

1st of April, the stabilization corporation announced a plan by which they would purchase wheat and store it with the millers and the millers could buy it and pay for it as they needed it in the future.

Can you give the committee the details of that plan and tell us what was accomplished?

Mr. LEGGE. I can not give you the exact figures as to the tonnage they handled.

Wheat at that time was facing a rather nasty storage situation. Chicago, Minneapolis, and Duluth were congested and Kansas City was pretty full also, and the millers had a lot of vacant room. We called them together and asked them whether they could furnish the room free of storage cost, for the privilege of having the first option, at whatever the market was on wheat, when it was needed. It saved a considerable amount of storage expense to the stabilization corporation and was very satisfactory to the millers.

Mr. AYRES. About when did the demand for the storage space begin?

Mr. LEGGE. As the new crop came in.

Mr. AYRES. You had only utilized this storage about two or three months?

Mr. LEGGE. Some of it ran four months; three months would be the average, perhaps.

Mr. AYRES. May I ask whether or not the grain stabilization corporation had to sell the wheat at that time to these millers who were demanding this storage space at a low figure, compared with the market value?

Mr. LEGGE. No, sir; it always had the privilege of taking it out at a lower cost on their part, at a cent a bushel, and putting it back in the cars. It was subject to the order of the corporation.

Mr. AYRES. You did dispose of practically all the wheat you had stored at that time and sold it to the millers?

Mr. LEGGE. Not all of it. Some of it was moved and some of it was disposed of to the millers.

Mr. AYRES. The bulk of it?

Mr. LEGGE. The bulk of it.

Mr. AYRES. Do you remember how many million bushels had been stored?

Mr. LEGGE. I do not believe I want to answer that from memory. It was a substantial quantity.

Mr. AYRES. It had to be sold just at the time the new crop was coming in?

Mr. LEGGE. Yes; it made no difference in the quantity because it was immediately replaced by purchase. When 1,000,000 bushels was sold the stabilization corporation immediately purchased on the open market another 1,000,000 bushels. It did not reduce their holdings at any time since the 16th of June.

Mr. AYRES. You do not think that had a tendency to reduce the price of the new crop?

Mr. LEGGE. I do not see how it could. There was a lot of noise made about it.

There was an option exercised by Hoffman in Kansas City for 300,000 bushels, and the same 300,000 bushels was bought on the Kansas City market, cash grain, within 48 hours. If he had not