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# Justice Inquiry Finds No Fraud In \$1-Billion Russian Grain Deal

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WASHINGTON, March 8 (AP)—The Justice Department found no criminal wrongdoing by past or present Government workers and no criminal fraud by companies involved in last year's \$1-billion United States-Soviet grain deal, Agriculture Secretary Earl L. Butz said today.

The announcement was made in Chicago, in an Agriculture Department release available here. Dr. Butz said he had been told by Attorney General Richard G. Kleindienst that the Justice Department had finished its inquiry and evaluation of allegations of impropriety.

Dr. Butz voiced high praise for the Federal Bureau of Investigation's inquiry.

"Now that the emotional accusations have been swept aside by a thorough investigation," he said, "we can properly evaluate the grain sale as the historic, highly beneficial and successful action that it is proving to be."

Dr. Butz's statement mentioned no names. A controversy developed during last year's Presidential campaign over whether the grain industry had reaped windfall profits in the trade, whether there had been gains by inside information and whether Clarence D. Palmby violated Federal law by resigning his post as Assistant Secretary of Agriculture to take a job with Continental Grain Company of New York City.

Mr. Palmby, who led United States-Soviet farm trade talks in Moscow last April, resigned on the eve of a White House announcement that the Russian would buy large quantities of United States grain.

## Starts Charges Bungle

WASHINGTON, March 8 (UPI)—Controller General Elmer B. Staats charged today that the Agriculture Department bungled last year's grain sale to the Soviet Union. He said the Russians got "what turned out to be bargain prices" at the expense of American taxpayers and some farmers.

## Staats Charged Bungle

But Mr. Staats, head of the General Accounting Office, an investigative arm of Congress, said his agency had found "no indication of law violations."

He said the chief flaw in the Agriculture Department's per-

formance was the weakness of its system for analyzing information on crop and trade conditions abroad.

Despite "clear early signals" that the Russians were facing a poor wheat crop and the United States would be a dominant supplier, Mr. Staats said the Department continued to use wheat export subsidies to keep export prices low during a critical trading period last summer.

Mr. Staats said American farmers, who in some cases sold their wheat before emerging knowledge of Russian sales drove United States market prices up, did not get accurate and timely market information from the Agriculture Department.

"Farmers were not generally provided timely information with appropriate interpretive comments. Agriculture reports presented a distorted picture of market conditions," he said. He recommended improved systems for getting accurate information direct to farmers rather than relying on mass media.