

any difference whether they lose money or not. Therefore, they can sell this cotton if they want to at any price. I am not making the charge that they are selling it, or will sell it, at any price, but the point is that this cotton, being held as it is, with the United States Treasury back of it, can be pushed on the market at a loss at any time. I mean by that on a basis loss. As you see, there are two things we have got to face——

Mr. BUCHANAN (interposing). Do you not know that if this cotton were pushed on the market at a loss the cooperatives would lose any margin that they may have in the cotton?

Mr. HOGAN. Yes.

Mr. BUCHANAN. You are antagonizing this concern because it has taken cotton away from your concern?

Mr. HOGAN. No, sir; we are not attacking the cooperatives. We have never attacked them.

Mr. BUCHANAN. I did not say that you were; but, as a matter of fact, there are one and a half millions or two million bales of cotton that the cooperatives hold throughout the United States, cotton that your concerns have been handling heretofore. Now, I understood you to say that you have control of 85 per cent of the cotton now.

Mr. HOGAN. Yes, sir; if you gentlemen will let me talk——

Mr. BUCHANAN (interposing). Looking at it from my standpoint, which is from the producers' standpoint, because cotton is now selling below the cost of production—you admit that, do you not?

Mr. HOGAN. Yes, sir.

Mr. BUCHANAN. The farmers ought to get at least the cost of production, and a little profit on it, and it seems to me like intelligent management to get this cotton together in their pools, and handle it so that the producers of cotton may realize some profit from it.

Mr. HOGAN. I am making this assertion now, and you may check it: Since the merchandising of farmers' products began under this machinery the farmer's products have been marketed without one cent of cost to him.

Mr. BUCHANAN. The Government statistics do not show that. They show that there is a vast spread between what the farmer gets and what the consumer pays. Most of that spread has gone to the middleman.

Mr. DICKINSON. There is a great difference between marketing costs and the speculative spread. The speculative spread is where these gentlemen come in.

Mr. HOGAN. We do not speculate. You, the United States Government, are speculating. We are not speculating.

Mr. BUCHANAN. If it takes speculation to put a farmer on a basis where he can live, I am willing for him to speculate.

Mr. DICKINSON. If buying futures is not speculating——

Mr. HOGAN (Interposing). Do not think that the speculator ever hurt the farmer. The speculator has helped him.

Mr. BUCHANAN. He has made a poor job of it.

Mr. HOGAN. Is the farmer any worse off than the poor starving operatives at Gastonia and Fall River?