

FPash  
6-10-74



# Washington Merry-Go-Round by JACK ANDERSON



WASHINGTON — The dairy lobby's \$2 million pledge to help re-elect President Nixon was originally timed to influence his decision on dairy import quotas, rather than price support.

The offer was put in writing on December 16, 1970, after the White House hatchetman, Charles Colson, had threatened to "put the screws" to the dairymen for contributing to Democrats.

Two weeks after this written pledge was delivered to the White House, the President adopted the import quotas.

Then the dairy lobby began campaigning for higher price supports, which the White House ordered on March 25, 1971. But before issuing the announcement, according to sworn testimony, the White House demanded a renewal of the \$2 million offer.

This is the chronology of the milk scandal, which we have put together from our own investigation. Here are the details:

The milk producers began talking to the White House about campaign contributions in the early autumn of 1970. At a September meeting in Colson's office, the milk producers agreed

to put up \$10,000 apiece for the Senate races of 11 conservative candidates whom the White House favored.

But the dairy people also contributed to the campaigns of Democrats, who had influence over dairy legislation. When Colson learned about this, he fired off a sharp memo to another White House aide, the late Murray Chotiner, who had been dealing with the milk producers' lawyer, Marion Harrison.

"Would you please check with your friend, Harrison, and tell him if he wants to play both sides, that's one game; if he wants to play our side, it is entirely different," wrote Colson. "This would be a good way for you to condition him before we put the screws to him on imports, which we are about to do."

True to Colson's threat, the White House held up dairy import quotas which the Tariff Commission had recommended. Harrison complained to us that "Colson wanted a one-way street. He wasn't interested in doing anything for our clients."

This upset Harrison and his

legal associate, Pat Hillings, who had served briefly as Nixon's successor in the House and had maintained close ties with Nixon. Hillings, therefore, dictated a scorching letter to the President, attacking Colson.

Harrison persuaded him to tone down the letter. The second draft didn't mention Colson, but it reminded the President that the dairymen had contributed "about \$135,000 to Republican candidates in the 1970 election" and were now preparing "to contribute \$2 million for your re-election."

This was the famous December 15, 1970, letter which put the \$2 million dairy pledge in black and white. Hillings said he pulled the \$2 million figure "out of the air." It was not intended as a "quid pro quo" he said, but as an "attention getter" to get action for the dairymen.

Colson used the \$2 million figure in a memo to President Nixon, however, three months before Hillings put it in writing. In any event, the President adopted the dairy import quota on Jan. 1, 1971, only 15 days after receiving the Hillings letter.

The White House claims that the President never saw the Hillings letter and that the \$2 million pledge had nothing to do

with his action on imports. The repentant Colson told us that he had sought milk contributions but that he had scolded Harrison and Hillings for linking the money to government action.

The following March, President Nixon, overriding the Agriculture Department, ordered increased milk price supports as well. The public announcement was held up, according to sworn testimony, until the White House received a renewal of the \$2 million campaign pledge.

The President's personal attorney, Herbert Kalmbach, who had solicited campaign funds from the milk producers, testified that the public announcement "was, in fact, linked to this reaffirmation of the \$2 million pledge."

Meanwhile, Colson sent Chotiner another blistering

memo complaining about Harrison and Hillings. "Your friends, Harrison and Hillings, have just run out of string...with me," wrote Colson. "They are personally abusive — particularly Harrison — not only to us but to the secretaries in this office and they're making impossible demands..."

"They have so muddled up the present dairy import situation that I almost think there is no way we can help them... I practiced law for ten years in this city and wouldn't think of treating a messenger from GSA the way these guys think they can order the White House around."

"Frankly, in view of the relationship with the dairy industry that is involved, I think that these guys are simply too dangerous to deal with and that they should either be put in their place or cut out of the act altogether."

"They have also refused to help recently in a matter of great importance to us. In sum, they are very, very bad news."