

Office of the White House Press Secretary

THE WHITE HOUSE

STATEMENT BY THE PRESIDENT

The purchase by the Soviet Union of wheat and feed grains in the United States has been highly erratic over the years. The following table shows these purchases for recent years, including purchases to date for the 1975-76 season:

| <u>Years</u> | <u>Feed Grains</u> (in millions of metric tons) | <u>Wheat</u> | <u>Total</u> |
|-------------------|--|--------------|--------------|
| 1971-72 | 2.8 | 0.0 | 2.8 |
| 1972-73 | 4.2 | 9.5 | 13.7 |
| 1973-74 | 3.4 | 2.7 | 6.1 |
| 1974-75 | .8 | 1.0 | 1.8 |
| 1975-76 (to date) | 5.8 | 4.4 | 10.2 |

The considerable variation in large bulk purchases by a single state trading company contrasts with the more steady purchases of these grains by such customers as commercial enterprises in Japan and Western Europe. Because these purchases are highly variable and uncertain, American farmers have not been able to count on this market in their planting intentions to the extent they have on other foreign purchasers. Moreover, highly volatile and unpredictable purchases emerging after the crop planting tend to contribute to price instability.

It would contribute materially to the interests of the American farmer, workers in the transportation industries and American consumers, as well as be in the interests of our customers abroad, if we could develop a longer-term and more certain purchase understanding with the Soviet Union, providing among other features for certain minimum purchases.

It will take some time to explore the possibilities of a long-term agreement. The country must have a new procedure for the sale of feed grains and wheat to such a large state purchaser as the Soviet Union. I am sending representatives to the Soviet Union at once. I am also establishing a Food Committee of the Economic Policy Board/National Security Council in my office to monitor these developments.

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We have already sold a volume of wheat and feed grains which will take four to six months to ship at maximum rates of transportation operations. Accordingly, there is no immediate necessity to decide about further future sales at this time, and I am extending the present moratorium on sales to the Soviet Union until mid-October when additional information on world supplies and demands is available. This extended period should provide the opportunity to negotiate for a long-term agreement with the Soviet Union.

Under these circumstances, I am requesting the longshoremen to resume voluntarily the shipping of American grain while these discussions go forward, and the matter can be reassessed in the middle of October.

It will be necessary to complete the negotiations over shipping rates in order to make it possible for American ships to carry wheat and to assure that at least one-third of the tonnage is carried in American ships, as provided by the agreement with the Soviet Union which expires on December 31, 1975, which is also under renegotiation.

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