

On the Carpet



UPI Telephoto

Charles Pence (left) and counsel Claude Hoffman at grain hearing

U.S. Officials Blasted for Handling of Grain Deal

Washington

Representatives of three farm organizations and several Democratic members of a House agriculture subcommittee sharply criticized the Department of Agriculture yesterday for the way in which it handled the United States-Soviet grain deal.

The criticism was based on allegations that the department did not make available to wheat producers and farmers' cooperatives the information that was available to six large commercial dealers that have sold about 400 million bushels of wheat to the Soviet Union since President Nixon announced the \$750 million deal July 8.

CALLS

Particularly, the Democrats and farm organizations wanted to know why Charles W. Pence, a department official, had called exporters but not producers' organizations on August 24 about an impending change in policy on export subsidies that was not announced until

August 25.

In reply, Pence and Carroll G. Brunthaver, assistant Secretary of Agriculture, maintained that this advance notification did not benefit the exporters because they had been told that the new policy had already taken effect the day before.

Pence's contention that exporters had been told the new policy had already taken effect August 23 was contrary to what he told reporters last week.

In a day-long hearing of the House agriculture subcommittee on livestock and grains, the critics also concentrated their fire on the losses suffered by farmers in the early harvest states of Texas, Oklahoma and Kansas.

LOSSES

Unaware of the magnitude of the prospective U.S.-Soviet deal, they sold winter wheat in July at about \$1.32 a bushel. A few weeks later the Soviet purchases had pushed prices received by farmers up to \$1.65 and \$1.70 a bushel.

Weldon V. Barton of the National Farmers Union testified that the farmers who sold early stood to lose in two ways.

First, he said, they lost on the grain the companies bought for export. Second, he said, on domestic sales, they lost on the "certificate payments" made by the federal government between the parity price and the average price paid to farmers over five marketing months.

Since the prices paid in July were far below those in August and September and those projected for October and November, the average was lowered, and consequently the farmers who sold early got a smaller total of actual sale price plus certificate price.

The losses on certificate payments were estimated by Barton at about \$68.4 million.

REIMBURSE

Representative Graham Purcell (Dem-Tex.), subcommittee chairman, has offered a bill to reimburse the farmers who made such early sales for losses due to lower certificate payments.

The legislation was supported by Barton, Charles L. Frazier of the National Farmers Organization and Eugene Moos, president of the National Association of Wheat Growers.

Representative W. R. Poage (Dem-Tex), chairman of the full committee, asked Brunthaver what he had to suggest to recompense the farmers.

Brunthaver conceded that such farmers "were hurt," as were those bakers who had to pay higher prices for flour as a result of rising prices. But he said, "I don't know what the position of the department will be."

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