

January 11, 1964

Congressman Bob Dole (R-Kansas) charged today that President Johnson and Secretary of Agriculture Orville Freeman bear full responsibility for authorizing payment of the unusually high export subsidy on the sale of 13-million bushel of durum wheat by Commodity Credit Corporation to Continental Grain Company for resale to Communist Russia.

Dole stated, "Freeman has an obligation to state facts, not what President Johnson wants Americans to believe. Last Tuesday (January 7) Secretary Freeman in response to my questioning during Wheat Subcommittee hearings said that the unusually high, 73 cent per bushel export subsidy for durum wheat to be sold to Russia did not include an "ocean freight" subsidy. Less than 5 hours later, on the

same day, Secretary of Commerce Luther H. Hodges, at a Commerce Department press conference agreed the high durum export subsidy included a sufficient margin to permit the grain exporter to absorb transportation costs.

It is now clearly recognized Russia has not only been given preferential treatment by authorizing the increased durum subsidy 59 to 73 cents per bushel to offset the differential between U.S.

and foreign rates. More alarming, is the fact that bids of exporters requesting CCC wheat for two Free World Countries were turned down by the USDA as indicated before the Wheat Subcommittee, Tuesday, Jan. 7!

"Mr. Dole: How about movement of smaller amounts of durum? Weren't there a couple of rejections, one based on a 59 cent per bushel subsidy and one 70 cent per bushel export subsidy?"

"Secretary Freeman. Yes.

"Mr. Dole Why was this done?

"Secretary Freeman. Because we did not feel it was a good policy to sell small quantities of durum at such heavy subsidy when it was good policy

to sell larger quantities. It is kind of a bargain basement sale, if you will.

"Mr. Dole. But they were free world countries as I understand, too.

"Secretary Freeman. All the more reason why we would want to try and hold up and get a price without having to pay as heavy a subsidy.

"Mr. Dole. You get the best price you can from the free world countries and give the Russians a bargain.

"Secretary Freeman. Not at all. Get the best price we can to move a substantial amount of durum regardless of the purchaser to save the taxpayer money."

Dole concluded, "It may sound unbelievable, but unfortunately it seems this Administration's policy of coexistence now puts Russia and greed for the dollar ahead of our friends. The sale of durum wheat to Russia is all part of a gigantic manipulation to hoodwink the American public. If we have so much durum wheat in surplus as Administration propagandists say, why did we refuse to sell to Free World countries when the cost to the taxpayer would have been less?"