

GAO Scorches 'Cheap' Wheat Deal

WASHINGTON — (UPI) — The United States may have sold wheat to Russia too cheaply this summer, the General Accounting Office said today.

The investigating agency, an arm of Congress, said the Russians may have gotten a bargain because the U.S. government paid higher subsidies than may have been

necessary to private grain traders handling the deals. The U.S. subsidies on the deal totaled \$300 million.

"There were indications that recent world market conditions suggested that the United States was in a preferred position as a supplier of wheat, and (the) Agriculture (Department) may not have had to subsidize

sales to the extent that it did," he report said.

The GAO added that investigation has not reached any conclusions about charges that some private U.S. grain export firms received favored treatment by the government.

The GAO said the U.S. reaped positive commercial benefits and possibly some

foreign policy advantages by subsidizing exports of wheat to Russia and other countries. But the GAO said several factors "suggest a need for closer scrutiny" of the export subsidy operations.

The report also was critical of the department's failure to try to find out how much profits go to exporters receiving subsidy payments.