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THE OMAHA SUNDAY BEE

PART THREE.
Amusements
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Genesis and Growth of the Country's Great Grain Traffic

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BY CHARLES QUINN.

THAT the annual convention of the Grain Dealers' National association, to be held in Omaha October 9, 10 and 11 next, will mark an epoch in the commercial history of the Nebraska metropolis is the belief of everyone who is at all familiar with the grain business and with the geographical location of Omaha.

This is the first time in the fifteen years' existence of the national organization that the grain men have met as far west as the Missouri river. Their annual gatherings have in the past been confined for the most part to the cities of the so-called middle states. Chicago, St. Louis, Indianapolis, Milwaukee, Cincinnati and Minneapolis have all had the convention. In 1905 the delegates met in Buffalo, which was the furtherest east the convention ever went.

The directors of the association decided to hold the 1911 gathering at Omaha, in recognition of the growth of that city in the last few years as a primary grain market. This was a big triumph for the prosperous city on the Missouri. It meant that the grain interests of the country recognized the position Omaha has taken in the trade and has admitted its right to be classed with the other important primary markets of the country.

It is interesting to note what has brought about this change in sentiment among the grain men of the United States. It is doubtless due in great measure to the fact that facilities have within the last few years been rapidly created for the storage and utilization of the waste waters in western Nebraska and eastern Colorado and Wyoming. Dry farming is another factor in the growth of Omaha as a grain center. By using this system for the growing of grains in a vast stretch of territory that has heretofore been considered arid or semi-arid many thousands of acres have been brought under cultivation and made tributary to Omaha.

South Dakota west of the Missouri river, western Nebraska and all of Wyoming are being covered with a network of railroad lines and the result has been the breaking up of large tracts of land and the production of grain in an immense territory hitherto used solely for grazing. Omaha is the natural receiving point for grain from all this territory.

With reference to distribution facilities Omaha is well situated. It is the western and northern termini of a number of great railroad systems, which gives a free outlet to Minneapolis and Duluth on the north, Chicago, Milwaukee and Peoria on the east, Kansas City, New Orleans and Galveston on the south and St. Louis and Memphis on the southeast.

It is not surprising, therefore, that the people west of the Missouri river and the grain men of Omaha should display the liveliest interest in the coming convention of the Grain Dealers' National association. To the farmers and elevator owners of South Dakota, Nebraska, western Iowa, Kansas, Oklahoma and Wyoming the convention is the most important and significant of the year, for it shows they have been recognized by the grain dealers throughout the country as living in a section which is now a highly important factor in the production of the great cereal staples of the United States.

Some years ago Omaha was looked upon as being close to the "dead line" of wheat and corn production. All maps of the United States which contained isothermal lines giving temperatures and precipitation placed the sixteen-inch rainfall so close to Omaha that the city seemed to have no future as a grain-receiving point from the west. But the opening of the country beyond the Missouri for settlement extended the area of cereal production until the whole of Nebraska, with the exception of the sand hills in the northwest corner, became one great fertile plain. South Dakota followed the example of the sister commonwealth to the south and kept on extending its area of production until the Black Hills were reached at the extreme western border of the state.

And even the Black Hills and the sand dunes have not been abandoned by the farmer. They have their valleys where grain is produced and this grain is added to the great stream which now pours into Omaha.

The grain men of the country have been watching Omaha for some years. They have seen the changes gradually come; they have observed what tree planting, the breaking up of the virgin ground, scientific farming and irrigation have done for the west and they were prepared to give Omaha its proper recognition when the time came.

And that time has come.

Omaha's future as a grain center is assured, and each year it will become more important as a primary market because each season sees new acreage added through irrigation, through the efforts of the state agricultural colleges in teaching the farmers how to reclaim what has been regarded as waste land, and through the natural increase in population which enhances the value of old land and drives settlers on to the new.

In the handling of these crops of western grain which, like great streams of gold, pour into and out of the Omaha elevators and are shipped north, east and south to help feed the nation, the Grain Dealers' National association plays a leading role. These millions of bushels of grain, worth so much money that the resources of the banks are taxed to their utmost to move them, are passed from one ownership to another—from the farmer to the miller and the exporter—with little friction, few misunderstandings and no civil suits. And all because the association has been educating the grain men of the country to the modern belief in co-operation instead of the old system of inidviduallsm.

Before the advent of the association, which was started in Chicago in 1896 by a handful of dealers numbering about fifty, chaos reigned in the grain business. These were the halcyon days of the freight rebater—the days of the great growth and development of the industries of the country, and before there swept over the United States that great reform wave which followed the insurance scandals and which was to bring in its train a new system of commercial ethics.

A decade and a half ago the motto "caveat emptor"—let the purchaser beware—was recognized by the laws of the land, for it was felt that a man's business was no one's but his own. This was seventeenth century doctrine in use when one small merchant dealt directly with another and before the great aggregations of wealth of today were dreamed of. When the attempt was made to apply it to modern times, with its great railroad systems and industrial corporations, the small shipper found himself at the mercy of the big one who outbid him in the open market for grain and then made a profit through rebates.

The grain dealer of comparatively modern times knew no business religion, save that which had for its tenets a perversion of the golden rule, which he interpreted to read: "Do unto the other fellow as you suspect he would do unto you—if he had the chance."

And yet the grain dealer was no worse than the average business man engaged in other lines of trade. He had simply been following to their logical conclusion the precepts he had been taught in the counting room after he left school.

These precepts fitted in with primitive conditions when men did business face to face, but when the telegraph, the telephone and the railroads came and merchants bought goods from one another, though separated by hundreds of miles, each individual had to take what was given him and trust in the good faith and honesty of the seller.

No one in the pioneer days of Omaha had the prescience to conceive the splendid city into which the struggling frontier town developed. In 1867 the aggregate wheat receipts were small. Farmers delivered the grain in sacks at Sioux City and the grain merchant used his back to convey the wheat to one corner of the warehouse. Later it was resacked and carted to a Missouri river steamboat and shipped to Omaha, the then nearest railroad point.

The late F. H. Peavey of Minneapolis, who at the time of his death several years ago was at the head of the largest cash grain concern in the world, delivered a speech to the delegates of the Grain Dealers' National association at their annual convention in 1901 in which he told of his experience as a young man in western Iowa in the 60's. He said:

"The volume of business done at that time was small. There was uncertainty as to time of delivery. Muscle was used in place of machinery. What are now known as the elevator companies did not come until the early 70's, and one of the first was located on the Dakota Southern railroad from Sioux City to Yankton, a distance of sixty-five miles. This road, now known as a branch of the Chicago, Milwaukee & St. Paul, was one of the first railroads to invade Dakota.

"With the advent of the continental lines and the tremendous immigration following them, the elevator men became a necessity. Material was carted miles in advance of the railroads, and at heavy expense elevators were completed by the time the tracks reached there. Business was commenced with no banking facilities; wheat receipts grew heavier and currency was shipped from Chicago to the nearest express point and then sent by special messenger to the sidetrack elevator man, whose life was lonely and whose pistol was ever ready to protect the money and property in his charge."

This picture, drawn by Mr. Peavey of pioneer conditions around Omaha in the late 60's and early 70's, is doubtless an accurate one, and it is easy to see that from such a beginning many abuses would naturally grow up with the evolution of the grain business. When the early 90's arrived the noxious weeds that had been permitted to flourish were in full bloom. The railroads had throttled the small dealers for the benefit of the large ones. The little shipper was given cars only when the big one did not want them. There

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