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'International Grain Spy'

CIA Link to Deal Charged

WASHINGTON — (AP) — The story of a so-called international grain spy who funneled details of the U.S.-Soviet wheat negotiations to a trade magazine emerged today.

Rep. Roman Pucinski (D-Ill.) said the "grain spy" may have been an employe of the United States Department of Agriculture using Central Intelligence Agency reports that Pucinski says the Agriculture Department suppressed to keep grain prices down.

The grain sales, including more than 400 million bushels of wheat, one fourth of the U.S. crop, have prompted allegations that Nixon administration farm officials fed private American grain companies inside information that allowed them to reap windfall profits.

Critics claim a cozy relationship exists between the Agriculture Department and the grain industry and cite the case of former Assistant Secretary Harold Palmby, who left the department shortly after the grain negotiations to take a high-level job with Continental Grain Co.

Detailed Account

The trade magazine, Milling & Baking News of Kansas City, scored a journalistic coup Aug. 8 when it reported the Soviet Union bought 400 million bushels of U.S. wheat, a startling figure which later proved accurate.

The magazine's subscribers largely are grain dealers, exporters, flour millers and bakers.

A detailed account of a month-long series of phone calls to Kansas City by the mysterious tipster was published Oct. 3 by the magazine's editor, Morton Sosland.

The caller, at first identifying himself as "Mr. Smith" of the London Financial Times, provided Sosland with details — later proved to be accurate — on the timing and volume of the Soviet wheat purchases.

The calls began July 17, weeks before the public or the grain industry was fully aware of the size of the Russian sales. Sosland later found the London newspaper employed no Mr. Smith as a grain expert.

CIA Reports

Sosland said his magazine delayed reports based on the calls because the informant's story seemed fantastic but carried the stories later.

Pucinski, who is campaigning for the Senate seat held by Charles Percy (R-Ill.), said he is certain

Windfall Profits

When it was suggested the information might have been passed to Sosland by someone in the United States or in the Agriculture Department, Kossack said:

"I don't know. It would shock and surprise me if anybody in the Department of Agriculture had that kind of information."

He said he doesn't know whether the FBI or Justice Department is investigating the grain - spy calls to Kansas City.

Kossack said his own agency has "no jurisdiction" to investigate the spy.

After questions over the Soviet - U.S. grain deal began in August, the White House ordered the FBI to investigate whether some private grain companies may have made large windfall profits.

Fletcher Pope Jr., a specialist on Soviet agriculture in the Economic Research Service of USDA, told a reporter he routinely sees CIA reports in formulating estimates about the Soviet Union.

Credit Deal

Informed of Sosland's report about the grain - spy telephone calls, Pope at first suggested the initial call — made to Sosland on July 17 — may have involved an edu-

Leak on Russ Talks To Journal Told

the CIA gave the Agriculture Department a full report on Russian wheat crop failures, information which Pucinski said the department suppressed.

The department acknowledges using CIA reports in analyzing the Soviet farm situation.

Pucinski concedes that the caller might have been, as he eventually told Sosland, an international grain spy working out of London; an American grain trader who wanted to leak information to the public; or an agent of the CIA itself.

But he claims the most likely explanation is that the calls were made by an Agriculture Department employe with access to CIA reports.

That theory was disputed by Nathaniel E. Kossack, inspector general of USDA. Kossack told a reporter he had read Sosland's article and thought "it sounded like somebody looking into a crystal ball."

cated guess based on information made public about then indicating Soviet crop output was going to be down sharply this year.

Also, Pope said, President Nixon announced July 8 that a \$750-million credit deal to sell grain to the Soviets had been signed. That called for mostly feed grain, according to the interpretation at the time, with wheat considered secondary.

As it turned out, the Russians by July 8 already had purchased massive quanti-

ties of U.S. wheat from private American firms, including Continental.

It also became apparent later that the Soviets had purchased far more grain than specified in the July 8 agreement announced by Nixon.

Informed that Sosland was told by the caller of later purchases and a total of 400 million bushels of wheat — reported by the magazine on Aug. 8 — Pope said, "That does sound fantastic. Of course, I don't know."

Sosland told a newsman that he has not heard from the mysterious "Mr. Smith" since Aug. 10.

By then, it was apparent to the grain trade and the public that the Soviet Union indeed had purchased massive quantities of U.S. wheat, sending the farm price of wheat to its highest level in nearly a decade.
