

2 Dairy Co-op Ex-Aides Get Jail Terms

By Timothy S. Robinson
Washington Post Staff Writer

The former two top executives of the nation's biggest dairy farm cooperative were each sentenced to four months in jail and fined \$10,000 yesterday for conspiring to make illegal campaign contributions.

The sentences imposed by U.S. District Court Judge George L. Hart Jr. on the two Associated Milk Producers, Inc., executives mark the first time that campaign contributors who made illegal contributions have been sent to jail.

Hart imposed sentence first upon former co-op general manager Harold S. Nelson, who had pleaded guilty in July to conspiring to pay off then-Treasury Secretary John B. Connally for his help in securing a 1971 milk price support increase. Connally, who faces trial before Hart on bribery and perjury charges, has denied receiving the money.

Nelson had said he "deeply regretted" the crime, and his attorney pleaded for probation. Hart instead imposed a three-year sentence to be served at a federal prison farm in Montgomery, Ala., with all but four months to be suspended.

Former AMPI special counsel David L. Parr was then sentenced to the same prison term, after having told Hart in an almost inaudible voice that "I am sorry" for committing the offense.

Parr had pleaded guilty to a criminal conspiracy involving repeated violations of federal elections law over a six-year period.

In giving the sentences, Hart expressed displeasure, as he has in the past, over the numerous prosecutions of campaign donors by the Watergate special prosecutor's office, while the prosecutors have brought no cases against recipients.

"Is there no violation by the donee?" asked Hart at one point in the sentencing hearing.

"Some of these events are under active investigation," replied Assistant Watergate Special Prosecutor Jon Sale, who would not elaborate further on the investigations.

The illegal campaign contributions made by AMPI were the largest to be uncovered and made public so far by the Watergate special prosecution staff. Seventeen corporations

have been found guilty of violating the donation laws, and they and their executives have been fined instead of being jailed.

At the time of his plea, Parr said the milk producers regularly made illegal corporate contributions to various campaigns—including Hubert H. Humphrey's last three bids for public office.

The illicit donations Parr said he helped arrange totaled \$222,450 with the largest amount \$150,450—going to Humphrey. Co-op officials were also detached as campaign workers while they remained on the corporate payrolls.

In addition to pleading guilty to conspiring to bribe Connally, Nelson pleaded guilty to conspiring to make illegal political contributions totaling more than \$330,000 over the past six years.

The illegal donations, Nelson said, included a \$100,000 cash payment in 1969 to President Nixon's personal lawyer, Herbert W. Kalmbach, in an initial effort by the milk producers to win entree to the Nixon White House.

The higher milk price supports under investigation were ordered by President Nixon on March 23, 1971, in a meeting at the Oval Office attended by Connally and other senior advisers.

Nelson said at the time of his plea that he subsequently authorized AMPI lobbyist Bob A. Lilly to give \$10,000 to Texas lawyer Jake Jacobsen with the understanding that the money would be passed on to Connally for his assistance.

AMPI originally favored Democratic candidates when it began its political spending in 1968. But in 1969, it began channeling money to Nixon people with the first donation to Kalmbach.

AMPI itself pleaded guilty and was fined \$35,000 earlier this year for widespread violation of federal election laws.

Parr and Nelson were ousted from their jobs at AMPI in early 1972 during a shakeup of the co-op's top management. The men, who could have been jailed for a total of five years each, are scheduled to begin serving their prison terms on Nov. 8.

They are expected to be key witnesses in the government's case against Connally.