[From the New York Times, May 19, 1967]

U.S. FARM TARIFF NEGOTIATOR SAYS ACCORD WILL AID EXPORTS

WASHINGTON, May 18.—The United States won "very significant" reductions in some barriers to America's agricultural exports in the Kennedy Round of trade talks, the chief United States farm negotiator said today.

John A. Schnittker, Under Secretary of Agriculture, just back from Geneva where the negotiations took place, gave additional information on the new grains agreement that came out of the Kennedy Round. He declined to discuss other products in detail.

Mr. Schnittker gave his views at a news conference as Allan Shrivers, president of the United States Chamber of Commerce, issued a statement saying, "There is widespread approval among American businessmen of the results of the Kennedy round of trade negotiations."

Mr. Shrivers said new efforts to liberalize trade "should begin with further elimination of nontariff barriers."

Mr. Schnittker gave these estimates of the effects of the new grains agreement, affecting primarily wheat:

The export price of standard hard winter wheat at United States Gulf ports will range over the next three years from $1.80 to $1.95 a bushel. This compares with an average of $1.70 over the last three years and $1.83 now.

The increase will have the effect of raising slightly the price to United States wheat farmers, but it will not affect the price of bread to the consumer.

The United States gave up trying to get guaranteed "access" to the market of the European Economic Community because the community's final offer had "no value." However, the United States sees a "reasonable chance" that total grain exports to the Common Market (as the community is generally known) will be maintained because production there may grow no faster than consumption and because the community will now have to export more grain under the new food aid agreement for poor countries.

The net effect of the new grains agreement—including the sharing of the burden of food aid to the extent of two million tons by countries that are now importers—will be "a higher dollar value" for the United States in its wheat exports, though probably not much change in the physical volume. The high value would come both from the higher price and the probability that a larger share of United States exports would be for dollars rather than on a "concessional" basis to poor countries.

(The following letter was subsequently submitted by Mr. Roth:)

OFFICE OF THE SPECIAL REPRESENTATIVES
FOR TRADE NEGOTIATIONS,
EXECUTIVE OFFICE OF THE PRESIDENT,
Washington, July 12, 1967.

Hon. HALE BOGGS,
Chairman, Subcommittee on Foreign Economic Policy, Joint Economic Committee, Congress of the United States, Washington, D.C.

DEAR MR. CHAIRMAN: At yesterday's hearing, Senator Jack Miller asked about the value to American agriculture of the higher minimum prices in an international grain arrangement.

There is no question that the American wheat farming community believes that the new minimum price provisions are valuable. This is certainly the view of Herschel Newsom of the Grange and Tony DeChant of the Farmers Union, as well as Allen Tom of the National Wheat Growers Association and Ralph Ball of Great Plains Wheat. All of these farm group representatives were in Geneva with us at one time or the other during the negotiations, and they all concurred in the notion that the higher minimum prices will be of great benefit to American wheat producers.

The new prices of $1.73 per bushel, f.o.b. Gulf, for No. 2 Hard Winter Ordinary wheat is about 23 cents higher than the minimum in the existing International Wheat Agreement. Today, Hard Winter Ordinary at the Gulf is bringing about $1.76 per bushel, whereas a month ago, the price for this grade of wheat at the Gulf was about $1.86. Obviously, what has happened is that the weight of supplies on the market, not just the United States but in other exporting countries has put pressure on prices. In part, this is also due to smaller import demands in certain areas such as the Soviet Union.