

Russia Pays Bills for Grain From U.S.

ALL THE TALK about the embargo of American grain shipments to the Soviet Union caused Ed Leslie, Oklahoma City businessman, to wonder whether the Russians have paid for the grain we have shipped them.

He didn't just wonder. He obtained data through agricultural reporting services on shipments and payments. Apparently, the Soviets have been paying off to keep American grain flowing into the granaries of the world's largest wheat-producing nation.

Information Leslie obtained from Washington indicates that the Soviet Union has repaid credits which the United States extended in 1972-1973 and has been using "conventional credit" since.

Conventional credit is a complex system of charges, credits and payments through such institutions as the International Monetary Fund and World Bank. Because of our heavy petroleum imports, the United States consistently runs deficits, while other countries run behind be-

cause of their need for large food imports or manufactured products.

During the past seven years, it is reported, Russia has paid the United States \$2.9 billion for wheat, plus larger amounts for corn and other grains. Figures show Russia paid the United States \$538 million for wheat in 1978-1979.

What has irked American farmers most about the embargo is that it was not applied uniformly to industrial and agricultural exports. The embargo did include "high technology," which might be a questionable export to a potential enemy in the first place.

Meanwhile, exports of raw materials and manufactured products to Russia continue.

Questions have been raised as to whether the grain embargo will affect Russian citizens as much as it does American farmers.

Because Russia has been importing grain partially to build up livestock production, Bob Bergland, secretary of agriculture, has said the citizens "should begin to feel the

meat bind this summer."

Others call the embargo a failure as an economic weapon, because Russia is outbidding other countries to maintain grain imports.

In the end, the principal effect may be a shuffling of grain sources and customers, with little impact. Due to promised aid, effects on domestic grain prices have been less than expected.

Whatever happens in regard to the loss of the Russian market for American grain, there appears to be no likelihood that demand for food will diminish. Experts predict that world population will increase by at least 75 million per year during the next decade, and many countries are trying to upgrade diets of their people.

Strong demand has existed all along. But many hungry nations are unable to buy as much food as they want because they don't have enough money. Russia has been able to do so, as Ed Leslie learned, because sellers tend to deliver to buyers who have the cash.