

Quotas Ended On Imports Of Wheat

By Carroll Kilpatrick
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President Nixon signed a proclamation yesterday making it legal to import as much wheat into this country as anyone wants to ship, but Agriculture Department officials think the action is unlikely to affect the price of bread or the amount of wheat or the price paid to farmers.

Except in Canada, there isn't much wheat available that could be shipped into the United States. And the Canadian price is higher than the U.S. price, boxcars are scarce, and the supply is limited.

In an emergency, however, some wheat could be found in Canada and even elsewhere. Officials suggested that with the threat of rising bread prices the President wanted to take out insurance in the event of a crisis, which some millers have predicted.

In recent years, the United States has imposed quotas limiting wheat imports to 800,000 bushels annually. The quotas have not been filled since 1965, when the U.S. support price was higher than the world price. Only 100,000 bushels have been imported since July 1.

The United States is at a disadvantage in competition with other countries because it is the only government that imposes no export restrictions and only indirectly affects price.

"The biggest problem is the price of Canadian wheat, which is running at about \$5.75 a bushel right now," a spokesman for Pillsbury Mills, the nation's largest miller, said.

"Add the transportation costs and it would make it quite expensive. However, if U.S. wheat prices go up, the Canadian wheat could still be quite attractive."

The U.S. price of wheat is about \$5.50, and importers must pay a tariff of 21 cents a bushel, which further discourages imports.

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President Ends Wheat Quotas; Effect Expected to Be Slight

WHEAT, From A1

"The Canadian wheat board has stipulated that the wheat purchasers would have to provide their own equipment, grain and hopper cars to move the wheat," Pillsbury's spokesman said.

If U.S. cars are sent to Canada to get the wheat they would not be available to carry American wheat to U.S. ports for shipment abroad.

The government cannot now halt exports, which would be the simplest way of assuring adequate supply but would be an interference with the free market and would cause outcries against the U.S. abroad.

Soviet purchases of U.S. wheat are only about a fourth of the 400 million bushels it purchased a year and a half ago and officials have been urging U.S. exporters to see if some foreign customers will defer taking deliveries until the next crop is in this summer.

Except for 18 million bushels postponed several weeks ago by the Soviet Union the results to date have been negligible.

Millers have complained that they are threatened with shortages and that bread prices could go as high as \$1 a loaf.

The President has said that will not happen. Nevertheless, with pressure on bread prices officials say it would be as silly to keep import quotas on wheat as it was to keep quotas on oil imports until the energy shortage burst on the nation last year.

The United States is the dominant factor in the world wheat market, accounting for 53 per cent of all wheat shipped in world trade last year. This year, the Agriculture Department is predicting a record domestic crop of 2 billion bushels. An estimated three-fourths of it will be exported.

Last year, the United States exported more than \$17 billion worth of farm products—three times as much as 10 years earlier—putting the United States in a surplus trade position and vastly strengthening the dollar overseas.

A decade or more ago, however, wheat was a glut on the market, with the government holding almost 1.4 billion bushels in surplus at considerable cost to the taxpayers.

Now the Agriculture Department forecasts stocks of only 182 million bushels on June 30. The President's proclamation, made at the recommendation of the Tariff Commission, is in effect until June 30.

Some people are old enough to remember when the price

of wheat was 37 cents bushel, and less in some areas and for some grades.

Deputy press secretary Gerald L. Warren said the President thinks action ending quotas will have a stabilizing effect on prices.

At the Agriculture Department, assistant secretary Carroll G. Brunthaver said he didn't think the order ending quotas would be needed because American farmers will meet demand. "But if Canadian wheat supplies are needed here, I think wheat or flour or both will flow down," he said.

Delegate Back With Democrats

RICHMOND, Jan. 25—Prince William County Del. Stanley A. Owens, who bolted the Democratic Party to win reelection as an independent over Democratic opposition in last fall's election, was readmitted yesterday to the House of Delegates' Democratic caucus.

Owens, however, earlier was stripped of his chairmanship of the House Finance Committee, a position he held last year. His readmittance to the Democratic caucus, approved unanimously by the other Democrats, means that the party now has 71 of the 100 House seats.