

**SPECULATION AND
THE CHICAGO
BOARD OF TRADE**

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Speculation and the Chicago Board of Trade by James E. Boyle

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SPECULATION

AND THE

CHICAGO BOARD OF TRADE

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INTRODUCTORY

Speculation in grain and future trading on the organized exchanges are fundamental market problems which interest every citizen. Unfortunately these questions are usually treated in a controversial manner, the discussions generally producing more heat than light. And so it happens that while the literature in this field is abundant, yet most of it is very one-sided and partisan. There are very few disinterested reports explaining the important terminal market problems of the grain trade.

This book is really a "report" on the Chicago Board of Trade, and particularly on the two big problems involved there, namely, future trading and speculation. I have endeavored to relate these two practices to the larger problem of marketing the grain crop, in order to show the true setting and the actual significance of future trading and speculation. In this way only can the economic functions of these two practices be rightly understood.

It is hardly necessary to add that I have tried to make this report fair and candid. I have written this book for those open-minded readers who are looking for a disinterested treatment of the subject. The reader who already "knows it all" or whose mind is finally made up on all these controverted points, is asked to close the book at this point and read no further.

In deference to the tacit demands of my readers to know what my credentials are for writing this report, I will add a brief word of explanation. The first twenty years of my

life I spent on a Kansas farm, and to this farm I have made a yearly visit during the past twenty years. Hence I claim to know something of the viewpoint of the farmer who is growing the grain. For several years I taught the subject of grain marketing in one of our State Universities, and so became familiar with the "theory" and with the literature of marketing. I made a first-hand study of the country elevator business and of the various terminal market problems, thus getting in touch with the "practical" side of marketing. Over two years' time was devoted to this study. Therefore, whatever the limitations of this book may be, whatever its merits or defects, it is the product of several years of study of the theory and practice of all parts of the grain trade.

JAMES ERNEST BOYLE.

Ithaca, N. Y.

November 12, 1919.

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