

FINANCING THE COTTON CROP

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The opportunities presenting themselves to those looking toward the South as the future Cræsus of the Western Hemisphere all seem to have for a base or foundation the cotton grown there, and, at present only partially transformed by its mills into the fabrics for retail consumption over the counters of the stores in all sections of the land. Cotton is a universal necessity and of the animal and vegetable textile fibers of trade and commerce it ranks in quantitative proportions as fifty-five per cent to the whole. To supplant cotton with wool would require more sheep than the pastures of the land would support, and to supplant cotton with any other textile fiber would require the doing of things, the changing of conditions which would almost demand the turning back of time to the ages when the lamp of civilization did not penetrate the gloom and darkness of ignorance. Cotton is not exalted because it is an article of common use; it is not appreciated by those who do not study it, because they fail to mark its importance as an article of necessity comparable to no other product. Should some freak of nature deny the world this one crop the poets would sing its praises in more voluptuous tones than those addressed to any of nature's blessings, for the reason there is no possible comparison between the lint of the cotton gin as an article of need and any other of the many blessings which an all-wise Providence has bestowed upon us. The precious metals and stones are nought in value or use; the silks and spices of the famed land sought by ancient explorers pale into thinnest vapor in comparison, and the export value of all the agricultural products of the United States is insufficient to offset the value of the new gold the American cotton crop brings to this country annually. The exportation of copper, wheat, corn, wheat flour, leaf tobacco, illuminating oils, lumber, bacon, hams and shoulders, and lard, lack ten million dollars of aggregating in value the exportation of cotton and cotton by-products. This being true is it not strange so great an

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industry should have remained for all these years a prey to the spinners and a field for exploitation by the speculators, combining when necessary for their own good and opposing when contra interests appeared, but always grinding as between the nether mill stones the producers of the cotton plant? Cotton is king. King of the domain of Agricola. Uneasy rests the crown of king cotton, for the king is often conquered and his subjects rendered heart-sick and poor indeed by those who prey upon the cotton belt.

To finance the American cotton crop in the interest of the country producing it, in the interest of the men who grow the lint, is without doubt the most important move capable of being made by southern people. I am not disposed to make any display of sectional interest, but in handling the subject under consideration, most emphatically urge southern men to interest themselves in the labor of financing cotton, because this money product of the South should be considered by men who know and sympathize with the man who toils, and know and appreciate the important part cotton plays in the various industries of southern states. To be financed and controlled by men who care only for the individual profit to be derived, would without serious controversy result in the further enthrallment of the toiling masses, hence it is quite impossible to look with kindly eyes upon moves looking toward the control of the crop by men living beyond our borders, and engaged in the more or less doubtful occupation of speculation.

I am not opposing wealth nor those who control mighty sums of money, indeed such a course would of very necessity thwart my desires to see the cotton crop amply protected in a financial way. The man of ideas and money, the man of courage and power, is a need not to be ignored whether he reside in the North or the South, whether he hails from the Occident or the Orient. But when contemplating the financing of the imperial crop of the South, he should remember the years of deprivation endured by the cotton planter, and knowing the unjust profits taken by the spinner and speculator, organize forces for the emolument of the planter and the evening up of conditions between producer and manipulator. If ever in the history of modern times the "farmers were farmed," it is certain the cotton planters are controlled by the spinners and the big and little interests following in their wake as a horde of ruffians follow in the rear of an army.

Most of the crop each season must of necessity be rushed to market as the bales come from the ginneries. The merchant and the banker have made the planters' obligations due in October; the fifteenth of the month is an almost universal settling day and there is a scramble for the bales as fast as they come to town, and the merchants and bankers refuse to make any other time for the maturing of bills and notes. Thus those who make a crop on credit must respond with cotton as ginned and until the debts are paid. This cotton grown on rented land or on credit for supplies such as meal, flour, pork, and grain, is called "distress cotton," and, painful as it is to record, the larger portion of the crop each year is made in this way. The rush in marketing distressed cotton depresses the price of every other pound of lint produced, hence the man producing cotton on a cash basis, growing his home supplies, is made to suffer a financial loss because of the improvidence or misfortunes of his neighbor. The interests buying the product, knowing the helplessness of the people and the abandonment of the industry, prey upon the country as heartlessly as corporate interests ever preyed upon a people far removed from the scene of action, and with whom they never come in personal contact. This is a condition which must be changed, and had the industry been less gigantic it would have been changed long ago. However, because the industry is one of grand proportions does not signify simple rules of business cannot be applied with the same degree of certainty in their accurate workings, as have characterized their workings in huge railroad corporations, steel companies and other industrial enterprises. Indeed when once the plan is hit upon it will be found simple and will follow the course of good business procedure. There is no mysterious verbiage in good business transactions and the complicated, ambiguous, circuitous route suggested by some will be made to read smooth and clear to any mind capable of understanding business economics.

The question how to market the crop, for of course that means to finance it, is attracting better attention to-day than at any other time in the history of the industry; men of brain and power are considering the best possible means for putting this industry on a footing enabling it to compete with the interests buying southern cotton each year. For it must be understood, the buying interests are completely organized and for that reason the

South in its present unorganized condition is very much at the mercy of those interests.

No reference is here aimed at political, educational or agricultural organizations. They in themselves are good and useful, but do not in the least have anything to do with the greater problem of financing and successfully marketing this great staple.

Again every move that has been made for the betterment of the cotton crop and those producing it has had its beginning in the meetings of farmer organizations and their trend has been such as to build up in the minds of the public, certain forms of caste, the producer representing one and all other interests in the South another caste. Whether it be literally true or not the feeling exists that the man of business in the very midst of the cotton belt, is bitterly opposed to any move inaugurated for slow marketing the staple. It is to the business man's interest more than it is to the farmer's interest that the crop shall bring its full value, that spinners in the North and in foreign lands be made to pay that which is just; to pay a price giving the producer a compensation for labor, money invested and for thought, on some sort of a parity with wages and profits gladly allowed workers in other channels of human endeavor. However, since the feeling does exist that a caste has been created between the two elements, one can readily understand the financing of the crop must be taken up by the man of affairs and not by the actual producer.

Magnitude of the Crop

The American cotton crop, valued at around \$800,000,000 annually, a sum equal to the combined output of all the gold mines in the world for two years, must be financed in such a practical manner as to permit its marketing from month to month as demands from spinners present themselves, thus preventing the congesting of an annual supply upon an overstocked market during the last months of the year.

Few people comprehend the vast magnitude of the cotton crop. Little do the majority of our business men realize the part American cotton plays in international commerce; how it binds nations together in ties more exacting than all the international laws solemnly enacted and sanctioned by the wise diplomat of modern times. Indeed, there need be no fear of war with Uncle Sam on the part of a spin-

ning nation unless conquest and possession are anticipated. The great spinning centers must have cotton to spin and to obtain it without encouraging untold hardship, but, if need be, hardship will be faced as it was during the Civil War period, that a greater calamity may be averted. We refer to idle mills for want of supplies for spindles and in a land where food for human bodies must come from distant lands; hence to feed the idle artisan on provisions carried across the ocean means something in the way of cost to those who fill the spoon of charity. The mere suggestion of a cotton famine in Manchester causes cold chills to creep up the back of the sturdy Britisher, and well it may, for the idle hand and brain spell danger in any community.

The war waged by the British spinner that the American producer may be kept in reasonable subjection is an old one, well conceived and ably conducted, and to cause an evening up of conditions in the great war between producers and the completely organized consumers, there must be some clear-headed organizing in the interest of our southern planters. In other words, the cotton crop must be financed so that it may be marketed in a manner compatible with supply and demand. To accomplish this there must be certain prime and principal corner-stones laid deep and strong and cemented by integrity and acumen.

First: We must establish ample warehousing facilities at principal ports and in the various districts, bonded by the government and managed on business principles, with each bale warehoused, sampled and marked to correspond with bale, and said sample exhibited in the main or parent warehouse enabling a purchaser for foreign or domestic mills to buy spot cotton by sample and without penetrating the cotton belt.

Second: We must establish a great cotton bank and trust company, capitalized and managed in the sole interest of the cotton crop. The details must be worked out by our best and most experienced bankers. The stock in such an institution would be considered gilt-edge by the cotton world in all countries.

Third: We must create a money center in the South and thus bring from foreign lands the gold obtained in exchange for lint cotton to the South direct, enabling its distribution throughout the cotton growing states. This is all within the pale of possibility, only needing the co-operation of our southern bankers to make Dixie the richest country on earth.

The building of warehouses and the sampling of bales and the keeping of samples on exhibition for the purpose of making sales is all in the line of simple business being readily suggested to any one giving the matter a few moments close thought. This feature will not be opposed by any one; all interested will agree it is the sensible thing to do. The founding of a great bank and trust company will not meet with strong objection. But when one suggests the changing of things to such an extent as to demand the creation of a new money center, then the roar of distant thunder may be heard starting in the vicinity of Wall street and rolling in mighty power southward, finding an echo in every little banker's heart south of Mason and Dixon's line. Southern banks and southern bankers are like people engaged in any business who must have, because of their limitations, or through force of habit, a fountain head, a source of supply, a bureau of information; and southern financial institutions recognize the influence of Wall street.

We must break away from the traditions of the past and become absolutely free and independent. The new gold which cotton brings from foreign lands is of such vast sums that it is absolutely unwise to permit it to be returned to New York instead of to New Orleans, for example.

The idea of establishing a money center in the South is, of course, bearding the lion in his den, but if we are to throw off the yoke borne so long and so patiently and walk forth in the invigorating atmosphere of freedom, we must be bold. Bold, indeed! Is it evidence of forwardness or courage to ask for one's own? The South brings into life so far as the United States is concerned vast sums of gold, say in round numbers four hundred million dollars. This new gold would not come to the aid of our business but for the cotton crop of the South. This vast sum of gold is paid to our people by people in foreign lands in exchange for the raw, the unmanufactured, cotton sent abroad. Since the South produces this, is it not right the South should first supply its own needs from its own money before loaning it to the business people in other sections of our country? I think so. To-day it is returned to America through Wall street and Wall street in turn loans it out to the grain country, the cattle ranges, the mining sections, and to the speculative world and it is possible cotton money is used to distress the cotton producer and lower the price of the article

which brought the money into existence. It would be better by far, it would come vastly nearer meeting the views of unselfish men, if this new gold came into the United States through some southern money center and thus should find its way through the cotton belt, aiding our industries and stimulating our people to grander achievements, and, when our wants had been satisfied, then hand out generously the surplus that all sections may receive a benefit from this truly imperial product. Those bankers and moneyed men opposing at first because of their allegiance to Wall street interests, will allow the brass collar to be removed when they discover other bankers are in favor of conducting the business of the South in the South. The great industry should be handled sympathetically because millions of people in the producing country depend for their very living on cotton and millions more in the manufacturing centers find it their only means of support. The first step in such an undertaking as contemplated needs a promoting fund of magnitude, too great for any one man or set of men to contribute, hence it should be secured from the people in all sections of the cotton belt since all sections are to be benefited.

The people in each state in the belt should subscribe their quota to the promotion fund. These subscriptions should not be called for until the whole amount has been subscribed. They should then be paid into the hands of a trustee in each state. These trustees from the various states would then meet and create a trust, banking and warehouse corporation and open books for the sale of stock in the biggest proposition ever presented by the South, and these men who succeed in establishing a system for financing the world's greatest money crop will write their names so firmly in the hall of fame that time will not be long enough to cause an effacement.

To do all these things may seem stupendous to those who give such matters close thought, and, again, to those who have looked upon this question as a part of politics, farmers' organizations, cotton exchanges *et al.*, it may seem too simple to be effective. To the writer, who has given corporate matters attention, the plan seems capable of being worked out without infringing upon good business methods; indeed, we can see no reason for hesitating at this, any more than refusing to recognize the success of great railroad corporations, steel companies and other similar enterprises.

The great object in view is to finance, to market, the cotton crop; not to hold cotton for abnormal prices or for the benefit of any combination, but to finance it for the sole purpose of permitting the crop to find its way from the cotton field to the spindle in a natural way unhampered by the acts or misfortunes of any one.

The results, obtainable by putting this plan into concrete form and force will enable the farmer not wishing to sell in the fall to warehouse his crop, and he will be furnished with certificates showing grade, kind, etc., of cotton so stored or if he sells to his banker or merchant these cotton certificates can be held by the banker or merchant, they stepping into line in the place vacated by the distressed producer. These cotton certificates, each backed and secured by a bale of cotton of known weight and grade, the whole guaranteed by a bond of ample magnitude and strength, become at once a circulating medium, a species of speculation, a means of saving, which the man of business anywhere in the world must recognize. No government bond is safer. If the cotton burns, the insurance companies pay for it; if it does not burn, the world needs it and must have it at a substantial price above the cost of production.

It is absurd to reason that the producer must be ground down by growing cotton for a price below profit, that the world elsewhere may buy manufactured goods at a price pleasing and economical. Nor is it imperative the producer should live in poverty all his days that the spinner may earn huge dividends for his stockholders. The man and woman the world over pays the bill, and if they cannot, then it is best to study the profits made by spinners as compared with profits made by growers and see if something cannot be done for the real benefit of the southern planter.

The successfully carried out plan for financing cotton is of interest to every person in the land because the people who wear cotton pay the bill. The time is not far distant when some one man or some party of business men will hit upon a plan for financing, hence for marketing, the crop, not with the view of using the product as a great monopoly, but as a staple of rare value demanded by the people of the world after it has gone through the necessary processes of manufacturing. The world needs it; the spinner is an agency acting in an important capacity between the producer and the wearer of cotton and must of course be paid a profit for the labor he performs.

An Appreciation

Appreciating the public spirit and sound business judgment of those aiding in the early stages of this great need by subscribing to the promotion or expense fund, it is suggested that all such public spirited men be reimbursed from the stock of the main or principal company at fifty cents on the dollar, stock selling at par, to the extent of the sum subscribed, and that their names be engraved in such a way and manner as to become a part of the undying history of the world's greatest achievements. The project is of such magnitude that men of courage in business and finance seem to look upon it as something almost beyond and above human agency, else surely it would have been financed ere this; yet when the plan is perfected it will seem simple and comprehensive, such as mark the conduct of all other grand enterprises.

When the cotton crop is marketed with system, the saving to the South of from \$200,000,000 to \$300,000,000 annually will aid materially in putting all its industries, farming, commercial, manufacturing and banking, on a much more satisfactory basis, hence the South's business man is interested or will be as soon as he can be made to look at this great question in a business-like manner.

The writer has given this question thought from time to time, and knowing the gigantic undertaking involved has tried to strip it of all ambiguities with the object in view of encouraging men to consider the problem in the light of a purely business undertaking. The attention of every loyal southern man, banker, merchant, professional man and planter is called to the mighty subject with the hope that some day a convention of business men will be called to consider the ways and means for giving to the cotton belt new and greater significance by carrying out a plan for rescuing the planter from the grasp of intensely organized interests seeking the beautiful white cotton boll, the emblem of the South.