come here prepared to go into all the various phases of it. We will be glad, however, to furnish any information within our power, or to answer any questions you may desire to put to us.

Mr. BYRNS. Do I understand that the fundamental cause of the condition which you describe is the fact that there is a large quantity of cotton in storage, which you say is serving to depress the market?

Mr. PARKER. The effect of that storage is this, that there are several million bales of cotton concentrated in the hands of the board. That cotton may come out at any time, and may not only depress the price of cotton which the spinner has already paid for, but may depress the price of goods that he has not yet manufactured. Consequently, he says, "Why buy cotton in advance; why load up with cotton so long as this state of affairs exists."

We have before us a wonderful illustration of this situation in the valorization scheme of Brazil. I believe you gentlemen were told a year or so ago about the wonderful success of this scheme, but since that time it has collapsed. Now, here is what happened: The Brazilian Government was able to control the planting of coffee trees in Brazil. They could say to every single coffee producer in Brazil, "You can plant only one tree, only two trees, or only a dozen trees a year." The Brazilian Government could say that to its own coffee producers, but it could not control the number of trees planted in Costa Rica, in Panama, in Mexico, or Guatemala. Now, so long as they had that control through the valorization of coffee in Brazil, it gave an impetus to people to go and produce coffee outside of Brazil. So when the show-down came, not a great while ago, they found that they were not in a position to control the market, and for that reason the coffee valorization scheme in Brazil has failed. Brazil is not now attempting to do anything more than merely to control the supply of coffee available for the world, but they do not in any way interfere with the enormous marketing and financing machinery for coffee.

They are leaving all that machinery untouched, so that the buyers and sellers of coffee are still able to function normally, and to conform to the reduced supplies that are released by the Government. Now, we cannot attempt to control either our domestic or foreign supply of cotton, and the effect of what we have done, as we see it, is that it has restrained our normal purchasing power, or the normal purchasing power of the trade in cotton. It has been long established and it has been functioning with its warehouses and financial power. What we have done has served to restrain this buying power, and it is not now picking up cotton as it would normally do.

Mr. BYRNS. I come from a part of Tennessee that does not produce cotton.

Mr. PARKER. I am from Tennessee, myself.

Mr. BYRNS. I know you are. I am from the middle part of the State, where they do not produce cotton, and I do not know much about the subject. Of course, the cooperatives are holding this cotton with a view to taking it off the market and securing a better price for the cotton grower. I do not know whether they are justified in that or not. I do not know about that; but I was wondering