

A New Move in Grain Deal Probe

Washington

A request for a review of conflicting testimony during a Senate investigation of the Russian grain deal will be forwarded to the Justice Department within the next few days, congressional sources say.

The request, from Senator Henry M. Jackson (Dem-Wash.), chairman of the Senate Permanent Subcommittee on Investigations, could produce perjury charges, action for contempt of Congress or a finding that there is no cause for action.

The letter containing the request was drafted last week while subcommittee aides were also working on a report that is expected to contain the basic conclusions that Americans were bested in the deal, that it has caused serious economic repercussions and that these effects were the result of mismanagement by Agriculture Department officials.

Russian traders last July and August bought more than \$1 billion in U.S. grain, including more than 11 million tons, or about 440 million bushels, of wheat. That was about one-fourth of the American crop. To promote the deal the U.S. government paid \$300 million in wheat subsidies pursuant to pledges by Agriculture Department officials.

The report by the Jackson

committee is expected to produce the following additional conclusions:

- Because of conflicting testimony given during hearings late in July, the committee is unable to say precisely how much agriculture officials knew about the scope of the deals.

- If department officials did not know, they should have known the amount of grain being sold in order to gauge the effect on the domestic economy and traditional trading partners.

- The \$300 million in subsidies was unnecessary to promote sizable deals because the U.S. was the only source of supplies in the amounts needed by Russia.

- The price paid by the Russians for wheat was unreasonably low in light of world conditions and in light of available information.

- The resulting gyrations of commodity markets were inadequately watched by the responsible agency, the Agriculture Department's Commodity Exchange Authority.

- Farmers were denied information available to the department, and the denial proved costly to farmers.

- Consumers have paid a heavy penalty in the form of higher retail prices for the deal.

The request for a Justice Department review will focus on the testimony of two

Shultz in Moscow

Moscow

Treasury Secretary George Shultz arrived in Moscow last night and said he will "try to solve" the question of congressional opposition to granting Russia most favored nation status.

Here for three days of high-level talks with Soviet officials, Shultz admitted the trade controversy in Congress is a problem, but said, "We'll try to solve it."

Associated Press

key witnesses, one an official of the Agriculture Department and the other a senior vice president of Continental Grain Co., the corporation that sold nearly half of the wheat.

Both the federal official, Carroll G. Brunthaver, who is assistant secretary of agriculture for foreign trade, and his chief, Secretary Earl L. Butz, have consistently said that they knew nothing of the deals private grain companies were making with the Russians.

Sworn testimony that appeared to conflict, at least in part, with the official statements was given to the Jackson committee in July by Bernard Steinweg, the Continental senior vice president. He told the committee that he had visited Brunthaver and reported negotiations on a deal involving four million tons of wheat and three million tons of corn before the deals were concluded.

New York Times