

overt forms of exploitation by the grain companies; but here as elsewhere the most effective check upon unfair charges is of course to be found in competition. The collection, transportation and distribution of wheat have come to be conducted on so vast a scale, demanding the industry of so immense an army of persons and employing so large a capital, that monopolization has in effect become impossible. The circumstance that a great mass of capital is required at a certain time for only temporary use renders the application of monopolistic methods more difficult than in other branches of business. Engrossing of wheat is indeed occasionally attempted upon a certain scale; and at moments when, owing to deficiency of crops or other cause, there is a relatively slender surplus of wheat, and still more when there is a real shortage, the first persons who apprehend the situation are not unlikely to benefit. The prospect of certain though relatively small seasonal gains has, however, undoubtedly been a more important influence in drawing into the wheat trade an amount large enough to conduct it upon its present scale than the prospect of large adventitious gains.

It should be noted that both farmers and millers may, and that very many of them do, speculate in their own or in other wheat. The farmer who stores his surplus grain instead of selling it speculates in it. The farmer who sells all his grain without retaining sufficient for seed speculates in it. The farmer who sells his grain in the face of an advancing market and buys grain for future delivery speculates in it. The miller who, after he has bought grain sufficient for his flour-milling requirements, sells grain for future delivery in order to protect himself against a falling price, so that should he lose upon flour he could recoup himself upon wheat, also speculates in wheat.

The fact that wheat is at any moment convertible into cash, its highly liquid character as a security, its great mobility and the rapidity of its movement depend primarily upon the universality of its market and in second instance upon the efficiency of the mechanism of its exchange. Speculation is probably quite inseparable from these conditions. If the speculative element were wholly eliminated from the wheat market, some