

Naturally, people buy a commodity when it is low and try to sell it when it is high. That is due to the natural human endeavor to make a profit. Now, the effect of the present situation is one that nobody knows. Nobody knows whether cotton is low or high under the present circumstances. That is because of this element in the market that the trade is not accustomed to, and which it is unable to discount.

Mr. AYRES. That suggests another question: In what manner could the Government, or the Federal Farm Board, use that machinery?

Mr. PARKER. Mr. Congressman, there is a great deal that could be said on that subject, but I do not think that any of us can intelligently reach a conclusion as to what could be done or could not be done until a real study has been made of the economic effect of the whole situation, as it now exists, as a result of this new element coming into the machinery of business. We have got to find out what it is. We do not know what the Farm Board has in mind. We do not think that they have anything that can ultimately work, but we may be wrong about that.

Mr. AYRES. Have you discussed this matter with the Farm Board?

Mr. PARKER. Yes.

Mr. WILLIAMS. There has been a certain amount of discussion.

Mr. AYRES. But no conclusion has been reached?

Mr. PARKER. No, sir.

Mr. BUCHANAN. You claim that this cotton now held by the cooperatives being in such great amount, and under one control, constitutes a menace to the market.

Mr. PARKER. In this sense: It may never be a menace.

Mr. BUCHANAN. You think it may be a menace?

Mr. PARKER. You know this, that where a single agency has two, three, or four million bales of cotton waiting to be unloaded at the first chance, or whenever the market shows any strength, you would feel that your business was menaced. That is exactly it.

Mr. BUCHANAN. You feel that it may be a menace to have that cotton concentrated in warehouses, subject to one control.

Mr. PARKER. Yes, sir.

Mr. BUCHANAN. You feel that it may be a menace to the market. Now, is it not a fact that some of this very cotton machinery, of which you have been speaking, have had under their control more cotton than the entire cooperatives have under their control now?

Mr. PARKER. I do not know. I do not know of any single machine that has ever had any such volume under its control as that. I do not think it has.

Mr. HOGAN. That is just exactly what is the matter.

Mr. BUCHANAN. Do you not think they have more than that under their control?

Mr. HOGAN. We have 85 per cent of the cotton under our control.

Mr. BUCHANAN. Do you have that much under your control?

Mr. HOGAN. Yes, sir.

Mr. BUCHANAN. Eighty-five per cent?

Mr. HOGAN. Yes, sir.

Mr. BUCHANAN. Of course, that is very much more than these other people have.

Mr. HOGAN. They have the United States Treasury back of them. That gives them the power to market at a loss. It does not make