

To Prevent the Sale of Cotton and Grain in Future Markets.

THURSDAY, JANUARY 28, 1926

UNITED STATES SENATE,
COMMITTEE ON AGRICULTURE AND FORESTRY,
Washington, D. C.

The committee met, pursuant to adjournment, at 10 o'clock a. m., in room 326, Senate Office Building, Senator Joseph E. Ransdell presiding.

Present: Senators Capper, Keyes, Gooding, Norbeck, Deneen, Smith, Ransdell, Kendrick, Heflin, Caraway, Ferris, and Mayfield.

Senator RANSDALL. The committee will come to order.

Gentlemen, if you are ready we will proceed with the hearing on this bill. I understand that Mr. T. E. Cunningham, of Chicago, is present and would be glad to testify.

STATEMENT OF THEODORE E. CUNNINGHAM, BROKER, CHICAGO, ILL.

Senator RANSDALL. Will you please state your full name, your residence, and your occupation?

Mr. CUNNINGHAM. Theodore E. Cunningham. My business residence is in Chicago. I live just outside of Chicago, in Evanston.

Senator RANSDALL. In what business are you?

Mr. CUNNINGHAM. I am a broker.

Senator RANSDALL. Now Mr. Cunningham will you not tell us, please, in your own way what you think about this so-called Caraway bill, S. 454, to prevent the sale of grain and cotton in future markets?

Mr. CUNNINGHAM. Well, primarily in my judgment it would destroy the liquid condition of the market. It would have a very broad effect, not only on the board of trade itself, but all of these contemporary interests, such as bankers, and to my way of thinking the most important phase would be the financial one.

Under the existing conditions people of moderate capital, because of the very prime value of grain collateral, are in business in a very, very large and extensive way all over the country. The inability to make hedging operations would, of necessity, make the bankers very reluctant to make loans to carry on business except to the richest houses, and then in a limited way compared with the present facilities.

Senator RANSDALL. Would this bill prevent the continuance of the present practice of hedging or insuring on grain?

Mr. CUNNINGHAM. In my judgment, wholly.