enable you to make a profit. Then he says, "Today my cotton is worth ten cents on the basis of a clean fibre, a neat package, one that will stand shipping and according to plans and specifications; it is worth 9 1/2 cents if I put it up in an indifferent package and allow its intrinsic value to be destroyed by my carelessness." Then you have solved your problem. But when in the package today, with the clean fibre and and good covering and everything up to specifications, the cotton is worth ten cents, and tomorrow under the arbitrary fluctuations of a gambling market it is only worth 9 1/2 cents, he is absolutely indifferent what shape it is in. That is where the trouble lies; and it is for you and me to solve this problem. You that are vitally interested and I that am vitally interested are the only parties

to solve it. And as long as you allow this horde of men between the field and the factory to come in and exploit American cotton and even as today, with a little scare in the stock market, to drop the price, and then let some little unforeseen disaster threaten the crop and rush it up, --- as long as that condition exists you will get any kind of stuff put on the market, and who could you blame for it? I go to work and improve my machinery and improve my ginning and say, "Well, in the long run it will intrinsically be worth more", when it is worth today \$2.50 less than it was yesterday on account of the fluctuations of the market. That is what has discounted it. You want good, clean cotton; you want a good clean product on the market from your mill. You want less weed; you don't want to buy dirt, you don't want to buy water, you don't want to buy a damaged package. We don't want to put it on the market. But when we are skinned to death we are going to do some skinning, too. It is human nature. If a fellow is going to beat you out of \$2.50 by speculation, by a drop in the market, we are going to fill the cotton with water. I might as well talk plain. That is where the trouble originates. If a man goes and gambles in this product which is essential to us, we are going to gamble, too. You say we could not get together. We can get together. But I suspect some mill owner says, "Well, I will sell this article on the basis of 12 1/2 cents for the cotton, and I will buy it at six; Mr. Gambler, help me to do it." I do not say that is what you do, but I suspect you do it. Thereby hangs a tale. Mr. Farmer says, "If I am going to sell this at a ruinous price, I am going to put \$2 worth of sand and water in it."

MR. HENRY P. GREG: I do not believe for a moment that either

the planter or the spinner or anybody else in the business has any such low ideas as Mr. Smith seems to imagine. (Applause.)

MR. E. D. SMITH: It is not a question of imagination; it is a question of simple, plain fact. We don't imagine. We have been bit between the eyes, by the Eternal, and know what we are talking about. I am not here imagining any condition; I am here telling you facts.

MR. HENRY P. GREG: Mr. Chairman, I desire to state that I have no part or parcel in such facts.

MR. E. D. SMITH: That may be true, but I say it is true and I say I expect I could name some instances where mills have met with terrible disasters by making their money in gambling in cotton futures instead of spinning. Now, we want to be right downright and I say that an agreement between us is possible. We can fix the market agreeably between us; and that is the plea that I have been making.

Now, before I take my seat I want to call attention to a matter which has been brought to my notice through a telegram. Everybody will know, if this is true, that it is absolutely absurd.

(Reading)

"Please call attention of Col. Livingston, Mr. Ellerbe, or some other practical cotton planter to the ridiculous paper on 'The Cost of Raising Cotton,' by E. C. Willey of Boston, published in Textile Journal, page 41. I don't know whether this paper was read before the convention this morning as per program, or only ordered printed, but somebody ought to take steps to have it expunged at once. He gives seven statements of planters showing cost per pound 3.70, 2.85, 4.61, 3.19 4.42, 4.38 and 3.72 cents per pound. Such absolute incorrect statements should not be allowed to go on the record and be distributed broadcast throughout the world as the

proceedings of the convention will be. If Col. Livingston or Mr. Ellerbe are not in please hand this to one of the Southern Cotton delegates.

HUGH G. McELROY,
With Miller & Co.

New York, May 1, 1906."

I was not present and do not know whether the paper was read or not, but I want to call attention to the fact that if any such estimate was put upon the cost of production it was absurd and we as a body would like to let the world at large know that nobody can grow cotton on that basis.

I want to put myself squarely on record, and I believe I appeal to the commonsense of everybody here when I say that the terrible fluctuations of the future market are the cause of the indifferent packages, the indifferent gatherings and the miserable subterfuges to keep even that we find in the cotton world at large. I state that much, and I believe that the real close, hard study of it will demonstrate that that is the fact.

MR. BENJAMIN L. GRIFFIN, of Arkansas: Gentlemen of the Convention: I have sat here today as a representative of 600,000 organized farmers of the Southern States, and I want to testify to you before I proceed with a short discussion of this matter that I have been more than astonished today. Yes, I have been more than astonished at the expressions drawn from the distinguished gentlemen here in convention assembled. I want to say that if the voice that has permeated the expressions or the business ideas drawn from the manufacturing interests here today is actually the real state of affairs, and these distinguished gentlemen are in this attitude that they are not able to definitely tell us or approximately tell us

how many bales of cotton they can use, it reminds me very forcibly of the condition of the farmer whom I have the distinguished honor to represent in your presence,---and, by the way, just as far from the manufacturing element as it is possible for a representative to get --- raised on the farm and for thirty-three years a farmer by actual profession. I say, then, if the expressions that have been drawn from this distinguished body of manufacturers are the exact facts relative to what you know about your business, you remind me very forcibly of the farmers of this country. And if you would permit me a little anecdote right here, I will illustrate the position of you and myself, both.

A very wild fellow down in Arkansas, who had never prayed in his life, was down on the White River one morning early with his gun after some wild ducks, and he met a bear. The bear came along the bank and was so situated that Bill couldn't climb the bank without going straight up, and the only other way out was into the water, and he wasn't a good swimmer. Bill saw the necessity of an intervening Providence at once, and he said, "O Lord, I have been a wicked man; I never called on you before, but I need you here right now. O Lord, if you can't be with me and help me in these few minutes of trial and tribulation through which I am about to pass, I will ask you not to be with the bear, but just stand still and there'll be the dog-gonest fight you ever saw." (Laughter.)

This is the way your particular case illustrates itself to me, precisely.

You say in discussing this great question of packing and ginning of cotton that it is imperative on the part of my people that we prepare you a nice, neat bale of cotton. Yes, and have it

taken over to Little Rock or other cotton centers and have it torn all to pieces by a class of people who make your prices and make our prices, and then censure us for it? No, sir. I tell you that is not the proper thing. I heard appeal after appeal today from these honest farmers and their representatives to give us an outline and we will put in the balance. I am thankful that Brother Macalister read the article emanating from the Little Rock Board of Trade. I have the distinction and honor of living only thirty miles from that august body. You know what they did in Little Rock last fall. Mr. Macalister, here is the evil I want to eliminate from the Boards of Trade of this country, and that is the holding out of false pretense to the manufacturing world abroad and at the same time with their hands down in the pockets of the farmer, living off of an artificial process, not given to hard labor. In the town of Little Rock, sir, last fall, I am credibly informed that they packed 972 bales of cotton that was fleeced between the delivery into that town and the delivery to the manufacturers. Is the farmer responsible for that? No, sir, but if he happens to get a bale of cotton in there that has been in a hard rain or thrown off in a slough or mud of the river bottom or some other place, the entire body of organized farmers are charged with the dishonest packing of cotton in order that we may be protected in a speculative market. This is with due deference to all parties concerned, but I emphatically say that what we are contending for is the right and what is justly due us. And as a representative of the Farmers' Educational and Co-operative Union of the South I am proud to say that we have set a price on cotton that is not excessive. There are demands that we do not believe when they are conceded will be excessive in the markets of this country. We came here to

represent that body and to ask you to enable us to protect them by dealing fairly with us. I want to hear that proposition discussed. If you will assure this body of people here that before we go away from here we will have the guarantee that in laying out money to equip the cotton industry of this country in the shape of building perfection gin plants and compress plants, after we have gone to all this expense we may deal directly with you to cut off this horde of speculators, the horse leech and his two daughters, crying, "Give, give!" I will promise you, sir, that we will deliver the goods; yes, sir, we will deliver them in good shape. We will deliver them wrapped in tin foil, if you want it, or any other way, but never can we do it, never can our country be expected to give them the same as you require of us until we are guaranteed that the man who stood in the gambling pits of this country and robbed our wives and our children, naming your price and our price --- until he is eliminated, sir, never can we be expected to go into our pockets or into our treasuries and lay out colossal fortunes in preparing a bale to be torn all to pieces when it reaches the first port for sampling purposes. This is a parasite upon the commerce of this country. I have had the honor of living in the cotton belt all my life; I have worked in the cotton gin fifteen years of that time. I think I know something about packing cotton. The insinuation of the Little Rock Board of Trade, made either ignorantly or purposely, I know not which, that a man can steam-pack his cotton and injure the sample is too absurd. The man does not know anything about packing cotton that tells me that steam ever goes into a cotton box. The follower blocks go down there, but the steam is supposed to remain behind the piston that

drives the machinery into that box and could not absolutely injure it.

A VOICE: Didn't you ever see it leak?

MR. BENJAMIN L. GRIFFIN: The compress leaks above the box, that is all. I have run four different presses and I have never known one to wet a lot of cotton except from the leakage from the condensation that might drop about the box. Yet here is an allegation brought against my State as a cotton-producing State that the farmers steam their cotton. They do pack with steam, but steam packing and packing with steam are two different propositions. I mention it that we may put it right before this body. We do not want the Little Rock Board of Trade to imply that our farmers have water-packed cotton. We feel this way, brothers: We want you to have your rights; we want ours --- that is all.

I thank you very kindly for the information that you have delivered to me today, yet I am sorry that you are not able to tell us that from this time henceforth --- and I hope before we leave here that we can separate as a band of business men, determined on one specific purpose, and that is to protect the manufacturer and the producer in a way that this speculative bunch will either have to get to work or go to manufacturing or making cotton, one of the two. We need them to do it. We do not need any idlers in this country. I do not believe there is a man within the sound of my voice that would tolerate taking a thing from a man that did not actually and justly belong to him. Yet we suffer ourselves to be depredated upon in this way, carelessly because we fear one another. I admonish you, sir, that such is not the case and

should not exist in this country. We should work together to protect ourselves. The producer and the manufacturer must ultimately get together or we are forever ruined. I thank you for thus patiently listening to me.

MR. WILLIAM D. HARTSHORNE, of Massachusetts: I have listened with a great deal of pleasure and some regret to some of the statements which have been made. I am very sure that the manufacturers have not come down here with any idea of accusing the growers of cotton or even the packers of cotton of intentional fraud. (Hear! hear! from Mr. Macalister.) The facts, so far as I know them, are certainly quite to the contrary in a broad sense. I happened to investigate not very long ago the question of moisture in bales of cotton as they came into our mills, and it is, I think, almost universally the fact that there was a greater percentage of moisture on the outside of the bale than there was on the inside. I think the only interpretation to give to that is weather exposure. It is one of the things, however, which we are here to ask that, if possible, it may be corrected.

There have been many questions asked and attempts, perhaps, to answer them, in regard to what amount of cotton can be consumed. Now, gentlemen, it is the public, as has been said before, who use cotton who will eventually determine that question, and it will be largely a question of the cost of the material to that public. Just as a little illustration that the price alone is not the question but largely also a question of -- what shall I call it --- style of purpose of what people want to do with anything --- might be represented in this way: We are manufacturers at the Arlington Mills of ladies' dress-goods, besides the making of cotton yarns for sale

and of worsted yarns for sale. You all know, perhaps, that the price of worsted at the present time is higher than it has been for a very long time. We make --- it is our business to make --- both cotton warp dress-goods and all wool dress-goods --- that is, where the warp is wool and weft wool, also where the warp is cotton and the weft wool. Just at the present time, as a very unusual circumstance, we are not able to get orders for cotton warp goods; everybody wants all wool. What are we going to do about it? We have thousands and thousands of pounds of cotton yarn bought, with the possibility and expectation that we are going to use them for these cotton warps. We will eventually, no doubt; it will come around to it; but how in the world are we going to know beforehand? Every effort of this kind to prognosticate the future is purely a question of speculation (Hear! hear!)

MR. J. A. BROWN of North Carolina: The discussion about this question seems to have taken a wide range this afternoon. We are discussing, if I understand it, the putting up of a package of cotton for the market. There is one thing about English customs that I like --- that the Government stamps upon the package what it contains, and it must contain it. There is but one solution to this question, and that is this: Put it up in a good quality of cotton duck. It sheds water; you may dump it out of doors in a wet place and it will come out all right if you take it up immediately. But the cutting wrappings of cotton half in two to sample it is absolute folly, in my mind. A man may go into the bale at any point with his auger and take out a sample without ripping it six

or eight inches across. The great trouble that you have found when it reaches your warehouses in England is due to the fact that the man who has sampled it on the streets of the town has cut the bagging half in two and left the cotton exposed. I am informed that eight ounce duck is not more than 33 per cent. higher than jute bagging now. The cost of bringing that bagging back here and recovering cotton with it, properly protected and not cut --- the value of it would be almost as much after being used as before it was put on the bale of cotton.

The laws of the Southern States give ample protection against fraud. In the enforcement of those laws lies in great part the solution of the trouble. No man has a right to put in a bale of cotton any foreign substance. If it goes to my friend's factory in England and he finds what ought not to be in it he can ship it back and the laws of my State will protect him. It is your own fault if you do not compel the dishonest shipper to make it good. The laws of the State forbid the putting of any foreign substance, such as iron or water, into a bale. I know of one specific instance where a turpentine distiller in one of the Southern States packed in at each head of the bale, on the bottom and the top, with a high grade of rosin, the centers with a low grade. It was shipped back across the water and returned to his yard, and it cost him \$6,000 to make it good. Then why should we sit here and quibble about this? The law of commerce will regulate it; it must regulate it. I believe that the wrappings of cotton can be brought back from the New England and the Manchester mills and resold to the farmer, that the cost of cotton duck will be no greater than the cost of jute, that cotton should be put up at the gin, its grade

and its weight stamped upon it, and no man should be allowed to take one pound and charge my friend in England for it. It is easily regulated and if he will insist on getting the number of pounds of cotton which he buys, the man who sells it will be obliged to put it there. It is a lax way of doing business. My friend here talks about the farmer neglecting his cotton. My friend, do not make the statement before this intelligent body that they are not, throwing it out all over the fields throughout the South and letting it stand there and go to waste and rot. It is a fact. We all know it is a fact, but I do not know how to help the man who is that big a fool, if you will allow me to be express, when a man will delve in the ground as you and I have done and then take that cotton and let it stand on the waysides and rot, I don't know any help for him. Of course the time will come when men will be forced to protect it in self defense. But this question of putting that package in to you is a vital one, both to me and the grower. It is a vital one to every business interest in this country. My banking friend is interested because if he advances on cotton he wants to know that it is worth the value he advances on it.

I have heard something said about the jute trust. Gentlemen, the time will come and it is not far ahead, when we will have a mammoth cotton trust, and we want you interested in it too, because you are an interested party. The difference between the trusts I would form and those that are ordinarily formed is that I would have you as a consumer and me as a producer own that trust and let the other man stand aside, and then we will have a perfect trust. Questions have arisen here this afternoon, particularly one of machinery, which involves the great tariff issue of this

country. We would never settle those questions. The only thing to do, in my mind, is for the New England spinner, the English spinner and the Southern spinner to demand that his cotton be put up in a good merchantable condition, and if the other man does not do it, it is his fault and he has to pay the penalty. We must adopt trade rules and start the ball rolling right now. I believe that the cheapest covering that the Southern planter can put upon his cotton today is 8-ounce duck, and he will buy it back from you manufacturers, and when you charge too much for it we will put up a duck mill in the South and make it. Then when a man puts a knife across it and cuts it, let him pay the penalty. It has passed out of the purchaser's hands; the middleman suffers the penalty and he will take pains that he does not cut it. There is no use of us talking about the waste of cotton in the South. It is a sad sight to the man that loves his country to go through it and see the waste that takes place there. It runs up into the millions.

Something has been said about packing by the presses and the wetting of the cotton. Personal experience goes a great ways. I had a press once where there was a leakage and water got into the cotton, and I had to send for the tinner and make a device to trail the water out, and I am satisfied that I sold some of my English friends unconsciously at least a barrel of water. (Laughter.) It does not come from dishonest intent. Much of it is born of ignorance, and, it is to meet that that we are here---to help educate these people up. (Hear! hear!) I say it is a part of the duty of the New England manufacturer, of the English manufacturer, and the Southern manufacturer to see that that cotton comes to him in good, merchantable condition. It is just as much your duty and mine to see that it is put' up in that condition. And if you are

amind to let the middleman destroy it, it is up to you---we have done our part.

We will not get clear at one stroke of the speculation in cotton. I know more farmers ruined by cotton speculation than I ever did bankers. It is the curse, I am told, of half the south-western and I know it is of the Southern States. You are actually selling next year's crop at ten cents and then asking my friend, "How much are you going to want?" Why, it is preposterous to my mind to be able to answer that question. How can any man tell what the conditions of trade will be in the Orient a year hence? How can any man tell what the conditions of trade will be here at home six months hence? The only thing for you, my friend, as a producer to do is to produce enough to supply his demand and not have a surplus and have to take nothing for it. There is where the trouble has come between the manufacturer and the grower. It is an outrage that because you produce enough to supply your wants with possibly a surplus of 100,000 bales over, the manufacturer should say, "You have got too much and you must take starvation prices for it." That is wrong. I don't blame you; I would buy it as cheap as I could; but it is a trade condition that must be looked into. Certainly we farmers are going to get all for it we can.

Let us look at the conditions. Why don't you go back forty years and study conditions if some of you gentlemen think we are high-priced in cotton at eleven cents? I had the honor of sitting at that committee in Asheville, and I thought I was going to the very limit and I agreed to eleven cents; I thought it was conservative. But when I take up statistics and go back to 1865, I find that for four years cotton averaged 24 cents a pound; the average of twenty years, beginning with 1862, was 17.76 cents, and for

thirty years the general average was 12 cents. If we will have a financial---mark the work "financial", because you cannot depend on the caprice of mankind to do anything, it must be done through a strong financial arrangement---a trust, if you please to call it such---owned by you and me as planters and manufacturers and bankers, and through that we will produce not at fifteen, twenty or twenty-five cents, not at five cents, surely, but at a price at which our people in the South can educate their children and stop this waste; at a price that you can sell it to your Indian friends. We have sense enough to know that the solution of the whole thing is to grow the cotton in the Southern cotton fields and manufacture it here, and I believe that my friend will have his factory here within less than twenty-five years. We have too much knowledge of the situation---we have too much knowledge of the situation to put the price of cotton so high that it will all be manufactured away from home and all grown in America. We know the value of manufactured products, and we want more of it at home, and if we put the price of the raw material too high, it will close every factory South, because every man will stop manufacturing cotton and go to the production of it, and that of itself will bring about disastrous results. Why? Because it will stimulate production to that extent that cotton will go again to five cents. Let us go back to statistics, if you will; take up the statistics of cotton for twenty years. Papers have been read about producing cotton for six and seven cents, but every time the cotton market has declined below six cents, the production of cotton has fallen off from 1,000,000 to 3,000,000 bales per year. What is the use to figure what this man can raise cotton for when statistics tell us that every time the market has gone below eight

cents in the face of the greatest financial disaster that this country has ever seen, still the production of cotton has fallen from 1,000,000 to 3,000,000 bales in one year? You will not expect anything else but fluctuation in prices as long as that condition exists. I say here today that the South can grow cotton at from ten to twelve cents under almost all conditions, that it cannot and will not grow it for six cents----

VOICES: That is right.

MR. J. A. BROWN: And that just so long as you have the open trade conditions that we have, handled by the farmer in a careless way, making his product and dumping it in the gutter, if you please, and letting it go to waste---so long as these conditions exist, with no financial safeguards thrown around it by you and me, just so long we will have fluctuations and dangerously high ones. And if I am correctly informed by the average manufacturer---and I have talked with many---I have yet to meet the first American manufacturer who wants to see five cent cotton again. My English friends would like the other conditions, and I do not blame them. They want that condition which brings them the most money. That is common sense. But to the American manufacturer, when you have five-cent cotton, stopping the balance of trade in our favor as it would, you have depressions at home that take off your home supply and the foreigner's products come in competition with yours. We do not want that cheap condition. Nor do we want 20-cent cotton, but we want a steady price, and it will never be attained until the manufacturer and the producer of cotton bag up a surplus and own it jointly, and then the speculator cannot put

it up on you and we are just as much interested in protecting you along that line, because thereby we are protecting ourselves against dangerous fluctuations. The world might just as well understand that there has been a broad awakening in the South; that people lying prostrate as they were, it makes no difference from what cause---we are not here to discuss that--were forced ten or fifteen years ago to raise cotton even at a ruinous price---that day is past. We know how to manufacture; we know how to utilize the great resources of this section of the country, and we are not forced to raise anything at starvation prices any more. It never has been produced at five cents per pound in more than one or two years. Therefore why should you expect it for the future? Like the majority of the other speakers this afternoon, I have taken a wide range, but I did it to show that we are talking this afternoon about one specific thing that ought to be handled specifically. Let us take it up during the sessions and see if we cannot get a safe covering of cotton which will protect it as it should be, and the laws of the State where it is grown should require that the cotton should be stamped with the grade and weight. Then you ask, "How are you going to get it?" There is a great deal of folly in sampling cotton. Do you tell me that all the cotton at the beginning and end of the season which one particular farmer raises is of the same grade? And yet he takes the whole thing and puts it in one bale, and you buy it at one grade. You either buy a cotton that is not as good or is better than the sample, one of the two. The facts are that the Atlantic slope of the country makes one grade of cotton that is pretty uniform unless it is fraudulently packed, and that the laws of the State will not allow. The Atlanta and the

Texas section raise another quality, and when you buy it you buy the upland or gulf cotton, and there is very little difference in the grade except in the rainy season, where there is a great deal of sand.

My friend says that the farmers are all honest. I have no reflection to make on him, but they are all full of human nature just like the rest, and they want all they can get. I have had some farmers come in and want the board brought up a little so as to throw more waste in the gin. I have had that occur. That was only a few, however. I have seen others object to the new system of ginning because it blew all the sand out, and they thought they ought to sell that. We unfortunately have some of that kind of men left in the South, but they are very few. The facts are that the great complaint against the present package of cotton is the fact that your jute is so open. Isn't that so? It does not keep out the dirt and we cannot get clean floors of cars to transport it in. The platforms on which it goes are covered with dirt and when you throw it out on the platform it rubs the dirt in. But when you put a covering on it with a close texture, one that can be used over and over again, you can ship it back to the Southern planter, and if you are interested in fighting the trusts you can do up the jute trust and make a practical covering for your cotton and I believe it is a safe covering. How is it handled? A negro takes a cotton hook and throws it in the side of the cover and lifts it. That would absolutely be a failure as a cover for Southern cotton. The effect depends on how many bands there are.

MR. H. W. MACALISTER: We have no trouble in handling the Egyptian bales.

MR. J. A. BROWN: That is on account of the trained labor you have to handle it. I don't know anything about that. I hope you can control them better than some we have to deal with, who will not listen to instructions. But let that be as it may, double that thickness and a closer texture will protect the fiber better than it is now done. It does occur to me that the solution of the whole thing is to let the trade conditions control it, because if you simply ask men to do a thing they are not going to do it because you ask them, but if a discount is made on a bale that goes in in bad condition, it will stop the man from cutting it all to pieces.

MR. W. J. ORR, of England: Mr. Chairman and gentlemen: I think the most serious defect has almost been left untouched, and that is in the ginning. We have gone considerably out of our way while in the South to examine some new gins. We went and saw the Fuller Gin, and we had samples of the cotton from it handed to us and samples of the same cotton put through the saw gin, and we were asked to pick out the different gins from the cotton handed to us, and we all without exception took the Fuller gin cotton, and I think most of us would have agreed that the cotton off the Fuller gin was fully worth I should say twenty English points---forty American points---more than cotton off the saw gin. I think this is one of the most serious problems with regard to the make-up of cotton. The saw gin does damage to the staple and we could detect it at once when it was ginned through this other gin without the least difficulty. Personally, the first sample I pulled was the Fuller gin cotton. I pulled that sample three times and the next cotton that was handed to me was the other cotton from the saw gin. I only required to pull that once, and I did not require to feel

the staple of it. I simply pulled the cotton in two and I could tell it was off the saw gin as against the other gin. If that is so easily detected, gentlemen, I feel sure it is worth the planter's attention to have his cotton ginned by a proper gin and in this way improve his staple and give a better article and consequently get better money. This cotton would in that way be a very much greater value than the cotton which comes from India and his price would consequently rise, whereas much of the cotton which is ginned on the saw gin has its fiber cut in two and put to half the length that it should be. A short fiber in cotton to a manufacturer is the worst thing he can possibly have. It lowers his grade; he has to put it into an inferior mixing, and altogether spoils the cotton. I think this is a matter which should receive serious attention.

Now as to this matter of production, or consumption, rather, which has been mentioned. I would just like to point out for the information of this Company---I think that we could give this information. Supposing the consumption of cotton is ten million bales, and the average count spun from that ten million bales is 40s; if we reduce our counts by four counts and spin 36s instead, that would make a difference of one million bales. We cannot possibly as manufacturers reckon up what we are going to sell within four counts. Two counts, which is the very slightest change one can make, would make a difference of 500,000 bales of cotton. From that, gentlemen, I think it ought to be clear to you that it is quite impossible for the manufacturing trade to estimate what is going to be the consumption of cotton---it is absolutely impossible. If two counts will make a difference of 500,000 bales on a ten million bale consumption, it is clear that we cannot make any estimate as to our consumption.

MR. BENJAMIN L. GRIFFIN, of Arkansas: Just a word of personal privilege, please. I see from my brother's remark that he misunderstood me with regard to my eulogy of the farmers as all being honest. What I meant to convey was that the wrong impression I thought had been made relative to the system the farmers practiced in the dry season in Arkansas of picking cotton---that there was a disposition on their part to water-pack. That was the impression I feared had been made from this appeal of the Little Rock Board of Trade, and that is the reason I mentioned it. I want to be put right on that. I do not mean to say that there is nobody in the South that will practice those things, because I expect many of them will, but what I meant was the general impression that they fraudulently packed their cotton at the gins, which I know not to be true.

MR. C. C. MOORE, of North Carolina: Mr. President, we have spent about three hours here to find out how to pack cotton, how to gin it. The farmers all over the South want to hear from this Convention as to that very question. Not only the farmer but the exporter wants to know about it. You are no nearer to it than you were at half past two. I move, sir, that we appoint a committee at this time from the growers, the English spinners, the New England spinners and the Southern spinners to report how to gin and pack cotton,---if I can get a second.

VICE-PRESIDENT JORDAN: Do I hear a second?

MR. W. J. ORR: May I ask, Mr. President, whether there is a Ginners' trust which prevents new inventions in the gin?

A VOICE: No.

VICE-PRESIDENT JORDAN: Do I get a second to Mr. Moore's motion?

(The motion was seconded).

VICE-PRESIDENT JORDAN: It is moved and seconded that one member from each Association represented here be appointed to take up the question of discussing the best methods of ginning and baling and make a report back to the Convention tomorrow.

MR. J. A. BROWN: I would just add the amendment that the chairman of the different delegations represented here appoint each a member.

VICE-PRESIDENT JORDAN: You hear the amendment offered by the gentleman from North Carolina.

MR. C. C. MOORE: I accept the amendment.

VICE-PRESIDENT JORDAN: We will vote on the whole question. (Putting the question.) The ayes have it, and the chairman of the different delegations will select the members to act upon this Committee. I will be glad if each chairman will report to the Chair the gentleman selected as soon as it can be done.

MR. J. A. BROWN: They will report tomorrow morning, I understand.

VICE-PRESIDENT JORDAN: Some time tomorrow, yes, sir. It has been suggested that the Chairman of the different delegations meet and make their appointments. It is possible that the Committee can get together tonight and report tomorrow morning. In fact, it is really important that they should do so.

The Chair subsequently announced that the Chairman of the several delegations had made the following appointments for the Committee:

Farmers' Educational & Co-operative Union,
Dr. H. P. Hudson.

Southern Cotton Association,
J. A. Witherspoon.

National Association of Manufacturers,
D. A. Tompkins,

National Ginners' Association,
J. A. Taylor.

American Cotton Manufacturers' Association,
Charles H. Fish.

International Federation,
H. W. Macalister.

New England Cotton Manufacturers' Association,
Stephen A. Knight.

VICE-PRESIDENT JORDAN: I find the name of Mr. Marion down to speak on the question of baling. Does Mr. Marion desire to be heard?

MR. J. H. MARION, of South Carolina: Mr. President and gentlemen of the Convention: I am not here as a delegate from any of the Associations represented and my position may be somewhat like that in one respect of the gentleman from Texas who spoke of the Reagan compress. I came here largely for the purpose of trying to learn exactly what the consumer or manufacturer of cotton desires in the way of a compress package. For several years past, I have been identified to a certain extent as attorney for a company that proposes to give a practical gin compress. Now my study of the question has led to the conclusion that with the conditions prevailing in America, which are essentially different from those

in India and in Egypt, the package that is produced for the export trade in Egypt and India is absolutely an impossibility in America. In Egypt they have 10,000,000 acres of cotton land; in America we have 15,000,000 different farms. The area in Egypt that is devoted to the raising of cotton is not more than one-third---so the Census report that we have here today states---of the area of the cotton lands of South Carolina alone, the smallest of the cotton-producing States. It has been suggested here that we give the trade an Egyptian bale, or one put up in that shape. The trouble is, gentlemen, that we cannot do it, for the reason that the bale has got to be put up---its initial shape is determined by the farmer and by the gin which is upon the plantation or very close to it. Now that initial shape determines the whole after form and shape of that bale of cotton. The reform has got to come at the gin, and it has got to come in the shape of a practical gin compress that will give you a well covered package, that will give you above all things else the required density. It is no easy question to get at the gin the density required for export. We can talk about the deplorable condition in which American cotton goes upon the market, and it is a sad condition of affairs. But there has been attempt after attempt from the mechanical standpoint to find a solution---that is, to give at the gin the proper kind of machine that is within the reach of the ginner. As Mr. Taylor so well said, the ginner is not going to tear out their present systems and put in \$5,000 plants; they are not going to tear out something that cost them \$500 or \$1,000 and put in something that cost them \$2500, and there is not going to be any change at all until the trade demands and is willing to pay for a better

packing.

Now suppose I take one of my compressed bales upon the market down South today; it is put up covered nicely, impervious to water, all the density required, in a square or rectangular shape, and yet what inducement is there to the farmer or to the ginner to put in that compress? What can he say to the farmer who brings his cotton to the gin? What can he offer him by way of inducement to have his cotton put up in that shape? Why, the farmer can take his cotton to the market today in the South tied with a few strands of jute or bagged with rope and get the price as if it were put up in the very best kind of a compressed package. Now why? There is a difference, gentlemen, in the character of the lint, in the market price of the lint. That is to say, when you get to the buyer he takes your cotton and samples it, and if you have got an improved sample turned out by an improved gin, you are going to get the benefit of it. But if you have got an improved package put up in a compressed form, there is no difference whatever made in the price that they are going to pay you for it except you may be able to force the little 40 cents that now goes into the hands of the compress---you may be able to force that out of it by forcing the railroads to accept your package as a compressed package and get the difference in the freight. That is all there is in it. And the message I want to bring to this conference, especially directed to the English spinner and manufacturer, is that if you will say to us who are attempting to get this mechanical solution, "Gentlemen, give us that kind of a package and we will say to our buyers, 'We want the Nealy compressed package, or the Whitman compressed package, or the Luce package, or the Reagan package, and we will accept that, and we want our cotton delivered

in that shape, not in the old form,"---if you will say that to your buyers, gentlemen, we believe it will result in a solution from the mechanical standpoint of the problem we are trying to get at. It is not a question of putting duck around it; it is a question of getting the required density at the gin. That is the trouble, and it is no easy matter. The only way it has been possible heretofore---and it is the way they do it in Egypt and in India---is to take a very heavy hydraulic press and force the cotton down under pressure and band it while it is in that shape. The only other method of getting it is to compress it in detail by layers, and that has to be done slowly, and it can be done, we believe, at the gin. Now if you will put the premium upon the properly packed package, so far as we are concerned we are here for the purpose of trying to show you that we can give it to you.

VICE-PRESIDENT JORDAN: Is there any further discussion of the question of baling and ginning? If not, that brings us to the question of tare. Do the gentlemen wish to discuss the matter of tare?

MR. J. A. BROWN: Mr. Chairman, I move that the Convention now adjourn until tomorrow morning at such time as you may have named---ten o'clock, I should say.

The motion was seconded and carried, and the conference was thereupon, at five minutes before six, P. M., declared adjourned to Wednesday, May 2, 1906, at 10 o'clock, A. M.

THIRD SESSION.

Wednesday Morning, May 2nd, 1906.

New Willard Hotel, Washington, D. C.

The Convention met pursuant to adjournment of yesterday, at 10 o'clock A. M., Mr. R. M. Miller, Jr., of Charlotte, N. C., Second Vice-President, of the Conference, in the Chair.

VICE-PRESIDENT MILLER: Gentlemen, the third meeting of the Conference is now called to order, and the subject of discussion at this meeting is "The Marketing of Cotton," subdivided, first, into "Warehousing"; second, "Stability of Price;" and, third, "The Relation between the Grower and the Manufacturer."

Before proceeding further I desire to express to you my thanks, on behalf of the American Cotton Manufacturers' Association, for this honor conferred upon me, as one of the representatives of that Association at this Conference. I also beg to say that I feel that our Association will co-operate with this Conference in whatever action they may take, looking to the betterment of the condition of the spinner and the planter, and a closer community of interest between the two.

I also want to say that I trust the speakers will, as nearly as possible, confine themselves to the topics under discussion in order that the work of the Conference may be expedited. I also beg to remind you of the rules of procedure adopted by the Conference, limiting the addresses to ten minutes to each speaker, and no speaker should make a second speech until all have been heard who desire to be heard on the respective topic. I think this will

expedite business.

For the benefit of the stenographers, in order that a proper record may be made of the proceedings, as we go along, I would request again that each speaker announce his name and State.

Gentlemen, the Conference is now ready for a discussion of "The Marketing of Cotton", "Warehousing", "Stability of Price," and "The Relation between the Grower and the Manufacturer."

MR. E. A. CALVIN, of Texas: Mr. President, I have a short paper here which I desire to read to the Conference, I believe that the three or four subjects named are all embraced in one practically, and I have not confined my paper to any one subject in particular, but it covers all the subjects you have mentioned.

Address of E. A. Calvin, of Paris, Tex.

State President Farmers' Educational & Cooperative Union of America.

The Farmers' Union with its four hundred thousand or more members, a great majority of whom live in the cotton growing regions of the South is vitally interested in every movement which concerns the production of marketing of cotton. One of the purposes of the organization is to bring together in closer relations the producer of the raw material and those who convert it into the finished product. It is to the mutual interest of the cotton grower and cotton manufacturer that the staple shall take the most direct route from the field to the factory, and that as little expense as possible should be incurred from the beginning to the end of that journey. It is also a matter of vital importance to both the pro-

ducer and the manufacturer that there shall be stability of price and demand, which can only exist for one when they exist for both.

The cotton producer fully understands the industrial ties that bind him in a community of interest to the cotton manufacturer, whether that manufacturer conducts his business on the Eastern or the Western Hemisphere. Long ago our order and the Farmers' Organization which preceded it began the agitation for Direct Exchange between the producer and the manufacturer of cotton, hence we are more than gratified at this evidence, that the Spinners share in this purpose and are ready to unite with us to a common end.

It has long been the dream of the cotton grower, to abolish as far as possible all intermediate agents who levy toll unnecessarily upon his product on the journey from the field to the factory. The cotton grower, fully understands that every item of expense which falls upon cotton in the staple is subtracted from the purchase price paid to the producer. He also appreciates the fact, that every convulsion of the cotton market reacts upon him.

This has made him the consistent and persistent foe of all forms and methods of cotton gambling. Violent fluctuations of the cotton market are quite as disturbing and unprofitable to him as to the spinner. I voice the unanimous sentiment of the cotton growers of the South when I say, that they are ready to join in any movement which promises to eliminate the gambler from the cotton market, to reduce the marketing expense and to expedite the delivery of cotton to the spinner, and to give reasonable stability to the market price. We understand that these are some of the objects you now have in view, and we shall most heartily co-operate with you in their attainment. Permit me to call your attention to the close physical relation between the cotton regions of this country

and the Ports of Europe. By all the laws of transportation Galveston, New Orleans, and Mobile are nearer to Liverpool and Bremen than to Milwaukee. The span between the cotton fields of Texas and the Factory in Manchester, England, is, in a transportation sense, less formidable than that between our cotton fields and the Lowell factories. Nature has kindly provided that the chief source of supply of the most important staple that is grown should be accessible upon something like equal terms to all the ports in the world. The time is coming, when the English, the French and the German spinner will make contracts directly with the Agents of the producer for his cotton supply and the transaction will involve no greater difficulty than the purchase of the products of the most contiguous province. When that time comes, both the producer and the spinner will be gainers and only illegitimate speculation will have lost. Last September, after due and careful consideration of the whole matter our organization fixed upon eleven cents basis middling as the minimum price which the producer should receive for last year's crop. This price having been adopted, was resolutely adhered to by our organization, and looking back we are prone to believe that our action has been justified and approved by the course of the market. A stable price is as essential to the welfare of the producer as to the spinner. It will be remembered, that cotton took a violent turn upward near the close of the cotton season for 1903 and 1904. The result was a heavily increased acreage for the year 1904. This caused a heavy decline in price for the season of 1904 and 1905 with the inevitable result of a decrease in acreage for the year 1905, and as a result of the decrease in acreage better prices were obtained. These convulsions of the market involve heavy loss to all who have anything to do

with cotton except the lucky speculator. Through a careful adjustment of the supply to the demand, and a systematic method of marketing, the effect of gambling influences upon the price may be eliminated and to that end we pledge you our hearty co-operation. Much has been said during the last few years relative to the ability of the United States to furnish the world's supply of cotton. In his paper on cotton growing read before the second International Cotton Congress held at Manchester, June 5th to the 9th, 1905, Mr. Hutton said:

"The population of the world increases annually, and needs at least four hundred thousand bales more every year to meet its requirements. This means, that each year an additional million acres must be placed under cotton, and the question naturally arises can these additional acres be found in America? Putting the present consumption of American Cotton at 11 Million Five Hundred Thousand Bales, we find reckoning the average production at 203 pounds per acre, that it requires at least twenty-eight million acres to produce this cotton. In five years from now we shall therefore require thirty-three million acres, and in ten years thirty-eight million acres under cotton to fill the world's requirements. It has been estimated by Mr. Henry G. Kittredge that thirty-five million acres is the limitation of the amount of land which the Southern states can economically give to this one agricultural product."

It is difficult to estimate how many acres the United States can economically give to the production of cotton, and I shall not attempt to make the estimate at this time, but it is sufficient to say, that the United States can furnish the world's supply of cotton under normal conditions for ages to come. It is not the area in which cotton can be grown that limits the production but unstable, unreliable and unprofitable prices. When the price of cotton becomes so low that its production is unprofitable the growers of the staple are forced to reduce the acreage planted in cotton and to plant more profitable crops. In this connection I desire to quote from a bulletin issued by the Agricultural Department of the United States.

"Owing to low prices and unstable conditions cotton farming by persons in a position to pursue other vocations decreased considerably in the 20 years from 1880 to 1900. In 1880, 60.6 per cent of cotton farms were operated by owners. In 1890 this per cent had dropped to 57.3 and in 1900 it had dropped to 48.3 per cent. If better and more stable prices were fixed, many owners of farms would return to farming as a vocation and the process of farming would be improved, insuring larger yields per acre. The Industrial Commission organized by Act of Congress to inquire into Industrial Conditions in the United States reported, that during the years 1873 to 1894 the fall in the price of cotton had been greater than in any other product of the country, the decline in price being 70%, while prices of general commodities decreased only 50%."

The report further shows, that the level of prices declined more rapidly than the rate of production increased, so that generally speaking the larger the crop the greater the catastrophe to the producer in lower rewards for his labor. If some method can be devised that will eliminate from the market violently fluctuating prices and guarantee to the producer a reasonable price for his product the manufacturer need have no fears that the demand will be met. I hope I will be pardoned if I refer for one brief moment to the possibilities for producing cotton in Texas, Okla., and the Indian Territory. Texas, Okla., and the Indian Territory now produce about three and one-half millions of bales annually, and manufacturer perhaps one per cent. of this crop. It has been suggested, that the limit of production in this area will probably be reached within five years. This estimate is far from the truth. If I should attempt to approximate the cotton production of which Texas alone is capable I would be regarded as a dreamer here, and as an enthusiast even in my own State. The truth is, however, that we have at least sixty million acres of land which is susceptible of cotton production in territory where cotton is now being successfully raised. If this were all brought under cultivation and the most approved methods were applied to it, Texas could meet the de-

mands of the entire world for cotton, although that demand should become double what it is at present. There are, perhaps, as many as ten millions of acres in Oklahoma and Indian Territory well adapted to the production of cotton. Hence you gentlemen must perceive from this statement, which can be easily verified, that there is no occasion for making uncertain and costly experiments in Africa or elsewhere in order to secure the future against a cotton famine.

Now gentlemen, I want to say that much was said yesterday relative to speculation in cotton futures, and if I am not mistaken, Mr. Macalister said that when cotton reaches the manufacturer in Europe, that the tare on that bale of cotton would amount from 30 to 35 pounds. I want to say that the average weight of the tare in the United States, as the producer has his bale put up, is 22 pounds. I said it was put on to cover stealage, and I want to re-affirm that statement this morning. From the time the cotton bale crosses the platform until it reaches the manufacturer, this stealage goes on; first the weigher, then the compress man, and so on all the way down the line; then in order to cover the stealage, a certain amount of old bagging and everything else is picked up and the bale is thrown into the press, and it is tied into the bale. These are facts, things that I have seen my own self, and can testify to. We people in the South are going to eliminate that, and when we give you a bale of cotton that the reports will show there ought to be 22 pounds, we will give you the guarantee that will be the amount of tare on that bale. There will be no possibility of separating, and it will not be left to other agents.

I want to say that the main object of our meeting here, as far as we are concerned, is to establish this direct relation be-

tween the manufacturers, if possible. Why, gentlemen, if you will go to a farmer in the South at the present time, and ask him the solution of the cotton question, you will find that he is growing tired of this unreasonable fluctuation. For instance, today he will hear cotton has gone up and he starts to town with his cotton, and before he gets there he hears the news that it has gone off. I say, gentlemen, he is getting tired. What we want, is to establish some system, and eliminate speculation. He is not asking the manufacturer to pay him an exorbitant price for his cotton, he does not want that, he does not expect them to, but he does want stability in prices, so that when he starts to market with his cotton after someone has telephoned him, he wants to be sure to get his price; that is what he wants, and that is our object in coming to this convention; to see if we cannot get together in some way, for the protection of the manufacturer and the producer.

VICE-PRESIDENT MILLER: Gentlemen, is there any further discussion on this subject?

MR. CAMPBELL RUSSELL: Gentlemen, while I have waited for those better informed to give statistics as to the value of warehousing cotton and the amount of damage saved, at the same time I guess there is nobody that realizes it more than the farmer does. We know, -- while I have no statistics, -- that the damage on the cotton from being exposed, beside making it reach the factory in unsatisfactory condition, that the actual damage and loss to the producer would in a short period of time, pay for warehouses enough to store the entire crop. Appreciating this fact, we are arranging as rapidly as possible a system of warehouses, and we propose to warehouse our entire crop, so that we may not only be able to

maintain stability of price in the market, but we will be in a position to furnish to the spinner, whenever he needs cotton, whatever amount of cotton he wants, and whatever grade he wants. We realize it is child's play to tell us that you are going to do something for us, until we are doing our part of it, and we are working on that line, and we are rapidly getting ourselves in condition to take care of our cotton, and in this way, maintain stability in prices. There have been in the past, three parties to divide up the prices; they have been the grower, the speculator, and the manufacturer. We propose to overhaul that system and establish a stable price for two parties to divide it, and you, the spinners, are our natural allies, and we propose that the grower and the spinner, on terms that are mutually fair, shall divide the actual value of the cotton as grown and manufactured, of course paying for all legitimate expenses that come into the handling of it. We believe you will be ready to meet us and make arrangements whereby this can be done. If we could not do that, then we would be under the necessity of taking up the other end of it and doing both. That would take some time, but we are sure you gentlemen are ready to meet us along that line, and we are rapidly making preparations that we can do this.

I will show you what my people expect me here for:

(Mr. Russell reads resolution of the National Executive Committee Farmers' Educational & Cotton Union of America, forwarding him to the Convention at Washington, and the objects of the resolution).

"Shawnee, Okla., April 23, 1906.

TO WHOM IT MAY CONCERN:

This is to certify that Campbell Russell, of Russell, I. T., has been duly elected, and is hereby authorized and commissioned as a delegate, representing the farmers of the Indian Territory and Oklahoma, to attend the Conference

of Growers and Manufacturers' of cotton in Washington, D. C.,
May 1st, and 2nd.

He is hereby especially authorized and commissioned to confer with the Manufacturers of cotton that may assemble there in regard to ways and means for establishing and maintaining a system of direct marketing of cotton from the grower to the manufacturer; whereby a stable uniform price may be secured that will give fair compensation to the grower, and at the same time give a legitimate profit to the manufacturer.

Our delegate is authorized and instructed to say that not only is ours not an organization of speculators, but that the speculator is debarred from membership in our order.

The Farmers' Union is based upon the principles of Equity, Justice and the Golden Rule, and is pervaded throughout with a spirit of conservatism and loyalty that give assurance of its ultimate success in securing for the farmer a permanent profitable price for his products.

We commend our delegate to the confidence of those with whom he is sent to confer, with the assurance that 80,000 farmers in our jurisdiction (a large majority - nearly all - being cotton growers) will stand loyally by any agreement that he may make.

(Signed)

S. O. Dawa,

President of the Indianahoma
State Union of the F. E. and
C. U. of A.

J. W. Harrison,
Secy-Treas."

That is their idea of what we came here for. It is not our idea that you are all here in this room here to say, "We will take 12,000,000 bales at so much." We have an idea that this Conference is called to get together to take over the situation and arrive at ways and means whereby we can be aided in this effort that we are making. There are two ways that you gentlemen can materially aid us in this move; one is, by saying you are ready to co-operate with us along this line that you are ready to assist us in handling our cotton in the proper way, and the other would be by telling us you would not have anything to do with it, because

then it would stiffen our back-bones and we would go home more determined than when we came here. That is what I have to say, in a few words; I do not want to keep the floor all the time. I thank you.

MR. H. W. MACALISTER: In order to bring this matter to an issue, I should like if the gentleman who has just spoken, would begin by giving us some idea as to how this proposition shall be carried out. We Englishmen feel dubious as to its practicability, and to use one of your local similes, we are Missourians, and we want to be shown how. If he can do so it would materially assist. The South produces something like six hundred million dollars' worth of cotton annually. We in England have about fifty or sixty millions Sterling invested in mills and machinery, and we haven't got the spare capital as individuals to come across here and say to you, "We are prepared to take your six hundred million dollars' worth of cotton;" we want you, therefore, to show us how to do this without the middleman, who at present carries out that function.

MR. CAMPBELL RUSSELL: May I reply, Mr. Chairman? I will say that we have realized that, and what we expect to do is this: We expect to get a permanent system of warehouses throughout the entire cotton belt, and the South is not nearly as poor as it was two or three years ago, and we expect it to become richer, and we must be able to realize that we must be able to put that cotton into those warehouses and keep it there in good condition, that we must grade it, and have every bale labeled, and we expect to get into a position to fix a stable price that we would consider fair, equitable and just; and that we should have joint meetings and come together in order to agree just what that price should be. If we cannot all do this, then we will meet ourselves in the other room,

and we will say to you, just what our cotton has been worth to us to grow, to pick and care for, and you can send us an order for two thousand bales of cotton and we will have it for you. At the same time, we want to confer with you along this line, and we realize we have to have this end of it, and we are preparing to take care of it, and there is no question but what we will succeed in that absolutely, and it is along that line. If anybody else has got a better idea of how we are going to get at a better basis, we are all glad to hear his views, but that is what I consider, and that is what our organization considers we have to do, and that is what we are preparing to do.

MR. F. W. DAVIS: As this subject has come up in this way, there is a question open, and I hope the spinners will be free to express themselves and take part in this discussion themselves. We realize the difficulties and we also do not expect that the spinners would be big enough fools to break up trade relations on account of uncertainties; but the question is this: If we have our legitimate man, a competent man to deal with you at the warehouse, would that suit you better than a speculator? Do you favor us more than you favor them? We would like to have the spinners express themselves freely on that. If we can remove all the difficulties, would you prefer to deal with us, or with them?

MR. H. W. MACALISTER: As far as the spinners are concerned, we are only too delighted to hear that you are working together so that you may be able to offer your cotton to us in a more business-like fashion than has hitherto been the case. Your scheme to erect warehouses for cotton is the thing

most to be desired. During our travels in the south, for every bale in warehouse, we think we have seen ten bales exposed to the weather, and I assure you that we are delighted to hear that it is your intention to build warehouses in which to store your cotton.

MR. W. S. MILLER: I am here representing the Farmers' Educational Co-Operative Union of America, representing thirteen states, sent by the National Committee, and I just want to talk plain. I have been conversing with some spinners this morning, and I find the condition that they are in with relation to us. We are a little over three years old; we have been oppressed and robbed of our labor, we have been experimenting all along the line, and we have got so poor that it was either quit cotton or starvation; that is the cause of our organization being in existence today, and the object of our order is to form a direct trade from the grower to the spinner. We have to learn all that from the start, and we have come here to learn from the spinners, of what they want from us. We have gone on in our own way. Our's is a schoolhouse organization; we go down there and we have the men and women in our organization that plant the seeds, that chop the cotton, that gather it and bale it. We are going to have a system of warehouses of our own construction, and where we are not able to build one such as is proposed, our farmers will build one that will hold five hundred or a thousand bales of cotton, one that will enable the poor man to put his cotton in that warehouse and hold it, and hold it until the spinner is ready for it, until the market is ready for it.

I find that yesterday there was a question which was asked you gentlemen which ought not to have been asked. The more I think

about it, I see it is out of place. We want to know how much you are going to consume another year. That ought not to concern us. We are going to fix a price on it, and you can take it if you want it for that price, and if you don't want it, we are going to use it at home. If the speculator can give more than you can and then turn around and sell it to you, why then that is his and your affair. But we assure you we are not going to be fools and wait and say we are going to buy your goods back at your price. The difference between ten cent cotton and fifteen cent cotton, it comes to this, that in wearing this shirt, I hardly feel it. The difference is not with the retail merchants, for the cotton goods we get we do not hardly feel the difference between ten and fifteen-cent cotton. I know sometimes they say it has gone away up yonder, but when cotton is down, the goods stay up at the same price.

We want you to recognize us as the producers, and we want your assistance, as we are going to make blunders and mistakes, we are going to have difficulties, and where you can help us we would like to have you do it, and I will say this: If you come to our country, Texas, where I live, and come to my people, if you will stay as long as you please, it will not cost you a cent after you land there, and besides every gin, - most of them belong to our Union - will show you the way the cotton is picked, the way it is handled and the way it is handled to the platform, and if you can give us any instruction, we will be glad to receive it. We want you to know just how it is done, and may be we could make a change to suit you, with very little cost to us. Any place you go in the South, if I have notice of it, they will treat you the same way. Your expense of getting out into the country will cost you nothing, and our people will be glad to see you. You can make an arrange-

ment at any point within our boundary, and we do not intend to stop until we complete it, -- we now represent thirteen states -- and we are going to have them so bound up that they are going to stand by our agreement. All we would ask of you, and I feel sure from what I have heard, you are going to treat us right - I can go home and tell my people that whenever they place themselves in the proper condition, you are here ready to take our cotton.

I know and they know we raise our cotton for the market, and I know you have your money invested in it more or less, in the buying of the cotton, and I know the world is clamoring for cotton goods, and when cotton is once introduced into a land, there is nothing that takes its place. We want to furnish all the cotton, - you need not give yourself any worry or anxiety about that; we have the country that grows it, and whenever the price demands, we will increase, but we have learned the last two years to earn a living at home; we have learned to be able to plant potatoes and let cotton go, and when you can get more money out of an eight million crop than a fifteen million crop, wouldn't it be wiser for us to take the eight million? The world is in need of goods; there are thousands and thousands of people going unclad for the want of goods. Give us a good price for that cotton, -- and we want everything to be in proportion -- enable us to buy your cotton goods back, even if it is double when we take it. We want this, to be able to go home to our people and say build your warehouses and never mind about the other fellow, hold it and market it just as he needs it, and if we have too large a crop for one year, keep it dry and the time will come when they will call for it.

MR. CHARLES B. AMORY, of Massachusetts: I just want to ask one question of these farmers. We are troubled a great deal with

this country damage. I want to know whether the farmers, when they sell their cotton, if it is damaged at that time, or whether that damage occurs after they sell it to the middleman, and if when they sell their damaged cotton, they sell it with an allowance of five or ten dollars a bale for the damage.

MR. E. A. CALVIN: I will state to the gentleman that a farmer never sells a bale of cotton that is damaged, without having the damage deducted.

MR. CHARLES B. AMORY: That is what I want to find out.

MR. E. A. CALVIN: Yes.

MR. CHARLES B. AMORY: And you do ship from your plantation, damaged cotton?

MR. E. A. CALVIN: Yes, sir. I want to say right here, that heretofore the farmer has had no encouragement for housing of cotton, and that is what we are driving at now, and I say to you frankly, that I never knew a farmer to sell a bale of cotton that was damaged, that he did not deduct the amount from the bale, and sometimes three or four times the amount of the damage. Another thing, a farmer starts to town with his bale of cotton, and a shower comes up and the bagging is soaked with water by the time he reaches town and then he has to make a heavy allowance for wet cotton.

MR. CHARLES B. AMORY: I want to say this, that when a buyer buys from a gentleman and gets an allowance of five or ten dollars a bale, he shifts it on to us and never makes us any allow-

ance. I was a cotton buyer in New Orleans for twenty years, and I know what they do there in New Orleans. When cotton comes from New Orleans then we do know whether it is clean. You gentlemen in the country, you do not pick it, but you make an allowance for the damage. And the man who buys it from you sells it to us for good cotton, and that damaged cotton is worth nothing.

MR. B. A. CALVIN: That is one of the things we are willing to try to improve.

MR. CHARLES B. AMORY: I am glad to see you are getting up this system of taking care of cotton.

MR. W. S. MILLER: I would like to have one word. We can have it fixed this way; an automatic sample to each agent, if necessary, and we can have every man's name put on a tag and put on that bale of cotton, and it will be so registered at the gin, and we will preserve that, and it will go to Liverpool or Manchester, or wherever that cotton may go, and if that bale is damaged, let it come back to us, and we will look up the man who damaged that bale and make him pay for it.

MR. B. D. SMITH: I would like to state for the information of these gentlemen who have not been familiar with the condition of the first hand, the owner of the cotton, that one reason why in the south we haven't a system of warehouses, was because as everyone knows who is familiar with conditions in the south, until up to eight or ten years ago, that the cotton was forced on the market as rapidly as gathered. We didn't feel and didn't realize, and could not realize anything like what is now on, first because the cotton was sold to the other men before the seed went into the ground. I will guarantee the assertion that up to ten years ago,

ninety per cent. of the southern cotton was owned, by second hand, practically owned by the capitalists of the country before ever a seed went into the ground. If a farmer held cotton say for twenty, thirty or sixty days, he held it at the risk of not being able to pay the party to whom he really owed that cotton to. We did not feel any necessity to go out and build warehouses to store the other man's cotton; it was his cotton. There wasn't in all the south, one-tenth of the growers of the cotton who owned that cotton in fact, because I do say that from the first of September until the first of December, he knew that it had to go on the market. It was practically priced before ever he planted.

Now I want you all to understand clearly and distinctly that we have met for a specific purpose, and I take that purpose to be, as we are composed of growers and spinners, the furthering of improvements and closer relation and a business understanding and discussion of common interest, the elimination of one and the clarifying of the other. Now if this is what we came here for, it seems to me we can get together very easily, because I want to state this, that the tendency of the world, as you gentlemen know, is to concentration. There was a time when the middleman, and quite a number of them, were a necessity, but under the wonderful improvements in transportation, in the facilities for transportation and communication, why do I as a cotton grower, have to go to some local man and sell my cotton to him and then he sell to the export agent and the export agent in turn to the exporter, and the exporter turn it over to some agent? Why can't I step right into the cable office and cable as well as he can, or to the telephone and there to the cable as well as he, when my brain has been educated as well as his, and the world's necessity known to me as well

as to him, and with all the facilities at my hands as are at his, why should I support all his army of middle men whom you complain of, and whom I complain of when there are means of bringing us directly together? Why? That is what we are together for.

The question has been asked by the gentleman from England to state some plan by which we can get together. I want to state in reference to that country damage. The gentleman who has just preceded me has asked the question if we made an allowance for damaged cotton. Since we have begun to take hold of cotton, it has been one of the main objects, one of the great agitations of the Southern Cotton Association, to beg with our people to take care of cotton, because they did not appreciate its value; gentlemen, they did not appreciate its value because they were not taught to appreciate its value. The fewest number of growers have ever realized one dollar out of a bale of cotton. There are some large planters who have, but I am speaking of the rank and file that make up the great bulk of the southern crop. Now the conditions of these, -- and I want you to get an intelligent idea of the conditions then and now. They went to the individual stores throughout the south, and they did not pay for stuff, but they ran open accounts, there was a lien over their crop, cotton was the basis of their credit, and the storekeeper recognized in the fact that he had to supply these individuals on time, and he charged a percent which practically discounted to him anything but a mere living out of it. Let his crop be small or large, the price remunerative or short, whenever he gathered up his cotton crop it was the cost of one year's living; in other words, the cotton crop was the cost of one year's living, and he kept one year behind and we kept one year behind for practically forty years. He had absolutely to turn over one Year's crop for one year's support. I shall never forget

the real surprise, the look of absolute amazement on the faces of a great many farmers, when three years ago they come in and sold to me their crop, and after paying all of their debts, had money in their pocket. Gentlemen, some of them actually didn't know whether it was their own money or whether they had stolen it. Gentlemen, I am speaking to you, simple sober facts; farmers walked around as though they were treading on air, had come into a new existence, and they had. They had paid their debts and had in their pockets, something of their own. That is the impetus that has given rise to this.

Without going further into particulars, the question has been asked, how may we get together? I just want to make one suggestion, then I am through. Why with the broad, widespread things of education, both as to markets and general facts throughout the world, and as I say, communication and transportation facilities so wonderfully improved, why may we not organize ourselves, -- say in my state, take South Carolina as an illustration, erect our chain of warehouses to protect this cotton, and put a penalty on all damaged cotton, and in our warehouses put the cotton into the proper marketable shape before it ever leaves the warehouses. Cotton is the guarantee of the south, it is our gold, our silver and our green backs, and not alone is the farmer interested, but it is of the most vital importance to the banker, the merchant and every form of business in the south, because the amount of money we turn our cotton crop into, determines the amount of trade in the south. Therefore, it being the basis of our credit, it is of vital importance and interest to every merchant and banker to see that its value shall be kept at par, and not only at par, but that it shall return a premium to those interested in it, so as to develop that interest and other industries of the south; that is their interest and it is

ours. Therefore in building this chain of warehouses and taking a sample from every warehouse and placing them in a convenient place, why could it not be possible for us to send our agent to Europe, to England direct from us, and furnish him with samples. Organize ourselves, if necessary, as we can do in South Carolina, into a safe company with two or three million dollars as the basis of our guarantee, and when we give you the cotton, back it up by our co-operation; every bale of cotton in our warehouse is backed up. Why may we not send our agent across to Europe to display our samples and you have your purchasing agent walk up and buy direct from him, and as soon as he receives your order, we will forward it direct to you.

Suppose we take between the man that grows the cotton and the last man that handles it, there is one cent's difference on the pound, between the man on the platform and the man at the mill, take the buyer, the weigher, the exporter and the hord of men who handle it, suppose there is a cent's difference in those prices, can you not pay a half cent a pound more and we get a half cent a pound more? Would it not come cheaper to you and higher to us, and yet we save at least two dollars to two dollars and a half per bale? There is a tendency towards concentration, and we have to recognize it and you have to recognize it. As education is spreading abroad in the land, you may not hope or expect that this whole ruinous condition of great heterogeneous mass of cotton agencies and the practical monopoly of the article will still go on forever and ever, each man driving his team to market and seeking such prices as an individual, because, when in this form, he can combine with us, and they, standing together with the greatest banking institution the world ever saw, with the guarantee that the world

will get this article, ought to realize that cotton is not a perishable article which is thrown on the market and must be before another crop is made. That is, it is another asset as fine as any bank stock and bonds, and when stored properly and cared for properly, it is currency the world over. Therefore, I say, that under the principle, God's law, not our's, but under the principle of condensation, and that masses mean momentum and momentum means power. The individual farmer understands that as a good for a common cause, and he can win a common fight.

I have listened with a great deal of interest to the deliberations on this subject. Men have said to me in the lobby of this hotel, that you cannot control the price of cotton; that the law of supply and demand will keep forever the price of cotton according to that law. That is true in the last analysis and in one sense, but does the law of supply and demand consider the price of cotton when today it is selling at ten cents, some financier stubs his toe and it drops ten points, or if there comes a little shower in Texas it raises the price ten points, or if there is an earthquake in some part of the world and it goes up ten points, or if the world stands stable the world will wear a shirt; I ask every man in this audience if that is the law of supply and demand. Let us get down and be sensible men and understand that this is a world's necessity, and that if there is an earthquake, and there are fluctuations throughout the world, the world must be clothed, clothed with the royal robes of cotton, and that the price shall be staple, and that the man who grows it, makes it available for the spinners, and that the man who makes the spindles shall be the man to supply the world. There is surely business sense enough to get together to make it of mutual profit, and a blessing for the world at large. Sure there is nothing against them? What are you

afraid of? Why should we be shy of you? What are we afraid of? In the last analysis, do you not spin our cotton, do we not grow it for you to spin? Now individual interest is the motive of it all. I am planting it for a profit, and you are spinning it for a profit; the south has never gotten her profit up until the present, owing to conditions which she could not control.

In this historical event which transpires here today, this is an honest call from the producers of this great fibre, asking you to get together and join hands and have a mutual profit, and to fix a stable price. We ask it honestly of you, and if you meet us in the right spirit, not captiously, but get together and discuss the things of your manufacture, with our cost of growing; we will meet you as honorable men, and mark you, if you disregard this plea, we will find our man and we will stand by him, and if that is the financier, if that is the man that will furnish us the money to help this condition, then we will form ourselves into an organization for simple self-protection, and human nature, being what it is, then you will have to look out for your interests on the other side. I don't say who will yield, but don't you see you will force it? You can meet us now, if you will; we are just two years old. We will never grow younger in this cause.

I am obliged to you. I have stated outlines which I think would be the plan which we could operate, and I not only think it is possible, but probable.

MR. JAMES R. MacCOLL: American manufacturers rejoice in the new wealth and prosperity of the Southern cotton growers. Long may it continue. We benefit by it. They become larger buyers of our manufactured products; their purchasing power is increased.

Now the proposition made by the Farmers' Union and the

Southern Cotton Association, definitely stated, is this: They propose to eliminate some of the middle men, by building warehouses, grading cotton and offering it to manufacturers at market prices. They ask the question, "Will we buy it of them", and we say at once, if they are financially responsible and will offer us the right cotton at the right prices, we shall be delighted to do business with them. It is important if they are going into this business, to do the business right; to grade the cotton carefully, to guarantee that they will fulfill their contract with us to the letter. If they can establish that reputation, they will be able to command the full market price at all times. I do not quite see how this will eliminate speculation however. Suppose that they figure up the cost of cotton and make it ten cents a pound, and offer it to manufacturers at twelve cents a pound, and speculation forces the price of cotton in the New York market up to fifteen cents a pound. Will they continue to sell manufacturers at twelve cents a pound? Suppose you were offering cotton without any contract, and for the time being cotton had been forced up by speculators to fifteen or eighteen cents a pound, what would you say then?

MR. E. A. CALVIN: We want to eliminate that supposition by making a contract.

MR. JAMES R. MacCOLL: Of course contracts would be running, but suppose that a new contract is to be made, and speculation has forced the price up to fifteen or eighteen cents a pound; do you propose to say, we have fixed the price at twelve cents, a fair price, and we do not expect to get more than this price that has been fixed; we will entirely ignore the conditions of the cotton market in New York? That is the point I am trying to arrive at.

As to the general proposition, I will repeat, if you are able to warehouse and grade your cotton properly and offer it to us at a fair, market price, manufacturers will be more than pleased to buy it, and I think I can ask any manufacturer here to confirm that statement.

MR. E. A. CALVIN: We might ask the same question; if we should fix our price and it should go below on the market, would the manufacturer want to pay that price? Of course in the absence of a contract, we would be controlled by the market price.

MR. JAMES R. MacCOLL: How do you eliminate speculation?

MR. E. A. CALVIN: Eliminate it by letting it have nothing to do with it.

MR. J. A. BROWN: We all know that supply and demand governs the price of cotton; there isn't any getting around that. The only thing we can do to protect the spinner, is to carry a surplus so that it cannot be put up on him. In the past in any instance where the cotton farmers of the south have produced enough cotton, with possibly a small surplus, he has had to pay the penalty for doing it. I do not blame the spinner for it, but the only way by which we can protect the spinner in speculative prices, is to grow and carry a surplus, but the farmer cannot afford to carry that surplus if he is going to lose by a light market. Who can make contracts to supply the world's demand? But if we have cotton warehouses and conveniences for the southern planter, together with the spinners of the world, it is their property. If the associations make a contract for this year's cotton crop at a given price, which I will not attempt to name, and the South grows a surplus of one million bales, who should carry that surplus? Should the farmer? Certainly not. The only sensible thing for you to do is to reduce the production and thereby raise the price,

and thereby punishing our friends who are consuming the goods. I think that every man in the south who is familiar with financial conditions and the general economical conditions, will agree with me, that if the south puts up its portion of the money, it can and will produce one or two million bales; but it cannot be done dependent upon the caprice of a general public. It is an impossibility, and figuring from any standpoint which you wish to approach it, the only solution is financial arrangement between those two parties, and if speculation should force it, we could give it to our friends at contract price. But without that surplus, the spinner will stand in continual danger of the price being advanced on it. The producer of the south has to pay the penalty, and it has been a very heavy one so far. If we must necessarily protect the planter and the spinner alike, it will be preposterous to ask the spinner to give a guaranteed price for cotton, world without end. It must be a mutual business understanding and arrangement and it must be based upon a financial basis.

A great deal of good is to come from this organization. I mean the organization of organizations, and I think that the time has arrived when we should determine whether or not this organization should be a permanent one, and I got up for the purpose of offering a resolution that the organization be made permanent, and a committee on organization be now appointed from the different organizations represented, and to report to this body at the next place of meeting. I take it we adjourn here tonight; that Committee should be appointed and the question talked up at once.

A good many of us would like to go across the pond; I would be delighted to see these organizations meet across the water, and I believe the more we know of each other, the more benefit to be derived in the future, and I believe it is the consensus of opinion

that this organization should be made permanent, and I have made that motion now to get it in shape before this body adjourns this evening.

MR. F. A. FLATHER, of Massachusetts: I second the motion.

MR. B. L. GRIFFIN: Should we enter into contracts, into agreements, in other words.

MR. E. D. SMITH: Mr. Chairman, I call to a point of order.

VICE-PRESIDENT MILLER: I was going to say to Mr. Brown that his motion was out of order at the present time, but before this session adjourns we can take the matter up.

MR. J. A. BROWN: That depends on whether or not there was any motion under discussion.

VICE-PRESIDENT MILLER: The general discussion was specified. Previous to the adjournment of this meeting, I shall be glad to put Mr. Brown's motion. I think, however, it is of such importance, that probably the gentleman will yield.

MR. B. L. GRIFFIN: I yield.

VICE-PRESIDENT MILLER: By unanimous consent of the Conference, Mr. Brown's motion can be taken up at any time. If it is the wish that Mr. Brown's motion be taken up now, it can be done. By unanimous consent the motion of Mr. Brown will be taken up.

MR. HENRY P. GREG, of Manchester, England: May I say a word or two with regard to that motion? It seems to me that we have arrived at a point of unanimity with regard to the warehousing and grading of cotton. We are all agreed that that is an extremely good move on behalf of the planters. We all welcome that. Now I want to suggest whether it would not be wiser to see the result of this system of warehousing and grading for two or three years, and when we have seen how many warehouses there are, and how they

succeed in grading cotton, and how under the ordinary conditions of trade they succeed in marketing the cotton, then we should be able to consider the further questions as have been outlined. There is a great deal being said about the stability of prices; in fact, that is at the root of this motion to form a Committee to consider whether it is possible to make prices stable. Now I want to put to you as clearly as I possibly can, the difficulty of any such attempt. Supposing we spinners, take us all the world over, ask for an eleven million crop from you planters, and agree to pay you, say twelve cents for it, ---

MR. J. R. MONTGOMERY: Mr. Chairman, I rise to a point of order. I think the question before this house is the motion made by Mr. Brown, and the gentleman has just yielded the floor on the argument that was being made on the subject matter of this discussion, and it seems to me that after the motion of Mr. Brown, the other gentleman should have the floor and I should be very glad to hear from our English friends afterwards.

VICE-PRESIDENT MILLER: My understanding with Mr. Greg was that he wanted to discuss the motion of Mr. Brown which is now before the house and was seconded and is now open for discussion. The motion has not been voted on.

MR. J. A. BROWN: Mr. Chairman, we want a discussion of this subject, and I would like to hear Mr. Greg's remarks.

MR. F. A. FLATHER: I do not think Mr. Greg's remarks are confined to the motion I seconded. I believe he stated something to the effect that this motion was an attempt to fix the price of cotton.

VICE-PRESIDENT MILLER: I understand they desire to discuss this motion.

MR. J. A. BROWN: The gentleman is perfectly in line; he is talking about the motion.

VICE-PRESIDENT MILLER: I will announce the motion, and the motion will be subject to discussion, and later in the afternoon, every topic of this morning's session can be taken up. The motion of Mr. Brown reads as follows:

"RESOLVED: That a Committee on Permanent Organization, consisting of one representative from each organization represented, be appointed to formulate plans for a permanent organization, and name a time and place to hold the next meeting."

I understand that Mr. Flather of Massachusetts seconded that motion.

MR. F. A. FLATHER: I did, Mr. Chairman, and I seconded the motion as it was read.

VICE-PRESIDENT MILLER: As I understand it, this motion is now open for discussion, and upon the settlement of this permanent organization, we will continue the topic of this morning. This motion is now open for discussion.

MR. HENRY P. GREG: My line of argument, briefly, so there may be no misunderstanding, is, that I think it might be wise at the present moment, not to appoint any permanent committee, therefore my object is to postpone any such decision. I think if a gathering like this could be called together in three years' time, as I said before, we should be in a very much better position to appoint a permanent committee. In the meantime, I think we should have found out what the effect of this warehousing and grading by the planters, has upon the market, and we should have time to consider this: further point, which I must say I don't think the farmers have fully considered, and I was about to state as clearly as I could, what that point was. Excuse me if I recapitulate some. I was supposing that spinners would agree to ask you planters for

A crop of eleven million bales, and you had agreed to sell us this eleven million bales, and at, say twelve cents per pound, and supposing the season had proved extremely bad, that the boll weevil had made tremendous ravages, that labor was extremely scarce, that at the picking season you were unable to clear not more than half the cotton from your fields from scarcity of labor, and that there was a tremendous calamity, and that instead of eleven million bales there were only eight million bales; what would be done? It is no good answering me that we would have a two or three million surplus by us which we could put on the market; that argument can be used when that two or three million surplus bales exist.

VICE-PRESIDENT MILLER: I think that is a little different from the motion before the house. The motion before the house now, Mr. Greg, is, shall we form a permanent organization, or shall we not?

MR. J. A. BROWN: That is, to appoint a Committee to advise whether it should be made permanent.

MR. HENRY P. GREG: I am sorry if I am out of order. I simply wanted to introduce reasons for postponing the motion.

MR. CAMPBELL RUSSELL: I will say that Mr. Greg's entire speech should have been made in about two minutes, in the shape of the advice from the old woman to her child, - "Never go in the water until you learn to swim."

HON. J. T. ELLERBE: I do not see how we are going to arrive at any conclusion unless we continue our organization, and it is my idea that we ought to get together to find out what the spinner wants, and the spinner to give advice to the farmer in all these things pertaining to the marketing of cotton. Therefore, I do not see how we can get along without our meetings.

DR. H. P. HUDSON: It seems to me it would be wise to ap-

point this Committee and let them get together and bring in their report. We are discussing it now and will discuss it then, and for that reason I call for the question as to whether we have a Committee or not.

VICE-PRESIDENT MILLER: The question on Mr. Brown's motion is called for and is now before the house.

(Upon being put to vote, the motion was carried).

VICE-PRESIDENT MILLER: I shall appoint the Committee and announce it as early as possible before the adjournment of this meeting.

We are still under the head of "Marketing and Warehousing of Cotton", if any gentleman wants to speak on the subject.

MR. B. L. GRIFFIN: Gentlemen, what I gleaned from my friend's remarks, was the idea that we are unprepared at this time, possibly, to maintain a stable price of our commodity. In other words, suppose we agreed to deal with the manufacturer today; this question might arise, and would rise, supposing we have a short crop, etc.

I want to explain to you spinners here that I represent here, the Farmers' Union, the actual farming class of people. We do not want to grow rich farming; all we want is an adequate return for our labor. We do not want a chance of speculating, but in setting a minimum price on our cotton, we do it after due deliberation, considering all the things under which we have to labor, and striking an average, we have said that we can make cotton at eleven cents a pound. We can do that, make cotton and live, at eleven cents a pound, and I believe I voice the sentiment of at least three hundred and fifty thousand people in the south today that are represented here, that should we agree to deliver to you any amount of cotton, let it be the entire crop, if you recognize

that minimum price of cotton, I guarantee we can deliver it regardless of what speculative tendencies might be; we promise you to deliver that cotton and that promise shall be kept, and it shall not cost you one cent more, no matter what these speculative elements may be. And you understand us here, that we do not mean to state a minimum price, and then in the fall of the year, even if we are short, to raise the price five cents per pound; that is not our intention. Our intention is to benefit the farmers of the south by a stable price, and a price we can live at, and prices that eliminate speculation and bring justice to all men who produce. If we can get that, I promise you we will stand by every agreement made, to the extent if necessary, we will build our warehouses and you can send your representatives there and we will grade this cotton; but the truth of the matter is we want to arrive at a system whereby we can protect you and you protect us. Then we will not have to contend with, as heretofore, the uncertainty of a fluctuating market. No young man who starts out in life can do so with a certainty of liquidating his debts. Because he starts out and when he gets his cotton in he meets starvation prices, and his price is driven below the cost of actual production, and therefore, his result is a failure. We want to eliminate this, and we are conscientious in our appeal today when we tell you that the agreements entered into by our organization will be lived up to to the letter. And I want to emphasize that to my friend Mr. MacColl, and all the bankers here, that we have an honest case to present to you, and we want you to remember that when you enter into an agreement with us, we represent what is on the back of that agreement, and though the prices may be published on the bulletin boards of the various bucket shops of the country, we live up to

our agreement, and will back it for all its endorsement.

MR. JOHN MARTIN: The situation appears to me, at this moment, that those hypothetical questions have been put to this effect: If, as we think, it is for the benefit of the cotton growers to deal directly with the spinner, if we prepare the machinery to do that business satisfactorily and safely and honestly, are you gentlemen ready to deal with us? There is no use in going into all the details. It would astonish people who do not know the cotton business. The question has been answered I am happy to say; that hypothetical question has been answered, if all these things can be brought about in a satisfactory way.

MR. CHARLES H. FISH: It seems to me the answer is more or less plain; more or less A, B, C, if you will excuse the expression. The Southern cotton planters and growers have decided upon a splendid plan for warehousing and marketing their production, and they know very well that the manufacturers the world over will receive the plan with open arms. There is nothing which you could do that would so please the manufacturers of the world as for you to properly pick, care for and market your cotton production in the south. If the Southern Associations carry out the plan which they have formulated, of building storehouses, of picking their cotton properly, of putting it all into proper bales, of sampling it properly, admitting that that was done in a style of absolute perfection, how can we manufacturers do anything else than deal direct with you? I do not see gentlemen, why there would be anything else for the manufacturers to consider, unless they had some friends whom they wished to employ as commission agents to go down and act for them on a commission of two or more per cent., and I cannot for a moment see why anything else would result from these

conditions, except the direct dealing between the manufacturers and the growers of the south.

Now there is just one question before us, the great question that comes up; the price of cotton as it is established in the South at a particular time. We know very well that a price of ten cents for cotton some years, would be a price that manufacturers could pay for the cotton and still make large profits. We also know very well that a price of ten cents other years, would be very much too high, and in order to pay that price, the manufacturers as a whole, would lose money. The conditions governing the prices which the manufacturer can afford to pay, unfortunately would not be governed entirely, -- they might to some extent, -- by the price of cotton which had been established by the Southern Association, and that simply reverts to the old question of the Southern Association, or organizations, I will say, picking their cotton well, of getting it well put up in first-class bales, of protecting it in the best possible way, and of putting it on the market at the lowest possible price at which they can do so and give to themselves, a profit. The marginal profit which the ordinary manufacturer in the North, and the marginal profit which the manufacturer in England has, is very small. There are certain times, I think today, that manufacturers in certain districts in England and in certain districts of America, are getting a larger percentage of profit than they have for some time past, but I could point out to you gentlemen, many corporations, large mills, well managed, well financed, making first-class goods, marketing these goods in good centers, who have not made one single penny for a period extending from anywhere from five to ten years. Now I simply speak of that as showing the importance of your establishing

a price which is not too high; and in the same light, of the growers and the ginners and the handlers of cotton in the south, not being content to use the method which they now employ for getting the goods to market; but you must use the same method which we manufacturers and spinners have to employ, of constantly endeavoring to reduce every cost to bring down the cost of production. When you say we must get eight cents or ten cents per pound for our cotton, and the manufacturers will pay it, and then go on next year and say, whereas we got ten cents last year, and we are now improving our crop, our methods of picking, ginning and handling we are going to reduce one cent, or two cents or three cents, you must not overlook the fact that it is essential for the cause, not only for the cotton growers, but the handlers over the world, that utmost efforts are made to reduce the production all along the line.

Other substitutes for cotton are constantly coming before us, comparatively few are of any importance, but old king cotton cannot put his crown on the back of his head and his pipe in the side of his mouth, and say, I am going to be king forever and ever; for some day, something will come along and knock the legs out from under him. Don't forget you have, as we manufacturers do, to maintain the prestige of the old king.

MR. P. F. PARKER, of Alabama: There are a few things in my mind I would like to get before this body, and then I would like to hear some expression regarding them. Different men, representing the cotton association, have stood here and outlined just what we propose to do, and repeatedly, men representing the mills have said we are only too glad to accept a proposal of that kind; we will be too glad when you place yourselves in condition for

these things, to agree to a minimum price. Now then what we are hesitating on, is to get any moral into our words; we are satisfied with the cheering of those words, that you mean what you say, but now will someone express in a resolution, in order that we may have something to show our people. You understand when we go back home from here, something of that kind will materially help to bring about these conditions. Now will you propose something of that kind, not as an ultimatum, but as a means to the end desired?

MR. HARVIE JORDAN: Mr. Chairman, I have little faith in sentiment when a cold-blooded business proposition is the subject. I think the spinners have expressed themselves very fully on this proposition. They say that if the farmers and business interests of the South will build the warehouses and store the cotton and finance it, and put the cotton in the charge of expert cotton men and handle it, and break up the present method of buying and selling, they will then come across and do business with us. It seems to me that is perfectly plain. At the present time, and I will say that it has been only for two or three years, that the people of the south have given any attention to the marketing of this great staple product. Our people have expended their best energies in the production of cotton for the past half century. They have solved the problem of production. They have just begun to look into the question of marketing, and it has become very apparent to us that the production of sufficient cotton to meet the world's requirements, is not of advantage to the southern cotton producer, unless he can provide ways and means by which he sells that cotton that it will show a profit to him, coming out, as it does, of the product of his labor.

Now I see but one thing for the people of the South to do, and that is for them to go at this proposition on a business basis. go and build their warehouses, store their cotton, and get rid of the damaging elements, which we call country damage; finance that cotton to sell it as the world needs it for consumption. There has been a great deal said here about supply and demand. Every student of the cotton situation knows, that for the past forty or fifty years, the producers of cotton have violated unquestionably, all of the legitimate laws of supply and demand. Whenever you sell a twelve months' product within the short period of four or five months, you glut the market and you do not regulate the supply to meet the demand, nor under that condition of affairs can the price be based upon the legitimate laws of supply and demand. So that, if we expect to fix the price of cotton, based upon legitimate laws of supply and demand, and the trade conditions which prevail from time to time, we must put ourselves in a position where we can give out this staple to the consumers of the world as they need it, and stop the present method of dumping a twelve months' supply on a four or five months' market. When you do that, you minimize, or restrict the evils of speculation. Speculation cannot run right under that condition of affairs, but when there is an enormous amount of cotton that can be thrown upon the market when it has to be financed by somebody, or taken care of by somebody until it is needed, as a matter of course you put it in the power of the people to speculate upon that world-wide commodity; and I am satisfied that there is but one way to get the co-operation of the spinner on this proposition. They are not going to agree to break up their present system of buying cotton, to go into an experiment; they are not going to commit themselves, from what I understand has already developed, so it devolves upon the

business interests, and the farmers more especially of the south, to provide better ways and means, the proper facilities for handling the crop, and the marketing of the crop upon a business basis, and when you do that, then you are going to have direct trade with the spinner. It makes no difference whether the consumers of our cotton want it in that way or not. It has been gratifying to me to know that the spinners are perfectly willing to enter into an agreement of that kind, but they are not willing, as I understand it, to commit themselves on a proposition, until we are able to present to them a business proposition. We have gotten out of them, all we can get, as I understand, on that proposition.

We come now to what our duty is, and we can go back to our people and say to them, we understand now what the situation is; we know what we have got to do, and then as business men, go ahead and do it, and so far as the price of cotton is concerned, when we have established our system of warehousing and our methods of financing, we can then establish a minimum price, and let that minimum price at all times show that a bale of cotton upon the market means a profit to the producer. It makes no difference what the price of cotton may be, or what the methods of cultivation, let the minimum price show a fair and equitable profit to the producer, and say to the world, if you pay that price, you can get that cotton.

I am opposed to any proposition that ever looks to asking the farmers of the South to sell their cotton at the cost of production, because of certain tendencies in trade conditions. If we produce a surplus, it is the farmers of the South who do it, and it is their duty to take care of that surplus, and not dump it upon the markets of the world to permit the speculators to use it as a