

Says Congressional investigation

Blame food prices on the Russian wheat deal

WASHINGTON (UPI) — The current high price of food can be blamed in large part on the gigantic sale of U.S. wheat to the Soviet Union last year, congressional investigators concluded Monday.

The General Accounting Office (GAO) also suggested in its report that the Agriculture Department failed to take proper precautions to prevent the sale from adversely affecting the domestic market.

In addition, the report said the government paid more than \$300 million in subsidies to the exporters even though much of that probably was unnecessary.

It also said it was continuing a separate investigation to determine if large companies made excessive profits from the deal.

"Consumer costs attributed to the sales included higher prices for bread and flour-based products, increased prices for beef, pork, poultry, eggs and dairy products resulting from higher costs for feedgrains and a severe disruption of transportation facilities with attendant higher costs and shortages or delays in delivering certain supplies," the report said.

Although the GAO was unhappy with the way the deal was handled, it praised the sale for benefitting the U.S. balance of payments, increasing farm income, reducing surplus wheat stocks and putting idle acreage back into production.

Rep. Pierre "Pete" du Pont (R-Del.), one of several congressmen who ordered the report, said, "The American consumer has paid dearly for that bureaucratic ineptness." He said the GAO report was "damning" to the Agriculture Department.

Agriculture Secretary Earl Butz told the investigators in a letter he agreed that the subsidy program needed improvement although he disagreed that the sales to foreign nations could have been made at higher prices.

Butz also denied some congressional allegations that prior information had been leaked to exporters so they could make windfall profits based on Soviet buying plans. "We knew nothing of their actual buying intentions," he said.

The administration announced on July 8, 1972, that it was extending \$750 million worth of credit over a three-year period for Soviet purchases of U.S. grains. The Soviets surprised the U.S. market, however, by buying \$1.1 billion worth the first year, \$700 million of it for 440 million bushels of winter wheat.

"The large sales of U.S. wheat to Russia and other exports in the summer of 1972 caused a dramatic rise in the price of U.S. wheat," the report said.

That in turn, it said, drove up the prices of other commodities such as feedgrains, leading eventually to increases in the costs of products from livestock and poultry which feed on those grains.

The result of the wheat deal, the GAO said, was a rise in the price of a bushel of wheat from \$1.68 at the time of the deal to \$2.49 last September and \$3 last May.

In making a recommendation for congressional action, the GAO suggested the Agriculture Department failed to consider the effect the sale would have on the domestic economy.

UPI Roundup

Nixon sees FBI chief sworn in

KANSAS CITY, Mo. — Making his first public appearance in almost a month, President Nixon Monday attended swearing in ceremonies for Clarence Kelley as new FBI chief. The President stopped in Kansas City en route to Washington after a 17-day stay at his California oceanside estate in San Clemente, Calif. Although hecklers chanted in the background, Nixon spoke eloquently and solemnly, stressing accomplishments of his administration over the past four years in the fight on drugs and crime as well as foreign policy.

Florida charges gas conspiracy

TALLAHASSEE, Fla. — The state of Florida filed suit against 15 major oil companies Monday, accusing them of causing the gasoline shortage by a conspiracy to keep prices high and force out independent dealers. "Our position is that there is no shortage," Florida Attorney General Robert Shevin told newsmen. "The alleged shortage is the result of anti-competitive practices manipulated by the major companies to drive out their competitors."

Abernathy quits as SCWC head

ATLANTA — Ralph David Abernathy, who succeeded Martin Luther King as president of the Southern Christian Leadership Conference, resigned Monday and criticized King's widow and other Blacks for failing to support the organization. Abernathy, who took over SCLC five years ago when King was assassinated in Memphis, Tenn., told an emotional news conference that he would formally quit at the organization's annual convention in Indianapolis Aug. 16.

Grants for young scientists revived by administration

WASHINGTON (UPI) — The administration retreated Monday on its plans to phase out research training fellowships for young scientists. Secretary Caspar Weinberger of Health, Education and Welfare promised \$30 million for that purpose.

President Nixon's budget for the current fiscal year had called for eliminating the aid to promising young researchers by awarding no new training grants and fellowships but continuing existing ones until they ran out in 1977.

The cuts were criticized by some scientists and congressmen, including Nobel laureate James Watson and Rep. Paul Rogers (D-Fla.), who said this would discourage basic research.

Weinberger said some \$30 million has become available for new fellowships from already budgeted funds "which will not be needed to fulfill existing commitments under the old program." He made the announcement in a speech to the Interassembly Council of the Assembly of Scientists at the National Institute of Health.

"As these old commitments, principally to institutions, fade out over the course of the next three years, additional funds will be added, bringing the fellowship program to a total of \$90 million," Weinberger said.

An important distinction is that most of the new money will go directly to students rather than to institutions, Weinberger said. "The old programs are being phased out because only small amounts of money actually reached the research trainee while the bulk went to institutions," he said.

The new fellowships of \$10,000 each will be awarded through institutions "only when we are unable to find qualified researchers in a high priority area," he said.

Mitchell denies bugging approval, admits cover-up to save election

WASHINGTON (UPI) — Former Attorney General John Mitchell told Senate investigators Monday he never discussed the Watergate scandal in detail with President Nixon and believes Nixon did not know about the planning of the bugging or its cover-up, according to a source close to the panel.

The source said Mitchell told committee lawyers on the eve of his first public testimony at televised hearings that he himself did not know about the planning of the bugging operation or the cover-up.

Another source close to the committee said Mitchell told the investigators that he learned about the connection between the bugging and the Committee to Re-elect the President on June 21, four days after the arrests at Democratic national headquarters, and said, "This could blow the election out of the water."

On that basis, this source quoted Mitchell as telling the investigators, he acquiesced to the cover-up.

This source said Mitchell acknowledged being aware that money was being raised to buy the silence of the seven original Watergate defendants but contended he was not involved in the raising of or dispensing of the funds.

Mitchell, the former attorney general and President Nixon's campaign manager until two weeks after the June 17, 1972, bugging arrests at Democratic party headquarters, was to be the sole witness when the Senate Watergate committee resumes its televised public hearings this morning.

As Mitchell underwent his interview on Capitol Hill — his second with the Senate Committee staff in the last two months — lawyers for the Democratic Party moved to force testimony and documents from White House Press Secretary Ronald Ziegler.

The Democrats, who are suing the Watergate principals for \$6.4 million, summoned Ziegler to give a pre-trial deposition July 23 and to bring with him all White House documents dating from March 1, 1972, relating to the "bugging, planning and financing" of the Watergate bugging operation.

Samuel Dash, chief counsel for the committee, said he hoped Mitchell's testimony could be completed in a day and a half.

Watergate briefs

Hatfield among GOP enemies

WASHINGTON — Former White House aide H.R. Haldeman kept a list of Republican senators who displeased President Nixon, columnist Jack Anderson has reported. Anderson alleged the "secret blacklist" of GOP senators was in addition to the enemies' list disclosed by ousted White House counsel John Dean III in his testimony before the Senate Watergate committee. "This was no mere informational list...but an 'action' list of Republican recalcitrants to be punished. Those on the list were subjected to retaliation, which ranged from petty humiliations to political reprisals," Anderson wrote. He said Haldeman's list included GOP Sens. Jacob Javits, N.Y., Mark Hatfield, Ore., Clifford Case, N.J., Charles Mathias, Md., Richard Schweiker, Pa., Charles Percy, Ill., Lowell Weicker, Conn., and former Sen. Charles Goodell, N.Y. Anderson said recrimination against the senators ranged from not giving their constituents special passes for White House visits to cutting of campaign assistance.

Mitchell asks suit dismissal

NEW YORK — Attorneys for former Attorney General John Mitchell asked Monday that conspiracy and perjury indictments against him in New York be dismissed because of government misconduct. The motions said Mitchell was improperly asked questions about the Watergate scandal during a grand jury session which led to his indictment in a \$50,000 donation from fugitive financier Robert Vesco to the re-election campaign of President Nixon. Mitchell, former Commerce Secretary Maurice Stans and a fourth defendant in the Vesco case, New Jersey Republican leader Harry Sears, all filed similar motions in federal court.

CRP's still guilty

WASHINGTON — A federal judge reaffirmed Monday a guilty verdict he handed down against the Finance Committee to Re-elect the President (CRP) for not reporting a \$200,000 contribution from financier Robert Vesco.

Airline wants its illegal gift back

NEW YORK — American Airlines said Monday it has formally demanded return of the \$55,000 gift it made last year to the Committee to Re-elect the President. The company admitted making the gift, which it said was illegal. It said Friday the gift was made under pressure.

Still another enemy list?

WASHINGTON — An AFL-CIO official charged Monday that Labor Secretary Peter Brennan, in what appeared to involve a "junior White House enemies list" at the Labor Department, blocked appointment of a New York union official to a government advisory committee on job safety and health.