

Beware the Russian Trader

During the days of the cold war, it was widely believed that the wily Russians would, unless watched with the greatest suspicion, outwit the simple-hearted Americans at every turn. The myth has turned out to be true—in a most embarrassing way. Last year the Soviet Union, needing grain because of serious crop failures, sent a delegation to hole up in a New York hotel to buy wheat—440 million bushels of it. The U.S., long plagued by grain surpluses, obligingly held the export price of wheat at \$1.63 per bu. by subsidizing farmers and grain dealers to the tune of nearly \$300 million. It even provided the U.S.S.R. with \$750 million in credit to make the deal possible. Thus the Soviets made off with one-fourth of

the total U.S. wheat crop for a cool \$1 billion—causing shortages and price rises that are still unchecked. Asked last week about reports that a loaf of bread from American wheat costs less in Moscow than in Washington, D.C., Treasury Secretary George P. Shultz admitted that the U.S. had been “burned” and added: “If we are burned the first time, why, maybe they did it. But if we get burned twice, that is our fault, and we shouldn’t have that happen.” Senator Walter Huddleston of Kentucky announced even worse treacheries. Now that wheat has reached record heights, he said, there were reports (denied by the Agriculture Department) that the Russians were reselling their \$1.63 American wheat to others at the current price of \$4.65. So much for the heirs of the Yankee peddler.

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