

Greatest Corner in Wheat Being Run by Government

By JOHN WALKER HARRINGTON

DEAL in wheat vaster than the world has ever known began yesterday at 42 Broadway.

It will be so big that if "Old Hutch," the veteran operator of Chicago, now believed to be walking the Stygian shore with Ceres, should hear of it he would bow his head in shame, for even now his most celebrated corners were trifles compared with what is being done.

Curtis Jadin, the monster of greed depicted by Frank Norris in "The Pit," would seem like an office boy in a bucket shop were his deals matched with the gigantic transactions which are now being made.

This biggest wheat corner on earth, which will bring as into one elevator many millions of bushels in this country, is being engineered by experienced hands. The head of the corporation is the Food Administrator of the United States, Herbert C. Hoover, while the president and chief executive officer is Julius Barnes, a noted operator from Duluth.

The activities of two such men, backed as they are with \$50,000,000 capital and unlimited credit and the power of a nation, would in other days have wrung groans from the lips of millions of men.

A corner in wheat! Think what it used to mean in the days of private gain! How it sent the chill of dread from Odessa to Duluth, from Liverpool to the Golden Horn! The baker in his cellar shop, the workman at his bench, the grocer at his till foresaw that one day hunger would stalk from the Pit and the children of men would be sucked down by its reaving maw. What was to many, what scanty wealth even to the few, when the Bulls and Bears went to war for control of the granaries of the world!

Wheat, although surpassed in yield by rice and corn, has from time immemorial been regarded as the great support of life. It is grown in every clime, and somewhere on earth its reaping comes in every month of the year. Mankind has about 4,000,000,000 bushels a year for its food, and of this supply sometimes as much as a fourth is raised in the United States.

When crops are poor elsewhere the first thought of the hungry nations is of American wheat. If Russia had less grain, if the harvest moon of France was gibbous and thin, all this was felt in the Chicago Wheat Pit, Lair of Famine. According to Chicago's decree, the Spanish peasant had a smaller loaf and the Italian paid more for his macaroni and his bread. Hence the cornering of the hoarding of wheat, the wild gambling and the speculation was a play upon the hunger of a race.

The pledge that from now on there will be no dealings in futures in Chicago means that the Pit is doomed and its doom sealed, and that under the direction of this Government through its administration of food all possible will be done to supply sustenance for ourselves and our allies overseas, while our soldiers fight for the freedom of civilized nations.

With the growth of the American commonwealth the acreage in wheat has been constantly increasing. New methods of cultivation have brought up the yield an acre ten to seventeen bushels in the last fifty years, while virgin lands in the great Northwest are being constantly dedicated to Ceres.

The normal consumption of wheat by the people of the United States at the present time is about 500,000,000 bushels a year. In some years there has been an abundance for export. So we have formed the habit here of pouring out our horn of plenty to all the world without stopping to consider the results. The wheat crops of the last ten years available for statistical purposes show that we as a nation were never in danger of starvation.

Run your eye down this column:

1907 634,987,000
1908 644,402,000
1909 653,375,525
1910 635,121,000
1911 621,338,000
1912 730,267,000
1913 743,380,000
1914 891,017,000
1915 1,011,595,000
1916 628,900,000

The estimated wheat crop of the United States for 1917 is 654,000,000 bushels. This is a record for the last few years being exporting more and more and for the last three years has been sending wheat abroad at the rate of from 200,000,000 to 250,000,000 bushels annually. So there has been a constant drain upon our storehouse and granaries.

The bumper crop of 1915 was drawn upon considerably to supply the demand of Europe, yet our exportations of wheat the next year, 250,000,000, left still a considerable store upon which to draw.

Now there is practically no old wheat in the granaries of Europe, both in the countries of our allies and in neutral lands, are on the increase. In addition to providing for them the Government must see to it that about 60,000,000 bushels of seed wheat is retained to guarantee the crops of France.

The crops of France have not been as bountiful as usual. England raised about 50,000,000 of the 270,000,000 bushels she requires. According to the estimates of Mr. Hoover published several weeks ago the Allies are short at least 400,000,000 bushels. Prominent grain operators think that for the Allies there should be at least 570,000,000 bushels available.

The sweeping embargo declared by the President last week tightens the supplies of the neutral countries, which before this ruling might have had a freer chance to buy. The taking in of American grain so that the native variety of neutrals may be shipped into Teuton strongholds will hardly be possible under the new manifesto.

In the trade the supplies available are as follows:

United States surplus..... 100,000,000
Canadian surplus..... 185,000,000
Argentine, exportable..... 125,000,000
India and Australia export..... 125,000,000

Total..... 635,000,000

By extraordinary economy in the use of flour, operators think it would be possible to get 120,000,000 bushels of wheat from the United States for export. The latest figures received from the Food Administration give only 100,000,000 bushels for the United States and 125,000,000 for Canada.

However, should the people of the United States follow the dictum of Mr. Hoover that every family must have a pound of flour a week, experts in the produce trade feel confident that it will be possible to make a considerable increase in the available supplies.

Theoretically it sounds well to say that Argentina and the Antipodes are likely to provide large quantities of cereal, but practically their cooperation in helping Europe would amount to little unless extraordinary methods were employed to provide ships. As

that the farmer will be disposed to let his wheat go as soon as he conveniently can, for as the Government is constituted the sole purchaser it is not at all unlikely that it may at any time adopt regulations drastic enough actually to compel him to sell.

It is expressly provided that the miller shall not be permitted to hoard wheat, and his supply must not exceed that which he would normally convert in thirty days. The whole plan of the corporation is to keep wheat on the move at fair prices. Every miller whose output is 100 bar-



HENRY A. GARFIELD, CHAIRMAN OF U.S. PRICE FIXING COMMISSION

rels of flour a day or more must take out a Government license. He can grind wheat to flour only with the sanction of the powers that be.

The Government aims to keep all industries connected with the grain industry as busy as possible. For that reason the corporation is asking the Allies and the neutrals to buy from us flour only instead of grain. This gives the opportunity for American millers to keep up their plants and make a moderate profit. The milling concerns are to receive a price for flour based upon the actual cost of manufacture, to which is added a maximum profit of 25 cents a barrel.

It takes from four to five bushels of wheat to make a barrel of flour, and the cost of a barrel is about 50 cents. There are also certain by-products of the grinding which must be considered. It is estimated that in 1918 flour will be offered at wholesale at \$11.50 a barrel; \$12.50 is approximately the price at the present time.

There is no doubt that had the upward trend of flour not been restrained in any way flour would now be selling at \$25 a barrel and that such a thing as a small loaf for 10 cents would seem like a dream. The prompt action of the Government and the public spirit of the patriotic citizens of the millers themselves have done much to stabilize the price of wheat flour. There met in Washington recently 125 representative millers, who gave their unqualified support to the Government and willingly undertook the task of keeping flour prices and their own personal profits down to a minimum.

Many of the brokers and the middlemen practically abandoned their own businesses in order to serve the nation. Much has been said from time to time, and deservedly, of the self-sacrifice of Herbert Hoover, the Administrator, who abandoned an enormously lucrative business as a mining promoter and engineering expert in order to serve starving Belgium. He obtained large quantities of grain in this country for the use of the Belgians and became, in a way, a broker, and lately has been accused of the floor of Congress of creating a corner in wheat, albeit he did it in the cause of humanity.

The status of Julius Barnes, the executive head of the Grain Corporation, and the present of Mr. Hoover, is an striking one. At these points and at terminals agents will be stationed who will be instructed to buy in the wheat, and it is expected that they will have little difficulty in inducing the farmer to sell at the established figures.

The Government does not recognize futures in any of its operations. The price of wheat will be so stabilized that the cereal will be delivered only at points in the region where it was produced. There will be no such thing as shipping wheat from one city or center to another in order to get the benefit of a speculative price in that region. The dealing in futures is not on the Government calendar.

Among those who have especially studied the operations of the new corporation is Richard A. Claybrook, the president of the New York Produce Exchange, who recently appeared at a hearing held under the direction of the food administrator.

"One of the features of the new program," said Mr. Claybrook, "and one which I think will commend itself to every one, is that grain will not be carried from one wheat producing section to another merely for the purpose of getting an enhanced price. The wheat will be milled as near as possible to the place where it was grown. The mills, being under Government license, will naturally be subject to strict supervision, and there will be very close estimates made as to the actual cost of milling. These costs depend, of course, upon the efficiency of plants and upon the methods employed.

"The corporation will charge 1 per cent on all purchases made direct from the farmer. It will also expect to get a little higher price from neutral nations for the wheat than it will get from the Allies. At present there is a wheat export corporation in this city which handles a large volume of business for the French and the British Governments. Our new corporation will probably deal with the corporation representing the Allies.

"The brokers and dealers who are now doing business will be affected considerably by the change, but as far as I can see they are all taking up their burdens in a patriotic spirit. Here and there they will aid in the acqui-



HERBERT C. HOOVER, U.S. FOOD COMPTROLLER.



GRAIN ELEVATOR AND WHARVES ON THE GREAT LAKES

tion of Mr. Barnes, will go instructions to the other agencies established in certain zones, which have temporarily been assigned. The other agencies are situated in Philadelphia, Buffalo, Duluth, Minneapolis, Omaha, Chicago, St. Louis, Kansas City, Baltimore, New Orleans, Galveston, San Francisco and Portland, Ore. At these points and at terminals agents will be stationed who will be instructed to buy in the wheat, and it is expected that they will have little difficulty in inducing the farmer to sell at the established figures.

The dealer and broker meanwhile will have an opportunity to earn commissions in the purchase of wheat, oats, corn and other grains. These men also have extensive connections and facilities and the Government will no doubt find their services very useful. They should have an opportunity of doing business along the lines with which they are so thoroughly familiar. The grain brokers will have the chance to make small commissions on the grain while aiding the administration in the collection of the cereal.

"Distributors of flour will not be required to take out a license, nor will their prices be fixed by the corporation. They will, however, have to do business on a small margin of profit over actual expenses. But I think competition among them will keep the prices down to a fair basis.

"We were all deeply impressed by the spirit of patriotism and self-annihilation shown by Mr. Hoover and all his associates and assistants. Without compensation they are giving their services out of their desire to serve the people of this country and all our Allies.

"I feel, therefore, that every man engaged in the food business in this country should gain inspiration from these officials and be only too glad of the opportunity of cooperating with them.

"It is the aim of the Food Administration to disturb the business in food products as little as possible. Under no circumstances will speculative profits or profiteering be permitted. There will, of course, be some men whose business will be seriously affected, if not completely wiped out, by the change. Wheat exporters, for instance, will not be able to continue at all, for the reason that all dealings in that grain come under the jurisdiction of the new corporation. They can only hope to develop business in other cereals, acting under a Government permit, but without restrictions as to their activities.

"It seems to me that this loss of business cannot be avoided and must therefore be accepted for the good of the cause.

Canada's Draft May Liven Dull Habitants to Heroism

CIVIC French Canada has expressed itself in diverse ways on conscription, on nationalism, and on the whole mass of war propaganda. It has been interviewed and reinterviewed, its opinions have been sought, and its attitudes analyzed. Its views on self-government or its protestations of loyalty to British legislation are accepted equally as concrete and indubitable testimony to the working psychology of its urban population.

But the rural body—that great mass of stable plots, men and women shoulder to shoulder, indifferent, under their wide brimmed straw hats, to the scorching heat of the sun and the torturing buzz of the mosquitoes and black flies which in the spring and early summer make lower Canadian outdoor life a veritable hell to the visitor. There is bread baking, too, in the squat brick ovens which stand near almost every house, and the better to do have the preoccupations of chicken raising and cattle breeding.

But even these practical and ever recurring problems are met with a

On Sunday comes the big event of the week. Then monsieur puts on a clean shirt and makes a part in his hair; madame dons her black stuff dress and "les petits" are scrubbed and polished; and the entire family drives to church in the best buckboard, suit or shine, heat or cold, winter and summer. From this churchgoing the habitant derives his cardinal social impulse. There are greetings along the road and at the church gate, and conjectures on the weather and discussion of the crops. And sometimes, by way of an exchange of relatives drives home to spend with another set of relatives, to drink the long afternoon rocking on the crazy porch or sitting stolidly around the stove.

But in spite of this ignorance, from which it seems that all their faults, their habits, their lovable and interesting people, habit ridden, grounded on the sure but barren rock of precedent and routine, yet simple, kindly to each other and to strangers, clean minded and temperate. One never hears of any revolting criminal acts such as are so common among other Latin people of the lower type. The French Canadian is essentially sane and sound, pure in his motives and his conduct; drunkenness is very rare and is looked upon with disgust and contempt.

No doubt the priests have much to do with the habitant's mind and conduct; they are all-powerful and certainly there is an element of trepidation in the French Canadian's religion. But it is not fear either of priests or of higher judgment that keeps the habitant clean in his conduct, simple hearted and sound. It is because these things are essentially of his character, the determinative factors in his makeup.

Their Outlook on the War. How, then, has the call to arms been received among these people? One would hardly expect a wave of patriotic ardor to sweep a community whose interests seldom travel further abroad than the split rail fences that hedge in their crops of wheat and rye. The war attitude of the French Canadian peasant is one of dense ignorance tempered by a sense ofullen apprehension which grows in proportion as the talk about conscription grows. While there is a very general sentiment of hate and fear toward the German people and a confused notion of the havoc wrought by them on the high seas, there seems to be no clear understanding of the war's initial cause and only a very hazy conception of the Allies' part in it.

The sense of responsibility for themselves, subjects of the Dominion, is practically nil. French Canadian versus English Canadian antipathy is an old story; but the reason for Quebec's being not to be found there except possibly in the desolation of rural Quebec has its roots in the fact that the vast majority of the peasant population is unenterprising and untaught. Of course they know that the war is, and they have their young men across the water, but that much the casual visitor, on fishing or on big game bent, and the papers that arrive desultorily from the cities and large towns and that are read by those who can read to those who cannot, has not commuted.

Sometimes these ratings take place in the village store. Monsieur Benoit, the shopkeeper (who has in some far distant past worked as a lumberjack in the "States"), sitting astride a barrel of flour, paper in hand and imparting his views, will talk an interesting semicircle whose only interruptions are hoarse clearings of the throat and resonant ejaculations of tobacco juice. Sometimes Louis, driving his bees and squaw to the market, pulls up beside Victor, who is repairing his fence, and the two talk over the top of their heads.

But now that the rumors of forced recruiting are becoming insistent there is a good deal of head-shaking and some calculating as to whose age will bring him within the deadly zone of years; the habitant is beginning to be puzzled, which means that he is beginning to feel himself directly concerned in the fate and the policy of the nation. Where a year ago his expression on the war was limited to the statement that "les Allemands" could not very well invade Quebec, he now shakes his head and tells you that these are hard times, that flour and rice have risen, and that the Widow Champlain will have to send three sons to war when the soldiers come for them.

Just what showing rural French Canada will make in the struggle to come; just what proportion of her lack of spirit is ignorance and what force; just how in the ultimate issue she will acquit herself, are questions that only time can answer.

But to those who know the habitant well, who love and respect him not only for what he is but for what they believe he may become, there seems a possibility that conscription may act as the driving power which will generate those impulses of heroism and sacrifice that have not only retrogressed but have all but crushed out.

The people of French Canada fought in 1812 and fought well; it may not be taking too rosy a view of the situation to suggest that 1918 will bring its own quota of courage and immolation. That it will take a severe shaking up to rouse the most optimistic train of action even the most optimistic will probably concede. For at present the habitant is pitifully detached and uninformed; he glances at the ruthless grind and motion of events in the outer world with something of the same dumb passivity with which he peers out at a wagon that rattles past his garden plot.

Sitting in the dim of his house in the level rays of the evening sun, smoking his clay pipe and figuring on the potato blight, there comes to him no echo of the world's convulsion—the roar of the Vpre, Mous, the thunder of the Marne.



THEODORE N. VAIL, PRESIDENT OF THE AMER. TEL. & TEL. CO. - ONE OF THE WHEAT PRICE FIXING BOARD.

of bovine workers of the soil—has remained strangely silent. What manner of people are these reticent and sun-browned peasants, living in their sun-bleached hovels and working their acres of thick sown grain, hemmed in by the protective, pine-crowned mountains and strangely unaware of the turmoil in Europe and even of the riots and rumors of riots in their native city of Quebec?

And what is their attitude toward the world war and their conception of the part that French Canada will play in it? Physically, the habitant of the Quebec forest and lake regions is a hardy, clean complexioned, but rather under-sized individual, who chews the rankiest tobacco, makes his breakfasts on baked beans and cream, and keeps the windows of his house tight shut as an anti-rheumatic measure. Mentally he is simple and ingenious, a childlike being who is often dull and apathetic, but to whom violence is unknown.

He is a lover of the obvious. The scarlet and blue pontifical robes in the pictures with which he sometimes adorns the walls of his house, the gilded saints and Madonnas of his native church, the very figure of Monsieur le Cure, solemnly gowned and walking circumspectly as he goes up and down the village street, are indispensable symbols of his faith, without which he is lost and bewildered. Sarcasm and cynicism in their crudest forms pass him by, but let Jean express his contempt for Baptiste by a heavy slap or a well placed kick and Pierre, who has been hearing them argue, will laugh till the tears come.

Taken in bulk they are a people of extraordinary ignorance and lack of enterprise. Though surrounded by water, for the butts of the habitants are dotted thickly through the lake country, hardly a man—and certainly never a woman—knows how to swim or cares to learn; occasionally the children or the young men go out to fish for a meal, but there is no pleasure in sport for sport's sake, and it is not unusual to find a lake unfished for an entire season. For the most part they spend their days working in their veg-

etables, eliminating speculation and giving us lower prices than we could have had under the old system of marketing."

Mr. Claybrook expressed the opinion that the other cereals of which there was an abundant store in this country, especially corn, should be enough to bridge over the wants of the Allies in all directions. It remained for the people both here and abroad to eat what was necessary, but to refrain from all waste.

"The requirements are such," he added, "that if one took care not to waste an ounce of bread millions of bushels of wheat could be added to the stock. The wastage of one good thick slice of bread to the loaf, if everybody did it, would in the course of a year amount to a colossal figure. The laws against hoarding will be of the greatest benefit in keeping down prices and giving grain always applied for the legitimate interests of the people. The dealers and the milling interests of the country can be counted upon to do all in their power to aid the food administration and the Government in conserving the supply of grain and doing everything in their power to maintain reasonable prices."

"The fact that there are men who had the resolution and the firmness to give advice to the food administrator which was adverse to their own interests and might even put them out of business furnishes a good example of the spirit in which this work has been undertaken by all concerned."

Some idea of the scope and the personnel of the Grain Corporation may be obtained by looking at the lists of its officers and sponsors. The executive officers are: Herbert C. Hoover, chairman; Julius Barnes, Duluth, Minn.,

curious density of comprehension, a failure to do the right thing at the right time. For instance, a habitant who is widely known in one part of the countryside as a clever and progressive fellow, who is making big money on his beef and mutton, not long ago had a sick calf on his hands. The animal was suffering from some form of paralysis which for years has broken out among the cattle at odd intervals, so that every one is familiar with the symptoms. When the news went around that M—'s prize calf had fallen a victim to the disease it had contracted, milk-throwing the calf in the field where the animal lay. But though they had seen dozens of animals die in this way, not one of the number knew of anything which would relieve the calf nor could any one suggest the nature of the disease it had contracted. Milk-throwing it was an antidote to all poisons in the system—a third trying open its mouth with a stick and the fourth pouring in the milk—of course without result—and after several hours the owner of the calf reluctantly shot it, remarking that now he had lost \$15.

Profit in American Tourists. But the slowly increasing number of American families who have built camps on the lakes, as well as the sprinkling of clubhouses through a vast tract of the northern woods, has opened to the habitant another source of livelihood. These establishments have come to be washed, meals to be cooked, gardens to be cultivated, so that the young people of a family of habitants often hire out for the rush season, the women doing the house-hold work and the men gardening, carpentering or acting as guides to fishing and hunting parties.

The young fellows who hire out as guides in time develop intelligence and efficiency that place them above the level of the home folk, for they come in frequent contact with intelligent people who ask questions which it is part of their business to answer correctly and the whole matter of woodcraft is one which they must thoroughly understand.

Those who will act at the various terminals are: Edward M. Flish, St. Louis; M. H. Houser, Portland, Ore.; C. B. Fox, New Orleans; H. B. Irwin, Philadelphia; P. H. Glider, Duluth; Frank L. Carey, Minneapolis; George S. Jackson, Baltimore; H. B. Jackson, Chicago; Charles Kennedy, Buffalo; B. A. Lewis, San Francisco; D. P. Plazek, Kansas City, and Charles T. Neal, Omaha.

Here is the list of the noted men who will serve on the Wheat Price Fixing Commission:

Harry A. Garfield, president of Williams College, chairman; Charles J. Barrett, Union City, Ga., president of the Farmers Union; William N. Doak, Charleston, S. C., president of the Brotherhood of Railroad Trainmen; Ebenezer E. Funk, Bloomington, Ill., president of the National Corn Association; Edward E. Ladd, Fargo, N. D., president of the North Dakota Agricultural College; H. Goodwyn Rhett, Charleston, S. C., president of the Chamber of Commerce of the United States; J. W. Shortbill, York, Neb., secretary of the National Council of Farmers' Cooperative Association; James W. Sullivan, Brooklyn, N. Y., of the American Federation of Labor; L. J. Taber, Barnstable, Ohio, member of the Ohio State Grange; Frank W. Taussig, chairman of the Tariff Commission; Theodore N. Vail, president of the American Telephone and Telegraph Company, and Henry J. Waters, president of Kansas State Agricultural College.