Commentary

Wheat deal may prove embarrassing

By PATRICK OWENS

The Senate Watergate Committee may hang loose through most of the summer but another group of senators is planning a lively dog-days replacement. The permanent investigations subcommittee will take a look at the Russian wheat deal and the Nixon administration is likely to find itself hideously embarrassed.

The deal was the biggest grain trade in the history of the world. The Soviet Union bought 450 million bushels — about a third of the annual U.S. crop.

It got a bargain financed by U.S. taxpayers. Profits that might have gone to farmers went in many cases to the nation's giant grain dealers instead. The sale helped drive up domestic food prices. And many a potentially awkward question about the negotiations remains unanswered.

All this promises juicy fare for the senate subcommittee.

Ironically, liberal democrats and peace freaks feel considerable ambivalence about the upcoming hearings. The subcommittee is headed by Henry Jackson of Washington, the cold-warrior darling of organized labor and, even before harvesting fresh headlines with his investigation, a formidable candidate for the democratic presidential nomination in 1976.

Jackson has moved adroitly to build on his strong power bases in labor and the military-industrial complex. In addition, his exertions on behalf of Soviet Jews have made him a hero to many American Jews.

He is a cool, effective chairman. Jackson could be a very popular fellow indeed by the turn of the year, with special strength in the farm belt.

The Soviet grain deal is only the beginning of Jackson's inquiry. His subcommittee plans a long look at the zany and expensive course of commodities trading in recent years.

Soybeans have risen in less than a year from 3.50 dollars a bushel (an excellent price) to more than 12 dollars. Many suspect that the giant grain dealers got together to corner the market and drive up the price. As in the Russian deal, many farmers sold early and saw the dealers take the giant profits.

Sponge-soft regulations of commodities trading by the agriculture department has been a scandal for generations. Most Americans will be learning about it for the first time through the Jackson hearings.

But the most embarrassing aspect of the hearings for the Nixon administration will be the early sessions, in which the Russian deal gets an airing.

There is, for example, the awkward case of Clarence Palmby, assistant secretary of Agriculture for International Affairs. Palmby quit the government in June, 1972, a month or two after he had gone to Moscow for the wheat negotiations and about a month before the deal was announced. He moved over to become vice president of Continental Grain Co., one of the giants who sold the wheat to the Russians.

Technically, the deal was between the big grain companies and the Soviet Union. Federal officials have pleaded ignorance of many aspects of the sale. But federal involvement was essential if the grain companies were not to take enormous financial risks. They sold the wheat to the Russians for 1.60 dollars a bushel, and then got federal subsidies totaling 132 million dollars. The U.S. loaned the Soviet Union 500 million dollars to make the purchase.

No such concessions were necessary. The U.S. found itself sitting on the only large supply of wheat in the world last summer. The Russians, who needed it, had no place else to buy. A deal was consummated that one of the nation's leading farm journalists calls "stupid or crooked; one or the other."

And it has since been disclosed that the Nixon administration not only withheld public announcement of the deal (causing winter wheat farmers to sell more cheaply than they otherwise would have) but also suppressed reports indicating the size of the Russian crop failure.

Three members of the Des Moines Register's Washington staff, who have done the major reporting so far on the wheat deal and the commodities trading shenanigans, assert this week in the national, "That they've learned from a 'national security council source' of White House prodding to complete the wheat deal ahead of the 1972 election, and boost Nixon's popularity in the farm belt."

His popularity is hardly greater than it was a year ago. One of the abrasive questions raised by the grain-deal disclosures is how much he's throwing in beyond the kitchen sink in his palavering with the Russians this week.

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The Yalta syndrome

By STEPHEN ROSENFELD

WASHINGTON — A photograph of Leonid Brezhnev whispering into Richard Nixon's ear on the White House balcony, both smiling, expresses to Americans the hopeful potential of detente but suggests to foreigners that the superpowers may be making deals behind their backs. In a phrase, the Yalta Syndrome: the suspicion, dating in contemporary times from the Roosevelt-Churchill-Stalin Conference of 1945, that the fate of others is being decided without either their knowledge or consent.

I hasten to say that the current summit has produced no evidence of such a dire result. On the contrary, both leaders have taken pains to assure allies and clients that this is not the case. To the congressmen he met Tuesday, for instance, Brezhnev specifically dismissed the "allegation" of a big two "conspiracy at the expense of the interests of other countries," according to Tass.

It is in the nature of great-power summitry, nonetheless, that such reassurances—no matter how ardent, how often repeated, how well reinforced by consultation—cannot entirely still the anxieties of smaller states. They understand the temptation which detente offers great powers to ease their relations with each other by concessions affecting their friends. Small countries know from history how a taste for tidying things up, not to say a simple pleasure in the exercise of power can lead great nations to sweep small ones into the cracks.

So it is that other countries eye summits with a mixture of hope and wariness, and they listen with some reserve to the standard Washington-Moscow claim to be acting not only in their own interest but in the interest of the whole world. In great-power rhetoric every nation's legitimate claims can be served fairly, but in the experience of many small states, someone has always had to pay.

Already, detente has notably crimped the third-country option, long identified with Nasser and Tito, of balancing off one power against the other: the "game of nations," it has been called.

Detente has forced change on the nations which in effect scuttled under the wing of one great power of the other in the name of the cold war.

Now many small countries find that relaxation of great-power tensions is not being accompanied by commensurate relaxation of the control which great powers maintain over them. Especially in economic areas, the advantages of detente turn out to be uncertain.

It was an article of faith for many that detente would allow diversion of resources from arms for the rich to aid for the poor, but although American military spending has fallen somewhat in terms of BNP, American aid spending (by one rough measure) has fallen from 2.79 per cent of GNP in Marshall plan days to .24 per cent now. The Russians are no less chintzy: they speak of joining The World Bank's development effort in 5 or 10 or 15 years, after they have mended their own economic ills by cooperating with the United States.

Others find the great powers extremely reluctant to widen or democratize international economic decision-making, in various forums. Sometimes it seems Moscow and Washington would rather deal with each other than with "outsiders." Development capital is short world-wide but the United States proposes to invest billions in the Soviet Union, a rich country, at terms poor nations would give their eye teeth for. Moscow tells its East European clients they'll have to compete against the United States for the likes of Soviet Gas.

The nature of the problem is suggested by two of the smaller agreements which were signed in Washington this week, to little general interest. By the stroke of two pens, the big two, all by themselves, concluded dense and technical-sounding agreements on agricultural cooperation and oceanography. The first could conceivably have an immense effect for years to come on the agricultural commodities whose production and trade is the lifeblood of a number of countries. Similarly, the oceanography accord could have the no less sweeping effect of assuring to the two great powers command of future exploitation of the largely untapped but unquestionably huge resources of the seabed. I await experts' assessments of these accords.

Typically, even while grandly promising—as in the atomic agreement signed Thursday—to serve "energy demands in both countries as well as in other countries of the world," the two leaders ignored a summit-week appeal by some 30 senators to divert Russia-bound American wheat to hungry Bangladesh.

No doubt, to both great powers, other nations often seem whiney and provincial. Yet what kind of a new era will it be if ways are not found to bring these other countries into the decisions which define their national lives?

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