r. BYRNS. Have you any idea?

[r. PARKER. We have never been told about that. We have never told about the inside operations of the Federal marketing hinery. We do not know how much cotton they have; we do know how many futures they have bought; and we do not know much they have sold. All of that is matter that has not come in their reports.

[r. BYRNS. I do not suppose it amounts to 50 per cent of the on, or anything like that.

[r. PARKER. No, sir.

r. BYRNS. Is it about 15 per cent?

r. PARKER. Normally, I should say, about 10 or 15 per cent.

r. BYRNS. Do I understand that it is your contention that the age or holding of this 10 or 15 per cent of the cotton crop is hav- this effect upon those who handle the other portion of the pro- ion, or who would normally handle the other portion, by reason he fear that they may have, or from the fact that they do not w what might be done with this 10 or 15 per cent of the crop, hen it might be released?

r. PARKER. As much cotton as that, distributed in warehouses, er the financial responsibility of 1,000 merchants, would not be an influence on the market as it is when it is concentrated under power of one group of men, or one man, or one single agency. ther they will dispose of it, or not, we do not know. Nobody ws what will happen, and, consequently, the merchant is inclined and aside.

r. DICKINSON. It has been my impression that an effort has been e to hold this up as a "bugaboo" rather than as an actuality, and a lot of people were putting this up rather as an excuse, because he fact that people are not taking any risks, and they are not ng things. I do not care what line of activity you go into, buy- is being curtailed everywhere.

r. PARKER. Yes; I grant that.

r. AYRES. I am very much interested in your statement that this hinery is available: May I ask you what constitutes that hinery?

r. PARKER. It is the machinery of the American Cotton Shippers ciation, comprising something like 1,000 trained merchants, who well capitalized, and who have banking facilities for handling on. They buy cotton from the farmer, as it is offered, paying therefor, and immediately selling futures to hedge it. That, of se, is a bona fide contract for the delivery of cotton. Then, they able to borrow from the banks practically 100 per cent of the e of the cotton, because they have the sale already made. Now, do not necessarily deliver that cotton on the futures contract. better to sell it as spot cotton to the consumer, in which case he in that contract, so that whatever he loses on one he makes on other. But if they can not find a spot buyer, or a spinner buyer, they go through with that cotton on the futures contract. They their money back, and can pay the bank. That is the primary hinery. The secondary machinery is for the export of cotton by ly merchants, who handle it in Europe, where there is a demand. , this new agency has adversely affected the market.