

Wall Street Gambler and Hog Butcher Unloads Bankrupt Elevators On Farmers

By J. RAMIREZ GOMEZ.

BIG Business is going to help the farmers. No wonder the farmers are suspicious. They are still recovering from the effects of the last time Big Business so generously extended its aid.

It is doubtful, however, whether more than a few have any conception of the enormity of the swindle that Barney Baruch and J. Ogden Armour are trying to put over on them right at this moment, with the enthusiastic ballyhoo support of the capitalist press of the land.

How It Looks on Surface

During the last few days, the newspapers have been full of stories to the effect that wealthy grain merchants are "apparently" ready to turn over the marketing of grain to the farmers who grow it. Five big Chicago grain firms have offered to sell their plants to farmers, and the American Farm Bureau Federation representing nearly a million farmers, is considering the proposition. Everything looks lovely on the surface.

The five big corporations who are willing to sell are the Armour Grain Company, Rosenbaum Grain Corporation, Bartlett-Frazier Company, Rosenbaum Brothers, and J. C. Schaffer & Co.

Several months back the Armour concern endorsed a similar plan to turn its assets over to a co-operative group of farmers for cash. But the plan was not put forward in the name of the Armour Grain Company. That public-spirited organization does not put forward such plans in its own name. It merely falls in with them after they are proposed. The gentleman who first suggested it in the newspapers is not in the grain business at all. He is Mr. Bernard Baruch—famously known as Barney. And thereby hangs a tale or two.

Introducing Mr. Baruch

Among the many curious accomplishments of Woodrow Wilson's administration as President, none is more remarkable than the metamorphosis of Barney Baruch. Barney used to be the kind of person with whom politicians did not like to associate in public. He was the wolf of the Wall Street wolves, known far and wide as America's premier stock gambler. Now he "lends tone" to any white-haired gathering. Lifted into sudden respectability by the magic touch of the Woodrow Wilson regime, he has become a great Statesman of Finance—one of that handful of individuals who are presumed to be genuinely concerned for the public

welfare because they have reached a position where they can afford to go in for that sort of thing in a serious way.

If the esteemed Barney should meet his pre-war self walking down Broadway, New York, he would probably not recognize him. Certainly he would not bow to him.

It is altogether to be expected that Barney should take a humanitarian interest in the exploiting farmers. "Humanitarian" interest in the farmers is in vogue. One proposal after another is put forward; the schemes range all the way from selling grain to the government, to feeding it to the live stock on the farm. Meantime, the condition of the farmers becomes worse and worse. Wheat continues to sell below the cost of production. Out in the rural districts one sees unpainted dwellings, old plows, worn out harness.

Armour to The Rescue

In a newspaper interview, Barney lets us know that conditions of the farmers grieved him deeply. So deeply did he grieve that he rushed to Chicago on the Twentieth Century Limited to talk to J. Ogden Armour about it.

Armour was just the man to help the farmers, of course. The farmers have plenty of reason to remember this packingtown millionaire who for many weeks persisted in refusing to bare his grain speculations in court during the federal investigation last year. He is known to every pit trader on the Chicago Board of Trade as a professional plunger in wheat and corn. Incidentally he is chief stockholder in the Armour Grain Company, one of the biggest grain speculating houses in the United States. Barney Baruch talked to Armour, and also to George E. Marcy, president of the Armour grain concern. A stenographic report of those conversations will probably be very interesting.

Getting the Bankers' O. K.

Armour and Barney met again in New York, where they went over matters with some other presumptive friends of the farmers—that is, the bankers—including Albert H. Wiggin and Samuel McRoberts of the Chase National Bank group (N. B. The Chicago National bank, and not the Armour family, is now the controlling factor in the Armour meat packing business, which it operates under a trusteeship.)

These important conferences over, our friend Barney straightway began to write letters to congressmen about the terrible conditions of the farmers. Then he called in the representatives of the press and made public his great plan for putting an end to the sufferings of the agricultural population. The plan was put forward by Barney with a lofty flourish, as a mere word of disinterested advice from an eminent financier, accustomed to having his advice taken on faith.

Monument to the Dead

According to Mr. Baruch, his scheme was better than any other so far propounded because "by buying into a going concern, like the one mentioned (Armour Grain Co.), the wheat growers would have the advantage of an already established marketing organization and of expert and experienced

management." Of course, he could not be expected to know that this "going concern" was in fact going very badly and that its "expert and experienced management" has its own reason for wanting a change of ownership. Baruch informed his interviewers that J. Ogden Armour at first refused to consider such a thing as the sale of the great and profitable Armour Grain Company, and that only when he was made to realize that this act of public service would be a "fitting monument to his father" he consented. The father, by the way, was a grain speculator like his son; but the old man is dead now and to a dead man, one style of monument is presumably as good as another.

Here are some pertinent facts. Less than a year and a half ago, J. Ogden Armour, suddenly and mysteriously delinquished the direction of Armour & Company (the meat packing business), permitting it to fall into hands of his bankers. Since that time he has allowed himself to be persuaded to put up his \$5,000,000 Lake Forest estate for sale; he has disposed of virtually his entire holdings of Chicago bank stocks, which were the largest in the city; he has sold his Gold Coast property at Wellington and Sheridan Road where the Armours had planned to build their city residence; he has let go of the tract originally purchased as a campus site for Armour Institute of Technology.

Providence Drums Up Trade

Is there not something almost providential—to speak in religious terms—about the innocent suggestions of the disinterested Bernard M. Baruch, coming precisely at a time when Armour was casting about anxiously in repeated attempts to sell everything in sight whoever would buy?

It must be plain to the reader that the whole elaborate plan for the alleviation of the wheat growers is a cooked-up scheme. Baruch is the "come on" man and the farmers are expected to be the "goats." The central idea is to unload on the farmers.

The affair is not made any less disgusting by the fact that Armour, after all, is only a puppet. The real principals in the proposition are the bankers of the Chase National Bank group who months ago forced J. Ogden Armour out of Armour & Company and are now about to force him out of the Armour Grain Company. Armour's personal finances are in critical shape. Already heavily in debt, he has lost recently about \$20,000,000 more in grain speculations, since which time

he has had to depend entirely on his bankers for the working capital of the Armour Grain Company. All power thus gravitated to the bankers, who forthwith insisted that Armour liquidate his holdings and pay up. That is how the sale of the Armour Grain Company to the farmers came to be planned.

Packers Not Altruists

It is only in the last couple of months that the Rosenbaum Grain Corporation, Bartlett-Frazier Company, Rosenbaum Brothers, and J. C. Schaffer & Company have been drawn into the plan for unloading on the farmers. Together with the Armour Grain Company, these corporations handle more than a billion dollars worth of cash-grain transactions annually, but the same banking group dominates all of them. They have never been what might be called altruistic toward the farmers. Their attitude toward the distressed agricultural toilers is the same as toward any other prospective customer who is looked upon as a sucker.

As for the Armour Grain Company—the biggest of all these corporations, if the members of the American Farm Bureau Federation were to fall in with Barney Baruch's scheme to acquire an interest in the Armour Grain Company, they would be buying into a wrecked concern, heavily in debt to the bankers. But that is not all. Under Baruch's ingenious plan, the present management of the company would retain a certain number of directors, and the farmers would have a certain number, "until gradually, thru the profits of the business, payment should be made in full, or until by further subscriptions, the farmers paid off the balance." In the meantime, actual control of the organization would be affected by means of "a third class of directors, who would provide the balance of power on the board, and whose business it would be to see that the organization was run according to the contract and to settle any disputes arising between the two parties."

The Joker in the Deal

Who would make up this third class of directors? Would they be bankers? It is possible that they would consist of the Chase National Bank combine which has already instituted itself so successfully into the control of the Armour Company meat packing business?

No criticism of the unprecedented fraud which packers, bankers and Wall Street manipulators are trying to put over on the farmers has appeared in any capitalist newspaper. Neither the Republican nor the Democratic Party has a word of condemnation to utter. All point with pride to the practical example of the generosity of our wealthy magnates who take such interest in the woes of the poor farmers. "Charity, heavenly charity!" exclaim the deeply moved

promoters and venturers who are commenting upon the Armour-Baruch proposal. Only in the cynical gossip of the wheat pits do we get an intimation that in this attempt to unload on the farmers the substantial Pillar of Society involved have been guided by the well established capitalist principle that charity begins at home.