

OKLAHOMA CITY, Oct. 25—A suit filed by an Oklahoma wheat farmer charging a former Agriculture Department official and six grain firms with conspiracy in the sale of wheat to Russia has drawn fire from Oklahoma Republicans.

State GOP Chairman Clarence Warner said the suit "was very obviously politically motivated because of the timing . . . It's a nonsense suit."

Rita Moore, chairman of the President's re-election effort here, said, "It is obvious that this suit is being used as a campaign tool for McGovern."

It was filed Tuesday by Edgar W. Cleveland of Altus, a former member of the state wheat commission and chairman of Oklahoma Farmers and Ranchers for McGovern.

Cleveland contends in the suit that Clarence Palmby, a former assistant secretary of agriculture who is a vice president of Continental Grain Co., entered into "an agreement or conspiracy" with Continental and others in restraint of trade in connection with the sale of wheat to the Soviet Union.

Other Companies Named

The other grain companies named in the suit are Cargill, Inc.; Louis Dreyfus Corp.; Cook Industries; Garnac Grain Co., and Bunge Corp.

The lawsuit alleges that the defendants provided special market information to Continental and "suppressed the information from being released to the public."

The petition contends that Palmby knew at the time he went to Russia last April to negotiate terms for a possible wheat sale that he was going to leave the Department of Agriculture for a position with Continental.

Palmby informed Agriculture Secretary Earl Butz on May 12 that he had received an offer from Continental, the suit contends, and Palmby resigned his position with the government on June 7 to become vice president of Continental on the next day.

Cleveland asserts that Palmby and each of the grain companies knew of the negotiations with the Soviet government before winter wheat was harvested in Oklahoma last May and June.

Cleveland contends that he and 50,000 other Oklahoma wheat farmers received less than they should for wheat

they sold between May 1 and Sept. 1 and that the defendant grain companies made excessive profits in the difference.

Cleveland, who harvested 966 acres of wheat in 1972, alleges that he sold the bulk of his harvest on June 2 for \$1.37 a bushel. He says he lost \$6,000 in profits and \$5,000 in government wheat certificate profits because information on the wheat sale to Russia was withheld from wheat farmers in the United States.

The lawsuit alleges that there has been a close relationship between the six grain companies and the Department of Agriculture which has been "demonstrated by the flow of personnel from the department into the companies and from the companies into the department."

Rise in Prices

Cleveland says the full extent of the Soviet-American wheat deal did not become apparent until about Aug. 21. Wheat prices rose to \$2.50 a bushel after the Soviet wheat purchase became known, he says.

"It was mutually advantageous for the defendants to suppress any information they held on the wheat transactions with Russia at least until the defendants had acquired on the market sufficient amounts of wheat and wheat futures to satisfy their contractual obligations with Russia," Cleveland alleges in his suit.

The suit contends that Continental sold 5 million tons of the more than 11 million tons of wheat purchased by the Soviet Union. Cleveland argues that Oklahoma farmers lost \$50 million and he asked treble damages.

Soviet Wheat Sale Brings Okla. Suit

By Jack Taylor 10-26-72