

Tunney Would Swap Grain for Oil

The Senate Oct. 2 passed a resolution by Sen. John V. Tunney, D-Calif., to bring about an exchange of Soviet oil for American grain at a price less than that set by the Organization of Petroleum Exporting Countries (OPEC).

Tunney and Sen. Robert Dole, R-Kan., introduced the resolution on Sept. 29, 1975, and the Senate Agriculture Committee endorsed it on Oct. 1.

The resolution was co-sponsored by Senators Bumpers, Eagleton, Hansen, Gary Hart, Hartke, Hathaway, Mansfield, Morgan, Moss, Pell, Stone, Taft and Thurmond.

The California senator said that the Soviet Union should be required to help the U.S. on the most critical American shortage, oil, in return for American assistance to the Russians on their

most pressing problem, grain.

"We are the largest grain-producing nation in the world," Tunney said. "The grain grown by American farmers is perhaps our greatest national trade resource. At the same time, the Soviet Union is now the largest oil producing nation in the world. The Soviet Union needs our grain, and we could use some of its oil, particularly if we can get it for less than OPEC prices."

The resolution calls for purchase of the Soviet oil at less than OPEC prices, recently raised by an additional 10 per cent.

Tunney said purchases of Soviet oil would substantially reduce the risk of boycott since "if the Russians cut off oil to us, we could suspend grain shipments to them."

He said such purchases also would serve as a tool to help drive down the world price of oil.

"Lessening our dependence for OPEC oil will place great pressure upon the oil cartel, which has just further increased prices above levels which already represented a completely distorted demand/supply relationship," the California senator said.

Premier Alexie Kosygin indicated that the Soviet Union is prepared to negotiate agreements with the United States on grain and oil.