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AIKEN SCORES COTTON BEARS.

Asks for Drastic Regulation of Cotton Exchange. Gives Some Interesting Figures on Cotton

Mr. Hay. Mr. Chairman. I yield 15 minutes to the gentleman from South Carolina (Mr. Aiken.)

Mr. Aiken of South Carolina. Mr. Chairman, some time ago I introduced a bill (H. R. 12408) the purpose of which is to regulate transactions on the produce exchanges of this country. This bill if enacted into law, will confine transactions on the exchanges to crop products actually in existence and ready for delivery, fixing proper penalties for violations of its provisions.

At the same time I introduced this bill—July 12, 1911—I knew in a general way the evils of exchange methods, but their enormity was not known to me fully until the closing months of that year.

Only a few years ago a large percent of the lands and homes of southern farmers were under mortgage. Reduced to poverty by the war, the southern soldier came home to enlist in an industrial struggle full of deprivation and little less terrible in its effects than the scene of blood and carnage through which he had passed. Cotton, by reason of its climatic adaptability and ready market value, is the natural southern crop, and its cultivation offered the only hope to the southern farmer after the War of Secession. In the history of its decline in price to less than half the cost of production could be written a history of deprivation, suffering, and even want never before experienced by a people of like refinement and intelligence. Northern cotton mills were reaping a harvest. They extended their investment to the North and South, mill interests flourished as never before in the history of this country. Southern homes were swept from their owners and converted into mill profits, and these in turn placed in new mills. Hard as was the struggle with the cotton farmer, it was not without its beneficial results in creating new demand for his cotton. Though many were driven from their farms to seek work in the mills, a better day began to dawn on those who remained on the farms. Increased manufacturing took cotton more and more out of the hands of the speculator, and it began to command a price that gave a profit to the producer. Mortgages, yellow with age, were lifted from southern homes, and peace and contentment could be read even in the lines of the furrowed brow.

These dark days in our history will never be renounced. Our people have concluded that they are entitled to a part of the profit of their crop. They have built warehouses and so diversified their crops as to stand the assault of the cotton gambler, and a few of them, at least, will share the profit with him and the mill men.

Determined, then, as a few of our people are, to have share in the profit on their cotton, the indignation they feel toward a lot of cotton gamblers whose market manipulations has robbed them of millions of dollars' profit on this crop is not hard to understand. The poorer, the more helpless, has been squeezed out and forced to part with his crop below the cost of production. This has already been fed to the greedy bear.

Two years ago Messrs. Brown, Hayne, Scates and others were charged with maintaining a pool to hold up the price of cotton, the Attorney General of the United States had them indicted

before a federal grand jury. And for whose protection? It was done at the instance of a lot of bear thieves who systematically robbed southern planters for more than thirty years. The indictment alleged that mill men had to pay a fictitious price for their cotton, and many of them were forced to shut down. I know something of this inside history of that so-called bull pool, and I state as a fact that the idea originated with a southern mill president of La Grange, Ga., that the details were worked out at Greenville, in my own State, and that so-called bull operators were brought in to aid the cotton manufacturers to uphold the price of raw material against the manipulation of a conscienceless band of robbers.

As evidence that the Attorney General proceeded at the instance of the bear clique on exchange, not the character of the witnesses called. Without exception they were representatives of firms who had sold cotton heavily in excess of supply. And note the further fact that not a single mill man appears in the list of witnesses. At the time the so-called "bull" pool came into existence the future cotton market was a cent a pound or more below the spot market, held down by the bear gambler. The dry-goods merchant wanted to base the price in buying on the future and not on the spot-cotton market, and refuse to buy except on that basis. This produced stagnation in the cloth market and it was to eliminate this feature that mill men originated the so-called pool to maintain a party between the spot and the future market.

But suppose American cotton mills were placed at a single disadvantage by "bull" support of the market, can the Attorney General be excused for protecting even them at the cost of millions to American commerce? When we consider that the United States raised 69.9 per cent. of the world's supply and consumes only 24.7 per cent., the magnitude of the injury done to American commerce and American business by the effort to depress the price of cotton is apparent. That his act did not reduce the price of cotton at the time more than 2 cents per pound is due to the stubbornness with which Hayne, Brown, Scates and others bought all actual cotton offered, instead of accepting settlement of margins, which is a trick of the trade to sell large quantities of cotton not in existence. Such a decline was confidently anticipated. A week before Brown and Hayne knew that they were going to be prosecuted a "bear" firm, in trying to get a certain party to sell the market said:

I know something is going to happen that will cause a break in the market of from 100 to 200 points.

Suppose the break had materialized. The result would have been, on a basis of 12,000,000-bale crop and at a 2-cent decline, to give foreign spinners about 90,000,000 to save about 30,000,000, ostensibly to American spinners, really to Wall street gamblers. Will the time never come when Government representatives and officers can see other interests than those that are centered in New York? Is the hard-working, respectable citizen of the United States to be held up by the Government and fleeced under its protecting arm?

The enormity of the Attorney General's act did not fully appear until the present crop was brought into sight.

The world's consumption of cotton, as stated in Bulletin 113, page 23, of the Department of Agriculture, is 21,000,000 bales. On the same page we find the statement:

It appears probable that 11,500,000 bales of American cotton

can be absorbed during the year ending August 31, 1912.

In other words, the present crop will barely meet the demand, conditions being normal in other cotton raising countries.

In India, for instance the crop is conceded to be short about 1,500,000 bales, and we have heard nothing of a large crop in any other part of the world. We raised as heretofore stated, approximately 70 per cent., and this represents say 15,000,000 bales. The other cotton producing countries raise 30 per cent. or 6,400,000 bales. The total, then, will be 21,400,000 bales against a consumption of 21,000,000. But India, as stated, is 1,500,000 bales short, which, taken from the total supply, would seem to indicate a shortage in the world's supply of the crop of something like 1,100,000 bales of cotton. We need 21,000,000 bales of cotton, we have only 19,900,000 bales with which to supply them. In the face of these facts cotton has been hammered down to 8 cents per pound, 2 cents below the cost of production, by a merciless set of vampires.

Meaning no disrespect, but in criticism of the narrowness of the Attorney General's view and the shortsightedness of his policy, I charge that he, more than all other combined agencies is responsible for this condition. His prosecution of the so-called bull element of the exchange has driven out competition and made the market a one-sided affair. No single operator can affect prices on the exchange, and no sane "bull" operator would enter a combination while he or his fellows were under prosecution by the Federal courts charged with this very offense. The "bears" may combine at will, but the "bulls" to combine is in restraint of trade, is an affront to the gentlemen of Wall street, and proper cause for Government intervention. What a spectacle.

Mr. Chairman, if the Attorney General concludes finally that he can not proceed against "bull" operators, I believe a committee of Congress should make investigation of exchange methods. If it is a fact that millions of bales of cotton are sold annually on the exchange that never had and were never intended to have existence, thereby abnormally depressing its price, then the evil should be eradicated. In the name of common decency, in consideration for the southern farmer, who contributes more to the export trade of the United States than half of the rest of this country combined, this piracy on his products should be stopped. If the cotton exchanges are to be one-sided affairs, dominated by the "bears," it would be infinitely better to abolish them altogether. Congress should know the facts, and, knowing them should pass such legislation here as will protect the producers of this country.

A normal price for the present crop of cotton would have been 12 1/2 cents per pound. Much of it has sold as low as 8 cents per pound. Owing to bear manipulations, aided and abetted by the Government, the cotton producer has easily lost 3 cents per pounds on the entire crop or \$245,000,000; and two-thirds of this amount, or approximately \$145,000,000, has been given to foreign spinners.

Mr. Tribble. Will the gentleman yield for a question?

Mr. Aiken of South Carolina. Certainly.

Mr. Tribble. I understand the gentleman introduced his bill some time ago.

Mr. Aiken of South Carolina. Yes.

Mr. Tribble. Has the gentleman been able to get the Committee on Agriculture to investigate and report his bill?

Mr. Aiken of South Carolina. No; I have been able to get no

report at all from the committee.

Mr. Tribble. They had not investigated that, so far as the gentleman knows, so as to report that bill?

Mr. Aiken of South Carolina. They have not, so far as I know, I would willingly accord sincerity of purpose to the Attorney General if, accepting this horn of the dilemma, he did not appear ridiculous in the sight of all good citizens, interested in the welfare of a common country. Perhaps, as a newspaper in my district tersely puts it: "He prefers the hug of the bear to the horns of the bull." (Applause on the Democratic side.)

While I thought the prosecution of Brown, Hayne, and Scates was little less than criminal, since the Attorney General has assumed the responsibility and given the "bears" the benefit of the Government's support, I could see no reason why the "bear" element, who had robbed the producing class of fully \$3,000,000 should not also be prosecuted, and to that extent aid in demoralizing their robber band. With this idea in view, I directed a letter to the Attorney General, asking why these men should not be prosecuted. I have my letter to him and his reply. I shall not read them, but will ask leave to print them in the Record.

In his reply the attorney General says if he had evidence of the existence of a "bear" pool he would proceed against it, as he has proceeded against the so-called "bull" pool. While I cannot furnish him such evidence as would be conclusive in court, such investigation as I have made convinces me that the evidence against the "bear" and "bull" elements of the exchanges is tangible alike; that the market can neither be boosted nor beared by one man (Applause on the Democratic side); that there are men on the exchanges who operate almost exclusively on the "bear" side and operate in collusion with other "bear" operators; that these raids on the market are often planned months before the actual coup; and that the robber band planning them will use every possible instrumentality, including the Government, to carry out their damnable purposes. How many times have they had advance information of the Government reports. Who would deny that they have or have had agents in the statistical departments of this Government? Now, these facts are all known to the Attorney General, and yet he comes up with the prosecution to the "bull" clique in his right hand, and in his left hand with the lame excuse that he does not know who the "bears" are. (Applause on the Democratic side.)

The Regular "bear" cotton speculator is as well known in exchange circles as the officers of this Government are known to the people of Washington. I have here in my possession the names of several "bear" firms who will be found on the "bear" side of every important exchange transaction, and they were the immediate beneficiaries of the Government raid on the market two years ago. If the Attorney General will arraign his witnesses in the pending case and call on the parties under prosecution for evidence, and then rake the letter files of the "bear" element, as he did in the case of his prosecution of the "bulls" he will not be lacking for evidence. A "bear" pool was on, which held the future market a cent a pound below the spot market at the very time the Government began proceedings against the so-called "bull" clique, and that very act, as I have shown, gave rise to the so-called "bull" pool as a defence measure, originating with the cotton mills.

Mr. Heffin. Mr. Chairman,

Will my friend permit a question?

Mr. Aiken of South Carolina. Certainly.

Mr. Heffin. Is it not a fact that at the time the Attorney General prosecuted what is called the "bull" raid the spinners were taking cotton?

Mr. Aiken of South Carolina. Yes; I have just mentioned that.

Mr. Heffin. The spinners were taking this cotton?

Mr. Aiken of South Carolina. Certainly they were.

Mr. Heffin. I have not had the pleasure of hearing all of my friend's speech but has the gentleman heard of any grand jury indictment of "bear" raids this fall?

Mr. Aiken of South Carolina. There have been absolutely none so far as I know.

Mr. Heffin. Since the gentleman called upon the Attorney General has he reason to think that everybody in the department of Justice has investigated and reported on a bear raid?

Mr. Aiken of South Carolina. Not to my knowledge. I have heard of nothing of the sort. Of course the interest of the producer was not considered, and it is evident that the Attorney General's assertion that the prosecution was for the protection of the mill interests was at that time groundless. This of the Attorney General shows ignorance of conditions that is lamentable or bias that is unworthy an officer of this Government. I give my letter and his reply to the public for what they are worth. (Applause.)

Will Please be the Issue?

With the return home of the delegation in the legislature the political pot has begun to boil.

It is reported that local friends and supporters of Gov. Blease have rented offices in which they will establish Blease headquarters. The report cannot be confirmed.

Hon. H. K. Osborne said yesterday that during the past few weeks he had talked to well informed people from all parts of the State and he was confident that Blease would be defeated by Ira B. Jones by a tremendous majority. Mr. Osborne said that Mr. Jones would be well able to cope with Blease on the stump and would give a good account of himself.

It is common talk that the lines will be drawn very close this summer and that every candidate for office, no matter how small the office, will be required to state where he stands—on a Blease or anti-Blease platform.

The professional politicians and officeholders are extremely reluctant to tell where they stand as to Blease and say they will not be snooked out. They declare that there is no necessity for injecting the Blease issue into the county fight, and that the candidates should be judged on their own merits as men and not by their attitude toward Blease.

On the other hand, however, it is pointed out that the voters are mighty apt to form an opinion of the manhood of the candidates from their position as to Blease and will not let the candidates remain silent in regard to it. Some of the candidates are attempting to evade the issue by saying they are for Blease when they believe he is right and against him when they believe he is wrong.

Mr. Osborne, who is a political opponent of Gov. Blease and makes no bones of the fact, and he believed voters had a right to know how candidates stood in regard to Blease, because Blease was the principal exponent of a policy, and support of Blease was support of that policy and antagonism to Blease means antagonism to that policy. Mr. Osborne said that Bleasism meant "wide openness."—Space an burg Herald.

PICKENS—MY TOWN PEARL OF THE PIEDMONT

This good town is noted for its hospitality, piety and good order. Every door is wide open to strangers; the people strictly moral and law and order prevails.

There has not been a serious crime committed here in many years. We have only one blue coat, and his services are rarely called into requisition; Church and Sunday school membership gradually grows; business increases yearly and therefore there is no reason that we should not be happy and contented in this good town.

Each day we take a step forward. Soon we will quit paddling through the mud and walk on paved streets.

Our merchants are always busy. People come here from the mountains and from the lowlands to buy. They get their money's worth and go away so well satisfied that they resolve to buy here again.

FINEST COTTON AND CORN MARKET IN THE STATE

This is one of the best markets in the State for Corn and Cotton and all farm products, and once a customer trades here he has been won for life.

DELIGHTFUL CLIMATE AND SPLENDID WATER

This is a good town to live, move and have your being in. All who are here say so. The purest air and water in the world (Greenville not excepted.) The best people, and joy and peace and contentment forevermore.

GRAND SUMMER RESORT

We expect the town to be flooded with tourists this summer. They cannot find a better, more congenial or healthier place to spend the hot months.

The air is cool and invigorating, the climate delightful and the elevating hills inspiring. We already have two excellent hotels, but these are now taxed with local and transient patrons. The many boarding houses are well filled, and some one should get busy to provide accommodation for those who are undoubtedly coming here for rest and pleasure.

Heavy Loss by Fire

Houston, Texas.—In the wake of the most destructive fire in the history of Houston, smouldering wreckage tonight covers an area of about seven blocks wide and a mile long in the eastern portion of the city.

More than a dozen of the most important enterprises in the city are in ruins; 200 or more dwellings and stores are in ashes and approximately 1,000 persons are homeless.

An accurate statement of the monetary loss is not yet possible but the most conservative estimates are that the amount will reach \$7,000,000. The insurance will not exceed 40 per cent. Except for a few who suffered minor burns and bruises, no casualties attended the fire.

Warehouse Commissioners

J. W. McCown of Florence, chairman; John S. Horlbeck of Charleston, T. L. Clinkscales of Anderson is the personnel of the new State warehouse commission, to take charge of the State system of cotton warehouses created under the act of the present session and approved by the governor.

The terms of the members are six, four and two years, to be selected by lot by the three members elected.

Agree on Parcels Post

It looks as if congress would pass the parcels post law. From a dispatch a few days ago to the daily press the following is taken:

Democratic members of the house committee on postoffices and post roads have agreed to incorporate in the appropriation bill provisions for the establishment of a general parcels post system. They have also agreed upon a domestic rate of 12 cents and a maximum package of 11 pounds. This is the present international post rate.

They would also provide for a rural parcels post, the rate to be 5 cents for one pound and 2 cents for each additional pound. The provisions will be incorporated in the bill to be reported to the house some time next week, but the actual wording of the provisions has not been framed. The decision was reached after long consideration of the subject, a few Democratic members advocating a system of parcels post zones in which would prevail different rates. This was finally passed and the international rate ordered recommended for general routes and the limited, graded rates for rural routes.

An Old Bar Room

But what is an "old bar-room"—an "open saloon"? The notion of the South Carolinian is vague and is obtained only from reading descriptions of "gilded dens of iniquity" that are still to be found in such benighted regions as Virginia, Pennsylvania and New York. Nevertheless, persons who wish to be informed and are unable to travel half a thousand miles may obtain a fair idea of them at the race track in Charleston.—The State.

Acts Not Approved

Over one hundred acts and joint resolutions passed at the present session of the general assembly have been forwarded by the governor to the secretary of state, where they are now on file as statutes of South Carolina. An examination of the mass of ratified acts shows that only three or four of the entire lot have been given the official signature of approval. In the remainder, the line drawn for the signature of the governor, above the word "governor," he left blank.—The State.