Mr. BUCHANAN. Do you mean the employees of the mills?

Mr. HOGAN. Is the big capitalistic farmer any worse off than the mill owner?

Mr. BUCHANAN. I wish you would show me a capitalistic farmer. If there is one, he should be placed on exhibition somewhere.

Mr. HOGAN. I saw one in New Orleans, who showed me where he had made 100 bales of cotton on 100 acres of land, at a cost of 7 cents per pound. He showed me the figures. He showed me where he had sold his cotton at a profit of $1,200. Instead of losing, he had made $100 per month. All of these questions are really extraneous to what we wish to present. What Mr. Parker has been telling you is this, and I will make defiance to everybody here on that proposition. This is not said in ill temper at all, but I am stating my case. I am a cotton man. I am in the cotton business. My father was a cotton man. He has been a cotton classer and has handled cotton in all its forms. He is 80 years old, and is in the cotton business now. I came on behind him in the cotton business.

Now, that cotton machine was in existence before my time. We evolved a system, through that machine, for handling cotton. Merchandising is just as much an art or a science as being a doctor, a lawyer, or a member of any other profession in the world. It takes trained men to do it. It takes something that has been built up through the generations, like statesmanship. The merchants of this country in marketing cotton in Liverpool found out that when the cotton got there, there was frequently a drop in the market; so they evolved a wonderful system of price insurance, which is known as hedging. Under that system, which was not evolved by farmers, which was not evolved by Congress, or by scientists, but which was evolved by merchants, the cotton crop of the United States has been handled on the narrowest margin of profit, and on the narrowest spread between the farmer and the processor that could possibly be figured on any commodity. Now, all of that has been borne out by the investigation of the Federal Trade Commission which, after investigating the cotton business, in no especially friendly way, came to Congress and gave us a clean bill of health. It is a wonderfully efficient body of men, functioning on a very reasonable profit.

Congress itself has investigated this price-insurance machinery in the cotton exchanges. In spite of the fact that there were dissensions within and dissensions without, it has never been proved that those exchanges operated as a conspiracy to depress the price of cotton. I doubt if speculation has ever materially affected the great arc of prices. Speculation is a natural human reaction. It is a vitalizing principle, which makes us live in hope. Speculation is the expression of hope. Speculation comes into the market as an eager force and tends to push the market up until it makes the price higher than it would have been ordinarily. However, it does not affect the great arc of prices. Conversely, short selling does not do anything to depress the market. I doubt if any commodity was ever depressed below its supply and demand value because of short selling it on the exchange. I can challenge you on that statement, and I can prove it. You can not profitably sell a commodity down unless you start to sell it when it is above its fair value, for the reason that