

Dairy Leader Disclaims Gift

5/14/74 By George Lardner Jr.
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CHICAGO, May 13—The president of the nation's biggest dairy cooperative swore today that he did not learn of its secret \$100,000 cash payment to President Nixon's lawyer until more than four years after the delivery was made.

Testifying cautiously and often reluctantly in a government antitrust deposition here, John E. Butterbrodt, president of Associated Milk Producers, Inc., repeatedly denied all but belated knowledge of many of the illicit political contributions made by the giant co-op.

He also said that he couldn't remember who told him about the \$100,000 payment for Mr. Nixon but insisted that he didn't find out about it until last December.

The cash was delivered to the President's personal lawyer, Herbert W. Kalmbach, in August, 1969, in what has been described as AMPI's first attempt to "win a sympathetic understanding" from the Nixon administration for the dairy industry's problems.

AMPI officials subsequently pledged \$2 million for Mr. Nixon's re-election, allegedly in conjunction with a controversial 1971 increase in milk support prices.

A Wisconsin dairy farmer who was represented here today by Washington lawyer David G. Bress, Butterbrodt insisted that the first he knew of the use of AMPI corporate funds for direct political contributions was last summer when a grand jury in Arkansas began poking into some 1968 donations for the Humphrey-Muskie campaign.

The balding, cigar-smoking co-op president also denied testimony by a former AMPI official about making a short-lived "deal" with Kalmbach in April of 1972 to squelch the

government's antitrust suit.

Former AMPI board member Dwight L. Morris has testified that Butterbrodt told him at a meeting here that month of an AMPI agreement to pay \$300,000 with the understanding that the Justice Department suit would go away.

"Did you tell Mr. Morris there was any deal for \$300,000 or any other amount to get the antitrust suit dismissed?" AMPI corporate lawyer Ernest

C. Heininger asked Butterbrodt after repeated wrangling by opposing attorneys over similar questions.

"No sir," Butterbrodt replied.

The government filed antitrust charges against AMPI in the civil suit that was brought against the huge co-op Feb. 1, 1972 after similar charges had been brought against the organization by private interests. AMPI lawyers at one point accused the government of extortion in bringing the civil suit against the co-op but have now abandoned those allegations.

Much of today's questioning was bogged down by testy exchanges between Bress and Thomas McDade, an attorney representing several small Texas co-ops that are suing AMPI. Butterbrodt kept taking the position that AMPI's salaried management handled most of the organization's tangled affairs.

Exasperated, McDade demanded at one point: "Assuming there's gross mismanagement, where does the buck stop, Mr. Butterbrodt?"

"With Mr. Butterbrodt," Butterbrodt replied.