

Part 3/29/74 Milk Money

THE MILK FUND is rapidly becoming the most richly instructive of all the examples of illegal campaign financing in the 1972 campaign. Associated Milk Producers, Inc., the country's largest dairy cooperative, had a tradition of heavy assistance, in cash, to political candidates of both parties. It has been clear for some time that President Nixon took money from AMPI under circumstances that are not far from the standard definition of bribery. He has publicly acknowledged that he met with AMPI's representatives at a time when he knew that they were offering very large campaign contributions. It was also just before a major increase in dairy price supports was announced. The gross impropriety of taking this money, under those circumstances, is too obvious to require comment. Whether it amounts to worse than impropriety is a question best left to the House Judiciary Committee and its impeachment inquiry. But what about AMPI which, unlike Mr. Nixon, is going to be active again in the 1976 election? What about its practice of throwing thick wads of money at those candidates who express an appropriate sympathy for the hardships suffered by the dairy industry?

The milk producers have been, for many years, far more deeply involved in election politics than most other agricultural interests. The reason lies in the extremely close dependence of milk prices on government decisions—price decisions on any of a variety of dairy products, as well as tariff and quota decisions on imports. Higher supports for cheese can, for example, send up the price of the grade of milk used for manufacturing dairy products. A higher price for manufacturing milk in one part of the country can then trigger a price increase in other parts of the country for the Grade A milk that the consumer buys to drink. For most other farmers, support prices are far below market prices and represent little more than insurance against a catastrophic drop in the market. In the dairy field, federal policy affects prices far more directly.

Like most professional lobbying organizations, AMPI tends to favor the party in power but it never cuts off its friends in the opposition. In the 1972 congressional elections, AMPI's funnel for campaign money, its Trust for Agriculture and Political Education (known as TAPE), reported giving \$352,500 to Republican congressional campaign committees and \$159,500 to their Democratic counterparts. Its benefactions to Mr. Nixon's reelection were larger, and may in fact have included some of the money originally given to the congressional committees. But the scale of the congressional donations indicate the breadth of AMPI's activities.

It is perfectly legal for a committee to collect money from individuals to support political campaigns. But donations of corporate funds are illegal, and donations of more than \$5,000 from any one person were also illegal

at that time. In its anxiety to get its money to Mr. Nixon's managers, AMPI appears to have broken both rules.

If the law has indeed been broken, criminal prosecutions will no doubt follow. But if we are to consider for a moment the lessons of this episode, one of them surely is the extremely slow and uncertain process of disclosure. Even after considering carefully the legal troubles into which AMPI has fallen, would an observer really conclude that the risks of getting caught were prohibitively high? The present public knowledge of the AMPI operation began with prize-winning newspaper coverage in the autumn of 1971, a full year before the election. Ralph Nader filed a suit and by last summer—almost a year after the election—was beginning to elicit significant material. Within AMPI itself a new board of directors took over and commissioned a highly reputable lawyer, Edward L. Wright, to prepare a report on its political operations. The latest disclosures come from Mr. Wright's study. It is now almost 17 months after the election.

Among other things, Mr. Wright finds that AMPI and its political arm paid large sums to several prominent Democrats, and then quietly collected the money back from them. That money was then tipped into Mr. Nixon's campaign. It is precisely this kind of shuffle that needs to be stopped if the country really means to reform campaign financing. The matter of the airplane appears to be less serious. The AMPI is renting a plane from the late President Johnson's holding company, and there is nothing visibly wrong with the arrangement. It appears to be a perfectly normal commercial agreement. Apparently it is merely an illustration of AMPI's strong desire to stay closely in touch with everybody who has—or even ever has had—influence.

There is a certain pattern to the illegal donations of 1972. Nine corporations have acknowledged making them. Three are oil companies (Gulf, Ashland, and Phillips) and two are airlines (American and Braniff). Another is the Carnation Co., which manufactures condensed milk. Oil, airplanes and milk: not an unlikely trio, if you think about it. All three are industries in which government policy is crucially influential, and all three are industries now going through great upheaval caused by worldwide energy and food crises. The temptation to meddle illegally in politics will be very strong in industries under this kind of strain. Most companies and trade associations have demonstrated that they can withstand the pressures to violate the campaign laws, but some were clearly quite ready to succumb. That is one lesson of 1972, and another is that we are only finding out about all of these violations long after the election. The country now knows quite a lot about what went wrong in 1972. But unless these discoveries are translated into protection against repetition in the elections to come, they will have served little purpose.