

White House Role Is Seen In Raising Milk Supports

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The key official of a milk cooperative that gave \$227,500 to President Nixon's re-election campaign has testified that he believes a controversial decision to raise milk price supports was made in the White House rather than by the Secretary of Agriculture.

The testimony came in a pretrial deposition of a lawsuit in which consumer groups charge that the Nixon administration raised milk price supports in 1971, reversing an earlier decision, because three giant co-ops gave the Nixon campaign a total of \$422,500.

Harold S. Nelson, former general manager of the Associated Milk Producer, Inc., also described in his testimony how his organization delivered funds in fulfillment of "commitments" made to the Nixon campaign, and how the co-ops recruited the assistance of then Treasury Secretary John Connally and Ways and Means Committee Chairman Wilbur Mills to help them get a price support increase.

The Nixon administration and the co-ops have denied any connection between the huge campaign gifts and the decision to raise milk price supports.

Nelson testified that he and David Parr, another top AMPI official at the time, held a private meeting with the President in addition to the now much publicized Mar. 23, 1971, meeting between the President and dairy co-op officials.

Two days later, on Mar. 23, the Agriculture Department reversed its earlier decision, and raised price supports, which Nelson testified were worth an additional \$300 million in income to dairy farmers.

Asked where the decision to raise price supports was made, Nelson said: "To be very candid with you, we never figured this was [Agriculture] Secre-

tion. I don't think any secretary makes that decision. I think the White House makes the decision and it's announced through the Secretary . . . I'm talking about any administration."

At the Mar. 23 meeting with the President, Nelson conceded, he might have scribbled the notes: "Shultz has got to be instructed . . . talked to Shultz and President 30 minutes. Told President we were most aggressive political organization in agriculture."

Nelson said he considered George Shultz, then director

of the Office of Management and Budget, a key opponent of the price increase. Nelson said he met with Treasury Secretary Connally, White House aide Charles Colson and others in hopes they could help change Shultz's mind.

Nelson said he believes that Chairman Mills arranged a meeting in the office of House Speaker Carl Albert at which Nelson pressed his case to congressional leaders and White House aide Clark MacGregor.

In addition to backing Mr. Nixon, the co-ops gave Mills more than \$29,000 for his Democratic presidential campaign.