

ACCOMPLISHMENTS OF BOARD

The CHAIRMAN. Mr. Legge, can you tell us of any good you have done?

Mr. LEGGE. That is a pretty big order, Mr. Chairman.

The CHAIRMAN. I suspect that is true, but when this matter comes up on the floor there will be all sorts of questions from those who are in favor of the board, as well as from those who are trying to break it down. We ought to have some information so we can answer those questions.

Mr. LEGGE. As to what the final outcome will be we do not know. You can not say until the final close of your operations what your gains or losses may be. That is particularly true of grain. The grain market to-day is fully 20 cents above the world parity, or what wheat would bring if it were exported. At the close of the market on Saturday, Liverpool wheat was $69\frac{3}{8}$ while the Chicago market was $70\frac{1}{8}$, and the transportation cost is $15\frac{1}{2}$ cents. It may be that in the end the taxpayer will lose. As I say, we do not know what the outcome will be. In the meantime, we are consuming 17,000,000 bushels per week, with the advantage of this difference in price, which means \$2,500,000 to the wheat grower as compared with the export price. Therefore, at the present time the grower is getting that advantage. How much of that we will lose in the final clean-up of the stabilization operations is beyond us. We do not know about that.

The CHAIRMAN. Of course, that is dependent on world conditions, on transportation conditions, and other things. This thing is supposed to be built up on the theory that we will not sustain any considerable losses in its operation. Can you look into the future somewhat and tell us what the probability is with reference to these loans?

Mr. LEGGE. It will be just anybody's guess. All the time we are making some progress. You were speaking a moment ago of wheat, and I will say that for 62 consecutive months, up until last month, there was every month an increase in the visible supply of world and domestic wheat over the visible supply of world and domestic wheat in the corresponding months of the previous year. That is, we have pyramided a surplus consecutively, every month, for 62 months. Now, in view of that, what has happened to the market is easy to understand. The surplus has been building up, bigger and bigger, all the time, until the last month when, for the first time, it took a turn in the other direction. November showed the first decline in the world's visible supply of wheat and also in the domestic supply of wheat, and in the North American supply of wheat. In November the tide turned, and began working in the other direction.

The CHAIRMAN. With reports showing that the visible supply is decreasing, will you not have a corresponding increase in the price?

Mr. LEGGE. That has not come yet. There has been no increase in the price. The prices are artificially maintained. It is true to-day that, low as the price is, it is artificially maintained, not only on wheat, but on other grains.

The CHAIRMAN. How is the price artificially maintained?

Mr. LEGGE. By the operations of the stabilization corporation.