

# Testimony on Butz and Grain

Washington

Two grain-export companies gave Agriculture Secretary Earl Butz several days' advance notice that the Soviet Union was in the market for large corn and wheat purchases, but the Agriculture Department raised no objections, according to sworn testimony by grain company executives yesterday.

The testimony before the Senate Permanent Investigations Subcommittee tended to contradict earlier reports that the planned \$500 million grain sale took the government by surprise.

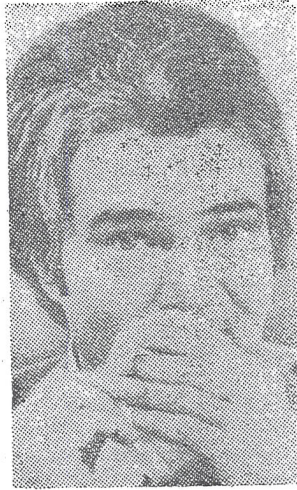
As reconstructed by key industry and government witnesses, Saturday's abrupt cancellation of the sale at the request of the White House resulted from two bureaucratic foulups — the government's failure to obtain from Soviet officials precise figures on their overall intended purchase, and inconsistent instructions from the Agriculture Department to grain exporters.

Edward C. Cook, president of Cook Industries, testified that Butz telephoned him September 25 and that he told the secretary the Soviet government was in the market for about two million tons of corn.

Butz asked him, according to Cook, to "let him know immediately if they buy a million tons or over."

Butz asked to be "kept posted about what's going on," Cook added, "But we never got a specific request for advance clearance."

However, the same day, September 25, Continental Grain Co. executives were also telephoned by Butz, and their understanding was different. "He requested us to keep him informed prior to concluding any sale with the USSR," said Bernard Steinweg, Continental's executive vice president.



UPI Telephoto

**BERNARD STEINWEG  
Corn sale approved**

Steinweg said Agriculture Department officials specifically approved a sale of one million tons of corn October 1, only three days before the White House moved to block the sale.

Agriculture Secretary Butz, testifying afterward, confirmed that account. He said the one-million-ton corn sale was approved last Tuesday on the assumption that the Soviets would make no additional large purchases. However, Continental was back on the phone to BUTZ Thursday reporting that the Soviets also wanted two million tons of wheat. Butz said he asked Continental not to provide the wheat.

The following day, Cook telephoned to report having just signed a contract to provide 1.3 million tons of corn and 900,000 tons of wheat. By then, Butz said, it was clear the USSR was intending to buy as much as six million tons of grain piecemeal, similar to the pattern of the 1972 grain sales.

At that point, officials summoned the exporters to a Saturday morning meeting at the White House and requested that the contracts be canceled.

Washington Post