

**OPPORTUNITY FOR COTTON EXCHANGE**

**Pres. Wannamaker Says Time is Ripe to Abolish Conditions Established in New York in 1869**

To the Members of the American Cotton Association:  
There is in the world today only one commodity superior to cotton—gold. No stocks or bonds or any form of securities have such a world-wide market as cotton. Nothing can be so readily sold in so many markets as a very small concession from the market price. Nothing can be immediately sold for near or distance future delivery on so many exchanges in so many countries as cotton. Two guarantees are necessary and cotton will soon take its rightful place as the best collateral in existence. The lender wants to be sure first that the sales are where the warehouse re-

ceipt says they are; second, that they are of the grade stated in the certificate. Then he will lend the money gladly.  
Cotton should be warehoused immediately after ginning, either in a warehouse under federal supervision or State supervision; it should be graded by a government grader. The records of absolutely bankable cotton as sold, its quantity, can be collected into cash at any time.  
New York is not a natural cotton depot. It is only naturally a link in the chain of domestic and foreign transportation, largely the latter. New York is not near any spinning center and is far from the cotton plantations.

It is only as a result of conditions existing in '69 that the New York Exchange was established. It has been proven often this year, if indeed such proof was needed, that New York is not a natural storage place for cotton. Cotton has never been offered to New York except as the result of inflated prices and the greatest necessity to have it delivered on contracts. Cotton in the South today is bringing a far higher price than cotton in New York.

As a result of conditions that exist today and that have existed for years, cotton is also the football of the gambler; the bear gambler kicking the ball ninety-nine times to one kick by the bull. As a result the producer pays the penalty and the manipulator and gambler reap the harvest.

About six years after the War Between the States when the poverty and bankruptcy of the Southern States made them entirely dependent upon the financial accommodations New York could furnish to the merchants of the cotton producing States so as to enable them to extend credit in the way of goods to the producer, trading on the exchange cotton futures was developed. At that time but little cotton was grown in Texas and none at all in Oklahoma, then the Indian territory, the largest portion of the cotton crop being produced in the Atlantic States from Virginia south, where it was shipped to Europe via the ports of Norfolk, Savannah and Charleston.

In those days the South was helpless; it had no voice in the framing of either its commercial or political life. The government of the South was in the hands of 4,000,000 slaves under the leadership of the "cracker-bagger, the South was bankrupt. To exist it must produce cotton; it was only there to die. In those days there were but few cotton mills in the South; the entire southern consumption of cotton in 1871 was about 91,000 bales. It was not therefore difficult for New York to attract a reasonably large stock of cotton from a

comparatively nearby territory and, the naturally became an important and legitimate cotton market.

On February 20, 1886, when New York was about at its zenith as a real cotton market, the cotton held in the warehouse there was 294,449 bales or about 5.1 per cent of the crop of that season, which was 5,522,000 bales. On the 1st of November, 1919, the warehouses of New York contained only 17,033 bales, or 0.199 of 1 per cent of this year's probable commercial crop of 11,000,000 bales. The reason for this reduction in the stock carried is that the cotton mills that have been built since 1880 in the territory that was formerly tributary to New York, consume nearly all the cotton that is raised there and can afford to pay far more for it than it would return if delivered on the future contracts that are bought and sold in such enormous volume on the New York Cotton Exchange.

In its raw form, including the seed, the world's present cotton crop is now worth at least \$200 per bale, or about three and a half billion dollars. In its manufactured form its value is about tripled and would approximate eleven billion dollars. The total capital invested in the production and manufacture of cotton and the cotton by-products has been recently estimated at approximately thirty-seven billion dollars.

About 50 to 70 per cent of the world's cotton production is grown in America and this year's crop of about 11,000,000 bales will be worth about \$2,200,000,000. Of this 71,000,000 bales about 3,500,000 bales or 30 per cent will be consumed by mills located in the Southern States, chiefly in the Carolinas and Georgia, and the remainder of 7,500,000 bales, worth \$1,500,000,000, will be shipped to the New England mills or exported.

The American Cotton Association with the mills, farmers, merchants, bankers, professional and business men as its foundation, has been building the building of warehouses, a warehouse or warehouses for each county, owned and controlled by the people of the county, operated under the State or Federal warehouse act, sufficient to hold the cotton of said county. That is the program they are pushing throughout the length and breadth of the cotton belt, so that the entire South will be dotted with warehouses and the marketing of cotton stretched over a period of twelve months instead of being rushed on the market in the harvesting period of three months, 70 per cent being the average amount of cotton sold in these three months heretofore.

The next step will be concentration warehouses. The American Cotton Association is forming a bank, export and discount corporation for the purpose of effecting direct sales of cotton both in home and abroad, thereby saving the cotton and its life and the lives of men who have given their lives to this great industry. The opportunity now has arrived to absolutely change conditions which have heretofore existed in the handling of the cotton industry. Antiquated methods must be relegated to the scrap heap; a Southern spot exchange should be established; New Orleans has a golden opportunity.

Great complaint is being raised against methods which now exist on the New York exchange. Manufacturers cannot use it for hedging purposes; time and title again its committees have recommended that it establish warehouses of certification in the South from which cotton could be delivered for contracts bought on the New York exchange. Recommendations of this committee were endorsed by leaders of the manufacturers, all to no purpose, and as a result New York has lost her opportunity; she has killed the goose that laid the St. Matthews. Jan. 2.—Following is an article given out by President J. Skottowe Wannamaker of the American Cotton Ass'n.

New Orleans, by establishing warehouses of certification at concentration points throughout the cotton belt by making certain radical changes in the rules and regulations so that a contract will assure the delivery of spot cotton from these certified warehouses, can become a great spot exchange, absolutely controlling the situation.

With a warehouse in every county and push throughout the length and breadth of the cotton belt, operating under the State or Federal warehouse act, with concentration warehouses with government graders for all of these warehouses, we are facing the most complete change in the cotton industry that has ever occurred since the first slave was sold for the purpose of producing cotton and which resulted in the South swapping her birthright for a bitter mess of pottage. The handwriting has appeared on the wall; special committees have been appointed by the New England spinners to confer with the New York exchange; special committees have been appointed by the New York exchange; great dissatisfaction, exists not only throughout the entire cotton industry, but among the members of the New York exchange.

Chicago is making a bid for this business. In a recent address before the Chicago Board of Trade, Theodore H. Price unhesitatingly recommended that Chicago take steps to establish a spot exchange for the entire cotton belt, which was tributary to Chicago and not to New York.

The New Orleans exchange, the Chamber of Commerce of New Orleans and the Chamber of Commerce from the various cities of the South should immediately take steps to cooperate in the establishment of this exchange and effect this great change in the cotton industry. Opportunity is knocking. She offers a golden opportunity of changing these antiquated methods which were established in the handling of cotton in about 1869, so the manufacturer in every line of the cotton industry will receive great benefits. She offers a golden opportunity to the South to attend to her own business. Will she accept this opportunity? Common sense tells us but one answer and the answer she dictates is "Yes."  
The Textile World Journal in an editorial entitled "A Better Contract," says:

"That the New York Cotton Exchange could perform an important service to the industry, and at the same time tend to correct the very generally accepted opinion that the exchange is operated solely for speculative purposes, by revising its contract to allow delivery on it of certified cotton at bonded warehouses in various concentration centers throughout the country, has been suggested in these columns at various times. The same plan has also been advocated by cotton growers' associations, but the officials of the exchange have never given evidence that the suggestions warranted their serious consideration. Now that the National Council of American Cotton Manufacturers has appointed a committee to confer with the officials of a local exchange on this subject it is possible and probable that the latter will at least give it serious thought."

There is a certain ultra-conservative old boy element of the exchange that will continue to fight against innovations and that is perfectly satisfied with old business conditions, but a constantly increasing number of its members is alive to the modern idea of giving maximum service to their clients, to the importance of a broader contract, and to the desirability of making concessions to critics among growers and manufacturers that may tend to check further restrictive legislation. Not all of them may be able to visualize the importance to the industry of a real spot market or of facilitating transactions in actual cotton, but they do believe in the principle of giving maximum possible service to their customers, and there is excellent reason for believing that, if the proposition of the national council were put to a test vote it would receive the support of a majority of the exchange members."

With the contracts calling for the delivery, or carrying the privilege of delivery from the great warehouses in New Orleans or at certain warehouses in the various cotton producing States or from certain warehouses of certification, the price of cotton would be regulated by the law of supply and demand. Each contract would mean that the cotton specified therein could be secured; how is it possible for the law of supply and demand to operate today—January and March hundreds of points above July and May? If a manufacturer attempts to hedge his cotton by selling July he will be caught between the upper and the lower millstone and ground to a pulp. The law of supply and demand is an unknown quantity on a market which does not carry the guarantee of delivery of the property. This great law has long since been dynamited and has ceased to function. The price of cotton is subject to the whims of the manipulators; the producer pays the freight, the manufacturer and consumer of cotton goods, of course, also suffer.

The establishment of a spot exchange with warehouses as outlined above, is just as necessary to the proper handling and economic reform in the cotton industry as air and water are to human life. This reform has the endorsement of the manufacturer and in fact, practically every legitimate line of the cotton industry and will meet with their cooperation. The cotton producer certainly feels that New Orleans is the logical point to institute this great reform and cannot agree with the statement made in Chicago that the cotton producing sections of the South are tributary to Chicago.

This change will mean that for the first time cotton, with only one commodity superior to it—gold—will take its proper place, the law of supply and demand will mean active competition from the various lines of the cotton industry from the legitimate speculator and investor. It means that no longer will cotton be the football of the gambler. This change will remove the manipulator and parasite, as his opportunity to operate will be removed.

The producer, of course, had no voice in the establishment of the exchange in New York in '69; the South was then bankrupt. Conditions today are far different. They recognize the necessity of these economic reforms; they are ready to cooperate and assist in the same. What will New Orleans do? What will the various cities of the South do where there are exchanges in operation? What will the chambers of commerce do? What will the business men of the South do?

Don't forget that not only the producer and manufacturer, but in fact, every legitimate line of the cotton industry will be greatly benefited by this change.  
J. S. Wannamaker,  
President, American Cotton Ass'n.

**MODERNIZING JERUSALEM**

British Architect Preparing the Plans

London, Dec. 10.—Professor Patrick Geddes, town planner, who has in hand projects for the improving of Jerusalem for the Zionist Organization, aims at making the changes without destroying the historic and romantic aspects of the ancient city, according to a statement which he has given to the Zionist Bulletin.  
Prof. Geddes states that one of his first tasks will be in connection with the Hebrew University, and he hopes to begin on that next year, utilizing buildings already erected. Research laboratories for chemistry will be a feature of the school. Dr. Weizmann, the Zionist leader, who has been reader in bio-chemistry at Owen's College, Manchester, will be in charge of the research work.  
Professor Geddes says he hopes also to start a Palestine museum and suggests that nothing more of historical and archeological interest should go out of the country.

Philadelphia, Jan. 7.—Grover Berg Doll, one of two wealthy brothers sought throughout the country for the last two years, accused of draft dodging, was arrested at his mother's home here today. Berg Doll was traced at various times to Cuba and Mexico.

**THE STATE SOLDIERS' MEMORIAL**

**Cotton Mill Officials Are Liberal Subscribers to the Fund**

Columbia, Jan. 9.—In memory of their heroic operatives, thousands of whom volunteered and were drafted into the armed service of the nation during the World War, and many of whom made the supreme sacrifice, textile managements of South Carolina are liberally subscribing to the \$400,000 fund for the erection of a memorial building commemorating those South Carolinians participating in the World War, according to the headquarters of the South Carolina Memorial Commission in this city.

The mill managements, according to the commission, taking the initiative in this matter are the Graniteville Manufacturing Company, of Graniteville, the Langley Manufacturing Company, of Langley, and the Aiken Manufacturing Company, of Aiken, which subscribed \$600 between them, \$200 for each enterprise. All these corporations are in the "Horse-Creek" valley, of Aiken County, which sent many sons to the war.

The memorial commission said that it has information that many other mill managements intend to liberally subscribe to the fund.

Relative to the participation of mill boys in the war, Commissioner Harris, of the State Department of Agriculture, Commerce and Industries in his annual report to the General Assembly, has the following to say: "In South Carolina 307,350 men were examined for the draft. Of this number 239,000 were found fit for military service, a percentage of 77.8. I am told that in the early days of the war some were rejected because of the literary test, rather than for physical reasons: The average for the United States was 78.6 per cent, or 8 per cent above South Carolina's average. The highest in the United States was Wyoming, where the physical fit averaged 87.2. Therefore, in man power resources South Carolina ranks high among the States.

"It might surprise detractors of the South, especially those who frequently refer with great asperity to the domestic conditions in our mill towns, to tell them that some of the best fighting men of America went from the cotton mills of South Carolina. They were boys who had grown up in the mill work. Far from being undernourished, underzoned, or "under" anything else, they were excellent soldiers and served faithfully and courageously on the Mexican border and in France.

"Among the mill towns that sent National Guard units into the service are Pelzer, Williamston, Anderson, Olympia, Brookland, and the units from For. Mill, Rock Hill, Union, Spartanburg and Greenville had a large percentage of mill boys.

"That they discharged their duty fully and honorably is proved by the fact that the First South Carolina Regiment, more than 50 per cent, mill boys, did the heavy preparatory work which resulted in the breaking of the Hindenburg line, at Bellicourt and the freeing of Belgium from the

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murdurous grasp of the invader. That they discharged their duty well is shown by the fact that in Flanders there are white crosses over graves where cotton mill boys, heroes all, are asleep. There are some mill boys who came home to get the most prized decoration of the whole war—the Congressional Medal of Honor, in addition to numerous citations from American and British officers and crosses from the French government.

"Then there were the mill boys drafted into the 81st Division and into the numerous units that went away. They made good soldiers, all of them, and the service flags of the mill towns at home had many stars, occasionally one gold, but never a star that was not bright in honor and courage."

**Marriage Licenses.**  
Colored: Addison Bean and Beulah Harvey, Shiloh.  
D. Murray and Irene Mack, Wedgefield.

**Death.**

Pisgah, Jan. 8.—Mrs. James A. Gillis died at the home of her son, Mr. J. L. Gillis on Wednesday afternoon and was buried at Pisgah church on Thursday at 3 p. m. in the presence of a large sympathetic congregation who came to pay the last sad tribute to her memory. The funeral discourse was by Rev. M. M. Benson of Camden and was one of the most beautiful and appropriate ever heard here. Mrs. Gillis lived nearly all her married life here and was noted for her kindness of heart and industry. She leaves three children, two sons and a daughter, numerous relations and friends to mourn that she had passed away. A little over a year ago her husband died and from then she gradually wore away 'till the end came.

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**REPORT OF THE CONDITION OF**  
No. 1066a. Reserve District No. 3  
**The National Bank of South Carolina,**  
At Sumter in the State of South Carolina, at the Close of Business on December 31, 1919.

**RESOURCES:**

1. Loans and discounts, including rediscounts (except those shown in b and c) \$1,507,493.22
2. Real estate 1,597,342.22
3. Overdrafts, secured, none; unsecured 1,133.21
4. U. S. Government securities owned:
  - a. Deposited to secure circulation (U. S. bonds par value) 200,000.00
  - b. Pledged to secure U. S. deposits (par value) 320,000.00
  - c. Owned and unpledged 127,581.47
5. Total U. S. Government securities 657,581.47
6. Other bonds, securities, etc.:
  - a. Securities, other than U. S. bonds (not including stocks), owned and unpledged 28,345.50
  - b. Total bonds, securities, etc., other than U. S. 28,345.50
7. Stock of Federal Reserve Bank (50 per cent of subscription) 11,250.00
8. Value of banking house, owned and unincumbered 33,754.00
9. Equity in banking house 33,754.00
10. Furniture and fixtures 3,233.25
11. Lawful reserve with Federal Reserve Bank 6,650.71
12. Items with Federal Reserve Bank in process of collection (not available as reserve) 55,258.28
13. Cash in bank and net amounts due from national banks 60,668.36
14. Net amounts due from banks, bankers and trust companies (other than included in Items 12, 13, or 14) 8,829.42
15. Checks on other banks in the same city or town as reporting bank (other than Item 13) 42,856.31
16. Total of Items 12, 13, 14, 15, and 16 167,612.10
17. Checks on banks located outside of city or town of reporting bank and other cash items 1,631.93
18. Redemption fund with U. S. Treasurer and due from U. S. Treasurer 10,600.00
19. Other assets, if any, currency in transit 1,294.00
- Total \$2,434,061.19

**LIABILITIES:**

20. Capital stock paid in \$263,000.00
21. Surplus funds 100,000.00
22. Undivided profits 191.15
23. Interest and discount collected or credited in advance of maturity and not earned (approximate) 25,096.45
24. Circulating notes outstanding 194,295.00
25. Amount due to Federal Reserve Bank 12,748.43
26. Net amounts due to National Banks 875.60
27. Net amounts due to banks, bankers, and trust companies (other than included in Items 25 or 26) 25,104.53
28. Certified checks outstanding 82.63
29. Cashier's checks on own bank outstanding 12,850.96
30. Total of Items 20, 21, 22, and 23 369,175.13
31. Demand deposits (other than bank deposits) subject to Reserve (deposits payable within 30 days):
  - a. Individual deposits subject to check 763,321.29
  - b. Certificates of deposit due in less than 30 days (other than for money borrowed) 20,000.00
  - c. Dividends unpaid 9,435.00
32. Total demand deposits (other than bank deposits) subject to Reserve, Items 31, 35, 36, 37, 38, and 39 792,786.29
33. Time deposits subject to Reserve (payable after 30 days, or subject to 30 days or more notice, and postal savings):
  - a. Certificates of deposit (other than for money borrowed) 247,790.95
  - b. Other time deposits 449,365.22
  - Total of time deposits subject to Reserve, Items 40, 41, 42, and 43 697,156.17
  44. United States deposits (other than postal savings):
    - a. War loan deposit account 287,500.00 287,500.00
  - Total \$2,434,061.19

STATE OF SOUTH CAROLINA.  
County of Sumter, ss:  
I, C. G. Rowland, president of the above-named bank, do solemnly swear that the above statement is true to the best of my knowledge and belief.  
C. G. ROWLAND, President.  
Subscribed and sworn to before me this 9th day of January, 1920.  
W. Y. Yeardon, Notary Public. Correct Attest:  
ISAAC SCHWARTZ,  
GEO. D. SHORE,  
EARLE ROWLAND,  
Directors.

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O. L. YATES, Cashier