

# Campaign Funds, Milk Prices Linked

8/25/72  
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Large campaign contributions by dairy farmers to President Nixon's re-election campaign helped influence the administration to raise 1971 federal milk price supports, according to letters uncovered in a lawsuit.

The letters show that one dairy organization, Mid-America Dairymen, Inc., gave \$65,000 to the Republican cause. The letters state, and officials of the dairy group confirm, that the money was funneled through Harrison & Reeves, the Washington law firm of Murray Chotiner, longtime

confidant and controversial aide to President Nixon.

The letters show, and officials of Mid-America confirm, that their contributions were made out to Republican committees designated either by Chotiner or by Marion E. Harrison, a partner in the law firm. Of the total amount, for example, \$15,000 in checks for \$2,500 each was sent to Chotiner and made out to several dummy committees which under previous law never filed reports on their activities.

In other letters, officials of Mid-America Dairymen state that their campaign

contributions, along with even larger ones from other dairy groups, were instrumental in getting the administration to reverse an earlier decision not to raise price supports on milk.

The administration announced on March 12, 1971, it would not raise price supports. But on March 25, 1971 it decided to raise supports. As reported earlier, in the days between March 12 and March 25, and in the days and months that followed, the various dairy groups contributed more than \$300,000 to Republican campaigns.

The newly public letters

link the events. In one of them, Gary Hanman, chairman of ADEPT, Mid-America's political fund, wrote a fellow official of the giant dairy co-op: "And I can assure you that the TAPE and ADEPT programs, as well as SPACE, played a major role in this administrative decision."

ADEPT is the abbreviated name of Mid-America's fund raising committee while TAPE serves the same function for American Milk Producers, Inc. and SPACE serves as the political arm for Dairymen, Inc.

See DAIRY, A9 Col. 7

## DAIRY, From A1

In another letter, William A. Powell, president of Mid-America Dairymen, wrote a member:

"The facts of life are that the economic welfare of dairymen does depend a great deal on political action. If dairymen are to receive their fair share of the governmental financial pie that we all pay for, we must have friends in government. I have become increasingly aware that the sincere and soft voice of the dairy farmer is no match for the jingle of hard currencies put in the campaign funds of the politicians by the vegetable fat interests, labor, oil, steel, airlines and others.

"We dairymen as a body can be a dominant group. On March 23, 1971, along with nine other dairy farmers, I sat in the Cabinet room of the White House, across the table from the President of the United States, and heard him compliment the dairymen on their marvelous work in their consolidating and unifying of our industry and our involvement in politics. He said, 'You people are my friends and I appreciate it.'

"Two days later an order came from the U.S. Department of Agriculture increasing the support price of milk to 85 per cent of parity, which added from 500 to 700 million dollars to dairy

farmers' milk checks. We dairymen cannot afford to overlook this kind of economic benefit. Whether we like it or not, this is the way the system works."

Consumer advocates, including Ralph Nader, have asked in a lawsuit for a rollback in milk price supports, charging that prices were raised by the administration as a payoff for political contributions.

The Nixon administration has denied this charge and says that its turnaround of position between March 12 and 25 resulted from a new analysis of the milk market situation.

The new letters, obtained by The Washington Post, have come to light in another lawsuit in which the National Farmers Organization is pitted against the major national dairy co-ops.

NFO attorney Ward Rowley has sent the letters to Attorney General Richard Kleindienst, and written him that "this material... seems to raise the most serious questions of violation of federal criminal statutes."

A Justice Department spokesman said the material has been received and is being studied. The letters also are in the possession of a Senate Judiciary subcommittee. Subcommittee sources said they are waiting at present to see what action, if any, Justice takes on the issue.

The following is a chronological account of events in the milk campaign fund

issue, including the letters revealed in the civil suit:

March 13, 1971—Secretary Hardin announced that the Agriculture Department would maintain the price support for milk at \$4.66 per hundredweight and would not raise it for the new marketing year beginning April 1.

March 13-25—Legislation was introduced by 29 senators and 116 congressmen to raise the price support. (Of the sponsors, 13 senators and 50 congressmen had received \$187,000 in campaign contributions from the dairy groups in the previous three years.)

March 22—TAPE, the political arm of Associated Milk Producers, gave \$10,000 to four Republican fund-raising committees.

March 23—Dairymen met with President Nixon.

March 25—Secretary of Agriculture Hardin announced his department had changed its mind and would raise price supports from \$4.66 to \$4.93 per hundredweight.

March 29—Hanman, chairman of Mid-America Dairymen's political fund, ADEPT, and executive vice president for marketing, wrote his board member Carl Bauman saying that contributions "played a major part" in the changed Nixon administration decision.

March 30—Marion Edwyn Harrison, a partner in the firm of Reeves & Harrison, with which Murray Chotiner

is associated, wrote Hanman as follows:

"Dear Gary: We send you herewith the names and addresses of nine committees. We will get the tenth one later. Please don't hold up waiting for it because we need a few days."

Enclosed were names and addresses for: Kick OFF '72 Republican Dinner, Republi-

can National Committee, Republican National Finance Committee, Republican National Finance Operations Committee, Republican National Associates, Republican Victory Committee, Republican Campaign Committee, Committee for a Republican Congress and Republican Congressional Candidates Conference.

April 19—Hanman sent Harrison checks for \$5,000 each to the nine committees specified in Harrison's earlier letter. And in a "Dear Marion" letter, he said:

"Enclosed are checks, cover letters, and receipts covering ADEPT contributions to the nine campaign committees which you earlier sent to me. Sorry to have taken so long to get these to you.

"As I mentioned on the phone, we need the name of one more committee to finish our commitment. Can you furnish this additional committee by return mail?"

Hanman said yesterday in an interview that he eventually sent a 10th check for \$5,000, thereby fulfilling a \$50,000 campaign pledge by his organization.

Asked about his reference to "a commitment," Hanman said: "The commitment was between the dairy farmer groups. We decided what we wanted to do."

Hanman said his group committed itself to give the Republicans \$50,000 and "Chotiner and Harrison were the people who furnished the names of the committees" for whom the checks should be written.

Asked why the first 10 checks for \$50,000 were sent to Harrison and six more checks later were sent to Chotiner, Hanman said:

"I would assume Chotiner had influence with the President. At least it gave us confidence in the names of the committees [to which money was to be sent] just as would the names of John

Mitchell or Maurice Stans."

Hanman said his group was steered to the Harrison and Chotiner law office as the place to make contributions by Associated Milk Producers, Inc., which had employed the law firm.

Hanman said he believes that the Republican contributions were only one of many elements in changing the decision on milk price supports. He explained:

"I don't discount the contributions, but we don't think those contributions were the overriding issue. We had a damn good case. The statistical data proved

the case.

"We talked to the administration, got turned down. Then we went the congressional route and that involved political action programs, including contributions to congressmen. That's the hard core of our political action program—to help your friends.

"The fact that we had 130 congressmen and 40 senators had a bearing on the President's decision to listen to us."

Hanman said he does not recall whether his group discussed the Republican campaign contributions with anyone in the White House or Nixon administration.

Aug. 19—Hanman sent six checks for \$2,500 each to Chotiner at the Harrison law firm. In a "Dear Mr. Chotiner" letter, he wrote:

"Per discussions with Mr. David Parr [then an official with American Milk Producers, Inc.], enclosed please find six checks and receipts for six committees. I understand that you will see that these committees receive the enclosed checks."

These checks were made out variously to The Organization of Involved Americans, Americans United for Political Awareness, Americans United for Political Involvement, Americans Participating, Americans United for Decent Government, and Americans United for an Informed Electorate.

These committees and 62 others like them were revealed by The Washington Post last year to be "bogus committees," whose listed officers said they had merely agreed to help the presidential campaign but knew nothing about the money or the committees.

The three dairy groups sent a total of \$170,000 to the President's campaign by making out checks for \$2,500 to each of the 68 so-called campaign committees.

Asked about the additional contributions in August, Hanman at first said, "It's not unusual to bleed you more later."

Later in an interview, however, he said, "No, this wasn't an installment on the earlier decision [to raise milk price supports]. I don't know what we were working on at that time."