

Farmers should not be speculators, but farmers should not be sheep, shorn by speculators. You have nearly ruined them, Mr. Speculator, but there is a little vigor left, and beware when they strike.

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The Farmers' Alliances demand unanimously that the speculation for future deliveries of cereals shall be prohibited.

The greatest competitor of the farmer is the speculator, and his competition is not at all fair, because he sells what he has not got and can sell unlimited quantities, while the farmer has no more to offer than nature grants to him.

The speculator sells for delivery in any month of the year, and therefore makes it unnecessary for the actual consumer, the miller and the exporter, to lay in such stock as he may consider reasonably sufficient for his requirements.

The farmer coming in with actual grain finds most of his customers supplied by the speculator with promises to deliver.

He has no choice but to sell to the elevator man at a lower price than the Chicago speculator has offered his promises.

It is a competition between grain and wind in which the wind has the advantage, as the wind-crop is never short.

The farmer is told that it is best for him to sell as quickly as possible, that there is a superabundance of wheat, that Europe will pay no more, and that if the United States will not sell it, Europeans will buy of other countries, who would be glad to have the trade.

Now, there comes in the swindle.

India is the only country that has any wheat to sell to Europe, namely about thirty-five million bushels per year. All that they have to spare is shipped or contracted for long before our crop comes into the market, and supplies only a small portion of the 144 million bushels yearly imported by England alone.

People talking about Egypt, Australia, Argentine Republic, etc., as competitors with American wheat are either ignorant or lie, for all these countries together have not enough surplus for export to Europe to feed it for three days.

You have probably heard that well worn talk, that now every month in the year there is a wheat crop harvested somewhere in the world. This is probably true, but it has not a particle of influence on the world's market, because it is all needed at home, and probably more too.

But no matter how ridiculous his assertions are, the speculator succeeds in depressing prices and makes a profit. If finally at the end of a crop year the supply gets notably scarce he still tries to hold down prices by talking about the enormous crop that is going to come.

This manipulation has robbed the farmer of this country of \$300,000,000 in the last three years.

From 1884 to 1887 the crops of Europe and America were in excess of the consumption, and a low price for wheat was quite natural, but during the last three years the crops, though very fair, were not equal to the requirements which is proven by the steady decrease of the reserves, which at present are practically nothing or hardly sufficient to reach the new crops.

With this deficiency in crops thoroughly known, wheat should have brought very fair prices during the last three years according to the laws of supply and demand.

It makes a difference of one hundred million dollars per year to the farmers of this country whether they sell wheat at seventy-five cents or one dollar, and that you had to take the lower price for your product is due entirely to the manipulation of the speculator.

Now this year seems especially designed by providence to help our farming interests.

Our wheat crop promises to be good, the European crops are worse than they ever have been, and the reserves are exhausted.

Our agricultural department issues every month a government report about the crops. These reports estimate the number of acres sown and give the percentage of condition. A percentage of 100 is a somewhat ideal crop and would indicate a yield of thirteen bushels and a fraction to the acre. It has been surpassed only once, namely in the year 1882, when the condition at harvest was 104 and the yield thirteen and one-half per acre. Our present crop is somewhat similar to the crops of 1884, the government report making the acreage the same and the condition somewhat less. In 1884 at harvest time the condition of winter wheat was reported as 98 and of spring wheat as 99. This year the condition of winter wheat is 96-6 and that of spring wheat 92-6 or about three and one-half per cent. less than the final report of 1884.

As the harvest of 1884, the largest we ever had, was 512 million bushels, the last government report would indicate a crop of 494 million bushels, say 500 million in round numbers.

The home consumption has increased with the population and is certainly over 350 million bushels, probably 360 millions, which leaves us 140 million for export.

During the last ten years we exported 127 millions yearly in average of which Europe received 107 millions and the West Indies and South America 20 millions.

This year we may have 13 millions more to spare, which however will go to South America on account of the reciprocity treaties, and Europe will receive the average quantity of about 107 million bushels and no more as we have no reserves to draw upon.

This would make both ends meet there if Europe had a good average crop, but Europe has not a good average crop, in fact it has the worst crop failure of the century.

Last winter was phenomenal all over Europe in its severity and duration. Snow and ice covered even Italy and Spain and were actually carried far into Africa. Vessels on the Mediterranean came into port thickly covered with ice and this abnormal weather worked incalculable damage to the winter wheat in all the countries of that continent. The spring has been late and very unfavorable and even in June snow and frost destroyed most of what was left in half of Germany and a great part of Austria.

That the crop disaster is not local or moderate or exaggerated, can be clearly seen by the actions of the different governments.

Russia appointed a commission to investigate the crop damages, which reported wheat 17 per cent. below average and rye much worse.

It is the custom of that government to quiet the alarm of the people, and the damage therefore is surely not less than reported but probably much more.

The following Associated Press dispatches would indicate that the official report does not tell the whole truth:

"St. Petersburg, July 11th. The suffering of the people in the Volga country through famine is increasing steadily."

"St. Petersburg, July 17th. The crop reports exclude all hope that there will be a surplus of cereals for export. The importation of foreign breadstuffs is unavoidable."

Austria is the only country, which until recently had crop prospects not much below an average, but an Associated Press dispatch of June 13th states that even that government is now alarmed about the food question on account of the destructive frosts in the second week of June.

In Italy and Spain measures are under debate tending to protect people against a famine.

In Germany the advisability of calling together their congress on account of failure of the crops has been discussed in a long meeting of the cabinet, in which votes were divided. The whole press now unanimously demands this measure and the council of Berlin has petitioned for it, and on account of the last disastrous June frosts this extraordinary step is considered unavoidable.

In France grain duties have been reduced and taxes remitted to farmers on account of crop failure.

In Belgium the most sanguine estimate is no more than one-third of a crop, and the English crop is very late and therefore uncertain.

All this does not mean a small damage, which in fact no one would notice until after harvest, but an alarming failure, giving rise to the most serious apprehensions.

Europe never raises as much wheat as it needs, and with fair crops during the last three years it has used up its reserves and all that America and India could supply.

Now it cannot draw upon its reserves, and consequently this year it would be short even if its crops were a fair average and ours as good as we have reason to believe.

Our exporting capacity has greatly decreased by the increase in population, and we would not be able to spare for Europe from four good crop years what it will be short this year alone.

Under such circumstances it is certain that the true value of wheat is greater than ever before, and it is astonishing that speculators should dare to bet on low prices.

This, however, explains itself for the following reasons:

During the four years, from 1884 to 1887, the speculation on low prices was successful on account of the world's crops being in excess of the demand, and during the last three years this same speculation has been carried on by cheek and did not result in disaster only because there were resources to draw upon.

This success for seven years has made the speculators think that they have discovered the philosopher's stone and that betting on low prices can always be made to earn them money.

There is no doubt that they would ruin themselves by persisting in that policy during this year, as the conditions are entirely reversed, but if our crop rushes into the market right after harvest there is the danger that most of it will have been sacrificed before the speculation on low prices is broken.

It would be, of course, an enormous loss to the farming interest, if only the remnants of the crop should bring the prices which are due to every bushel of it.

The way of legislation is too slow to save this crop from being wasted at ridiculously low prices, and it is not likely that another such chance for the farmer will present itself again in a life time.

There is, however, another remedy, simple, effective, and entirely within your control.

The stocks of wheat and flour are hardly large enough to supply the wants of this country until the new crop comes in.

The temporary safety of the speculator depends on an early crop and a rush into the market.

If for some reason, wet weather for instance, the rush of new wheat should not come as early as anticipated, the market for this crop would start in with double the prices which you have obtained during the last few years.

But if wet weather should not prevent an early harvest is it necessary that you should allow the speculator to rob you of half the value of your crop?

Could you not act as if rain had really prevented an early harvest, and could you not for once avoid undue haste in supplying the speculator with the means of keeping down your prices?

Resolve for instance that in view of the condition of the world's crops a minimum price of \$1.35 for wheat in New York is moderate and conservative, and that members of your organization pledge themselves not to market their wheat at lower prices unless they are under contract, and that they will use their best efforts with friends and neighbors outside of the organization also to act on your resolutions.

Resolve also that the State Alliances form a committee, which shall keep itself posted about the state of the world's markets and from time to time notify the farmers of changes taking place and advise them upon the minimum prices that they may reasonably insist upon.

We will give you our reason for arriving at this figure. The prices of wheat are really to be measured by the English market, for that country is the largest buyer, namely, to the extent of 144 millions yearly average. The prices for the last seven years were entirely abnormal, as 1884 created an unwieldy surplus which was kept up and increased by several extra good crops.

This surplus being entirely used up, it is perfectly natural that wheat should return to the usual prices.

The average price of wheat in England during the twenty years preceding was \$1.45 per bushel.

Several years it rose over \$2.00 per bushel.

In this year of crop failure, far worse than any that occurred during these twenty years, it cannot be extravagant to expect at least the average price of that period.

A price of \$1.35 at New York corresponds with \$1.45 in England as the expense of transferring a bushel of wheat to Liverpool or London is not more than ten cents.

New York, Baltimore, Boston and Philadelphia should have about the same price. Chicago about ten cents lower, say \$1.25. Minneapolis, Duluth and St. Louis \$1.23. Toledo, Detroit and Cincinnati \$1.23.

These prices would all be about in proportion to a price of \$1.45 in Liverpool.

To get at the corresponding value of a bushel of wheat at your nearest railroad station, you deduct from the price of wheat at the city to which your wheat generally goes, the cost of transportation between your station and that city, and three cents more for commission and handling.

For example, if your wheat usually goes to St. Louis, and you find that it costs eight cents freight to get it there, deduct eleven cents for freight, commission, etc., from the price of \$1.23, as given above, which leaves you \$1.12 at the station.

In regard to this communication, we want it distinctly understood, that we do not advise you to sell your wheat at above prices, which are based upon average prices of the English market only.

We simply furnish you reliable figures which we think should suggest to you, that it would be folly to sell your wheat for less than those prices.

The price of \$1.45 in England, which is the average for twenty years will probably prove to be less than an average price for the next twenty years, as the steady increase of population is an offset for greater facilities in farming.

But considering the immense shortage of this year, no average price would be adequate to the

situation, and if we were the owner of wheat we would hold it for a much higher price.

Sell sparingly, even when much better prices are offered to you than those suggested above, and you will see a steady advance to the end of the crop year.

This action would be similar to a strike, but with this difference:

The working man loses money every day the strike lasts, while you do not lose anything, and if some should be inconvenienced for a few weeks for ready cash, they will surely not get poorer by it.

In the second place the working man cannot tell whether he will be successful and how long it will take him to enforce his demands, but you know that in a year like this you must be successful, for nothing can be substituted for your product, and that a few weeks must decide the war.

You have nothing whatever to risk and everything to gain.

It will be argued that some farmers have already contracted their crops and that it would be impossible to make all farmers act in harmony.

The party who has contracted for the product of some farms steps into the shoes of the farmer and will be too glad to receive double prices for the contracted crop, and that all the farmers act in harmony is not at all necessary for the success of this move.

There will be very few, indeed, unwilling to hold off to see what will become of this move, as in view of the situation prices could never be lower, but even if one-half or more of the farmers should be persuaded by the arguments of railroad and elevator men to rush their wheat into the market, the result would be the same, *for if a considerable number of those who are in the habit of marketing early hold back a little while, the farmers' deliveries would fall short of the requirements and the effect would be the same as if no wheat had been brought in at all.*

There is, however, little danger that any considerable number of farmers could be induced to market their product in hot haste at present prices, as resolutions adopted by the State Alliances long ago show that they know their enemies.

They also know that the remnants of last year's crop are smaller than ever, and that present prices are entirely out of proportion to the condition of the world's crop.

No crops that can be raised this year can change the fact that the world's supply is immensely below the requirements.

The American farmer is intelligent enough to know that whoever markets his products late in a year like this receives the best prices and there is really no danger that many will show enough sympathy with the speculator to come to his rescue.

Every prudent man will hold back to see how the speculator succeeds in feeding the world on wind. If it should be found that his stuff will not make bread, the miller and elevator men will come to you for your wheat.

The people of the United States will not begrudge the farmer a good price for his product, when his chance has come, for it will bring money into this country and start such a prosperity that a rise in the price of flour will be little felt.

By holding off a few weeks and marketing the grain gradually, the farmers will learn to know their power, and if they exert it always with moderation, and according to the true situation, it will be of infinite value to all their interest for many years.

It has been said that the farmer cannot put off threshing and cannot hold his wheat for lack of storage.

Now, if wet weather should delay the harvest several weeks, would that not put off threshing anyhow?

In the old states everybody is in position to hold his wheat a reasonable time, and if in the new states some farmers should lack the facilities a few dollars spent for boards will create them. It is not even necessary to spoil the lumber, and it may be returned with small pay for the use of it, as is often done, when temporary structures for picnic parties are erected. Where there is a will there is a way.

The object is important enough to put forward your best exertions.

The German farmer sells today his rye for more than 2½ cents of our money per pound. You are offered one-half that price for wheat.

If the facts about the American crop and our exporting capacity were truly understood in Europe prices of cereals would be much higher.

You probably know that speculators and those in sympathy with them have been continually talking about the immensity of our coming crop, placing the total prospective harvest at about 600 million bushels and over.

In Europe the talk has been even higher, as we see by the press as well as by private letters. Otherwise well posted merchants in Europe are of the opinion that our crop of wheat will be about 650 millions and that this country could ship easily 300 millions or more.

They believe that these figures are moderate, because the information has come from this country, and they cannot understand, that we having the goods to sell, should spread reports, which would influence prices adversely.

These reports have nevertheless been assiduously circulated on European Exchanges and have had their effect, though they are nothing less than a swindle.

The figures about our crop and exporting capacity, as given above, are correct and correspond exactly with those given by the Statistician of our Department of Agriculture, who considers estimates of 600 million bushels for our crop absurd.

We received a communication from the Department of Agriculture enclosing a letter from the Statistician.

We give you the exact words of this letter in regard to the present crop.

It says: "As the winter wheat condition stands at 96.6 now there should be at least thirteen bushels to the acre, unless condition declines before harvest. As spring wheat is 92.6 and is more likely to decline than increase, it can scarcely be expected to average thirteen bushels. Therefore with an area of between thirty-nine and forty million acres, there cannot be 600 millions, and probably will fall short 75 or 100 millions, and with reduced condition it might be 125 millions below that absurd figure.

"As the consumption, including seed, is assumed to take over 350 million bushels, it will be readily seen that a strong demand for the surplus will exist this year, which should bring a good price.

(Signed) "Very respectfully,
"J. R. DODGE,
"Statistician."

This letter is dated Washington, June 12, 1891, and addressed to

HON. J. M. RUSK,
Secretary of Agriculture,
Department of Agriculture.

The Government report for July, just published, does not change the situation at all. The condition of winter wheat is given a fraction of one per cent lower and that of spring wheat two per cent above the June report.

This supplement deals principally with the wheat question, as the speculation in other cereals is not as strongly developed.

Corn and oats are really not in as good position for high prices as wheat, because being principally absorbed as food for animals, great economy can be practiced in their use.

Still they have maintained about double the ordinary prices, because they are comparatively left alone by speculation.

This communication will be in the hands of every farmer in a few days, and it must be, indeed, a stubborn and imprudent man, who would not heed its advice, which in no case could work to his detriment, and which is based upon facts conservatively stated and uncontradicted.

A successful move of this kind means dollars and cents, and shows better than anything else that alliance gives strength and prosperity. It can be speedily accomplished and will greatly assist in the enforcement of other just demands for the benefit of the most numerous and important class of our population.

Your effort to reduce railroad and elevator charges if systematically followed up, will result to your benefit, but when the railroad and elevator men take advantage of you, they take cents or nickels out of your pocket, while the speculator takes the dollars.

You cannot afford to lose the chance that this year offers you. Don't get excited even if prices go far above those indicated.

This year it is easy for the farmer to protect his interest. Next year we will be better prepared to meet any attempt at manipulating prices.

This extra will be mailed to every local Alliance in the country.

Express your opinion and let your secretary communicate the same to the secretary of the State Board. All these resolutions will be collected and the exact results will be laid before every Alliance, so that you will know very soon what the farmers of the whole country think of the situation and how they will act.

You can fully rely on the figures and facts as given above, and must not mind the doings of the speculators.

Let them sell wheat promises at 10 cents a bushel, that has nothing to do with real grain.

Speculators have sold more than your surplus crop already.

What business have they to do that? Will you sanction their actions and so to say, make them your agents by delivering your grain at prices made by them without even consulting you?

When the wheat gamblers hear of a determination on your part to hold your grain for a higher price than they have it sold for, it is likely that they will make desperate efforts to further depress prices on futures for the purpose of scaring you.

This must not affect you in the least, for if you hear that a man has sold your horse or cow and has to deliver it in a certain time, it is your luck because he has to come to you first and make his bargain, and you will know what to charge him.

Many people think that the speculation for depressing prices is offset by speculation for high prices and that there must be a Bull where there is a Bear.

This is entirely erroneous, for the Bear speculator sells principally to legitimate buyers.

He is the cause that there are two crops in the market every year.

The buyer can easily take care of one, but as the farmers' crop comes later than the speculators', the farmer is the sufferer.

The speculators (nearly all professional speculators are Bears) will not like this circular. They will say it emanates from some party who wants to see wheat going up.

In this they are right, most decidedly right, and we have to confess to it.

Our address is at the head of this circular and we most sincerely hope that you will remember

it, and our confession, *that we want to see wheat going up; that we want to see the farmers out of debt and farm property remunerative, and we confess also that we will do our best to help along to that end;* and that this article was written especially for that purpose, and that we intend to write similar articles on kindred subjects, and if our efforts are appreciated and sufficiently encouraged, we may even publish them in three languages.

The daily press does not love the farmer since he shows political independence, and any move like this, calculated to prove his strength, and improve his condition, will meet with a strong protest on their part.

They will probably call this move a corner or trust, because such names are unpopular.

But what similarity is there between a corner or trust and a move like this?

A set of swindlers have sold your property at a certain figure and want to force you to deliver it up at a lower price so that they can make a handsome profit.

Their manipulations have impoverished the farmer and they calculate that he is sufficiently reduced to be in a perfectly defenceless condition and that his creditors will compel him to again become the victim of the speculator.

If in view of a large deficiency of the crop, acknowledged by everybody, they succeed in forcing you to accept the lower prices for wheat, what can you expect when the world's crop is abundant?

Can it be called a corner or a trust, that you refuse to sacrifice your property because the speculator has sold it for you?

Is it not your right and, indeed a moral obligation to crush this swindle, when you have it in your power?

No creditor will compel you, nor can compel you, to sell your crop for half its value, when a few weeks patience must establish fair prices.

Tell your creditors, and any one who wants your wheat at half price, that in the last few months hundreds of million bushels of wheat have been sold by speculators, that consequently the market must be glutted with it, and that you will wait until that wheat is eaten up before you offer yours.

We assure you that these hundreds of million bushels of windy wheat will be consumed very soon.

Communicate this information to all whom it will, otherwise, fail to reach, or who do not understand the language, and in a few weeks the illegitimate speculation, which has nearly ruined you will be a thing of the past.

Let no man sell the farmer's property without his consent.

Strong and judicious efforts are being made by your leaders, in different states, to put the farmer in position to defend himself against swindling speculation. Give them your unqualified and earnest co-operation, because it will not always be as easy to defeat your enemy as it is this year, and therefore prepare in time for the fight upon which your entire welfare depends.

Parties who obtained an imperfect proof-sheet of part of this treatise, and published it, probably with the intention of breaking its effect, have called it a secret circular. We want it thoroughly understood that there is no secret about this, and that we beg every friend of the farmer to give it the widest circulation possible. Any inquiries about this matter will be cheerfully answered by

"THE STATE,"

St. Paul, Minn.