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By Jack Anderson

Dairy price supports were increased, as we have previously reported, the day after dairy leaders delivered their first big contribution to President Nixon's 1972 campaign.

In a letter explaining the deal, dairyman William Powell noted: "Whether we like it or not, this is the way the system works."

The system has been working again, if somewhat differently, to benefit the dairy industry. Last month, the Agriculture Department turned down an offer by the Associated Milk Producers for non-fat milk. Officials claimed that 50 cents a pound was too high.

But because dry milk was needed for various poverty programs, the Agriculture Department decided to buy on the open market rather than through the subsidy program.

A week later, the department purchased 6.6 million pounds of dry milk at prices ranging from 52 to 56 cents a pound—two to six cents higher than the offer that was rejected.