# Grain trade agreement reviewed

WASHINGTON - The recently concluded longterm grain agreement with the Soviet Union, which became effective upon signature on October 20, 1975, provides a framework for the trading of U.S. wheat and corn to be shipped to the U.S.S.R. during the 5-year period from October 1, 1976, through September 30, 1981.

The agreement requires the Soviet Union to purchase from the United States each year of the agreement a tons of wheat and corn in

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amounts. This quantity may be reduced by the United States in any year when the United States Department of Agriculture estimate of the total U.S. grain supply falls below 225 million metric

So long as the total grain supply is estimated at 225 million tons or more, the U.S.S.R. has the option to purchase each year of the agreement an additional 2 million tons of U.S. wheat and corn without conminimum of 6 million metric sultations with the U.S. Government. If the U.S.S.R. wants to purchase more or the United States wishes to sell more than 8 million tons of U.S. wheat and corn in any year during the life of the agreement, this can be done after consultations between the two governments.

The Department of Agriculture believes the long-term grain agreement with the U.S.S.R. is basically a good agreement.

It is a good agreement for American farmers because it firmly establishes the

U.S.S.R. as a long-term market for American grain. It does this in a manner which preserves the marketoriented farm policy which has evolved here in the United States during the past several years.

it provides a known U.S. grain to the U.S.S.R. the general public knows what to expect in the trading of U.S. grain to the U.S.S.R.

The agreement is good for the Soviet Union in that it list of customary buyers of American grain. The Soviets will no longer be at the end of the line. They will get the same considerations as other customary buyers of American grain so long as

the commitment by the Soviet Union to purchase a minimum quantity of U.S. grain from the United States each year in exchange for the United States to begin treating the U.S.S.R. the same as other regular and traditional buyers of American grain.

been a major disquieting gradually improving our since 1972. The United States decided to negotiate a one-of- continue to work with the a-kind agreement with the Soviet Union because the Soviets present a unique situation to us as the world's largest grain exporter.

The U.S.S.R. is a large country — almost 2½ times the physical size of the United States and with 30 million more people. The Soviets usually use more grain than we do — by at least 20 million tons — and The agreement is good for more grain than any other American consumers in that country in the world except the People's Republic of framework for the trading of China. The U.S.S.R. is a wealthy country in terms of during the coming 5 years. It natural resources - a provides a means by which country with the purchasing power to enter at will the world market for grain.

Moreover, these actions are based on administrative decisions - not market brings the U.S.S.R. into the prices. The U.S.S.R. has a centrally-planned economy in which the central government basically determines the annual consumption of grain in any given year. It concentrates all of its buying power in a they observe the rules laid single state-sponsored down in the agreement.

single state-sponsored buying agency. The upshot is The principal balancing a tremendous force that can feature in the agreement is be brought to bear on the world market, outside the multilateral trading system that we depend on in the West to balance demand against supply.

Another unique element in the Soviet market is that the Soviets do not make available information on crop conditions and com-The in-and-out nature of modity stocks as most other Soviet grain purchases has trading nations do. We are influence in world markets estimates of U.S.S.R. crop size and import needs. We

World.

Thus we come to a unique agreement to deal with a seek this type of agreement true that we have un-Japan, Poland and other countries. However, these are not specific in their obligations but provide general assurances on both sides.

smoothing out of Soviet grain purchases in the short term, it is hoped that the U.S. -U.S.S.R. grain agreement will help encourage an expansion in Soviet grain storage capacity. This will have an evening effect on U.S.S.R. purchases over the longer term, as the Soviets draw from stocks in poor years and add to stocks in good years. We have reason to believe that the U.S.S.R. is planning for some 40 million tons of additional storage in the years ahead.

These developments all look toward a more orderly trading system. They do not interfere in any way with 8 servings.

Soviets under the 1973 multilateral discussions of Agreement for Cooperation the proposal for an inin the Field of Agriculture in ternational network of an effort to obtain more data reserve stocks. This of this kind. Still, in- proposal, aimed at providing formation on the huge the world with a higher U.S.S.R. market is far from degree of food security, is adequate in comparison with being considered at present information available on in the Preparatory Group of markets in the Western the International Wheat

Progress has been slow, unique situation. We do not and there is a great deal of work to be done before we with any other importing can expect any degree of country and would in fact consensus on the food oppose such a proposal. It is security question. The Soviet Union, along with the United derstandings now with States, has been an active participant in these discussions.

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Be of good cheer, the new In addition to the year is here and along with it the football bowl games. Fortify fans in your house with Cherry Sausage Brunch Cakes so they won't need a snack break during the action. Using frozen or packaged pancake mix, prepare 2 dozen 3-inch pancakes. Arrange 8 pancakes on bottom of 8 x 12 inch baking dish. Top each with a bologna slice. Dot with butter or margarine. Repeat all layers, finishing with pancakes. Combine a one pound can of cherry pie filling with ½ cup gingerale. Pour over pancakes. Bake at 375 degrees for 15 minutes or until heated through. Makes

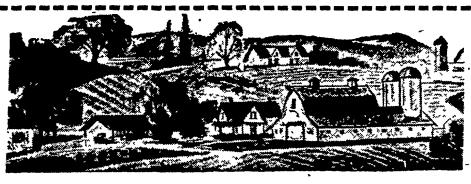
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