

After Raise in Milk-Price Support

Dairymen Aided LBJ in '68

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The nation's biggest dairy cooperative spent corporate funds on President Johnson's behalf in the 1968 Wisconsin primary just a few days after that year's increase in milk-price supports.

The campaign assistance went to then-Secretary of Agriculture Orville Freeman, who ordered the price increase and then turned up in Wisconsin in an effort to boost LBJ's flagging candidacy for re-election.

Then known as Milk Produc-

ers, Inc. (MPI), the co-op provided the plane and the advance men for Freeman's campaign swing in the dairy state. His appeal for votes rested heavily on the just-announced price increases.

Now a corporation executive in New York, Freeman denied in a telephone interview that there was any connection between the higher 1968 price supports that he ordered and the Wisconsin primary, which turned out to be LBJ's last campaign.

The former Agriculture Secretary also denied knowing

that the assistance he got came from the milk producers' corporate resources. Freeman said he was similarly unaware of any Johnson campaign commitments or contributions by the Texas-based co-op, which is now known as Associated Milk Production Inc. (AMPI).

The current general manager of the co-op, George L. Mehren, has said that LBJ once told him, a few months before he died, that the dairymen had promised \$250,000 for his 1968 campaign.

AMPI has come under intensive investigation for a pledge of \$2 million for President Nixon's re-election, allegedly in connection with a 1971 increase in milk-price supports that Mr. Nixon personally ordered.

Freeman announced the 1968 increase in milk-price

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supports—from \$4 to \$4.28 a hundredweight—on March 20, 1968.

He acknowledged that the co-op's top officials at the time—general manager Harold Nelson and special counsel David Parr—had been “in and out of my office . . . pressing for an increase” before it was granted.

“They were an aggressive pair,” Freeman recalled. “These guys were so heavy-handed that it was hard to go along with them.”

After announcing the increase, Freeman made two campaign trips to Wisconsin, where a stream of high-ranking LBJ surrogates had been belatedly dispatched in alarm over Sen. Eugene McCarthy's strong showing in the March 12, 1968, New Hampshire primary.

Freeman said he doesn't have “the slightest idea” who paid for the first trip. “I resolved early on that when local people provided help and airplanes, I never asked where they came from,” Freeman said “I didn't want to know, I didn't want any problems.”

On Freeman's first outing, anti-war protesters heckled him into silence at the University of Wisconsin. Johnson campaign officials considered the headlined incident a plus and accordingly booked Freeman for another visit to the state on March 28.

MPI, which did not set up a legitimate political spending arm until 1969, provided the plane and the pilot for the second swing. Two of the co-op's political operatives, Bob A. Lilly and Joe Johnson, arranged the details. According to an independent report and audit of the co-op's political dealings, all of the support involved corporate expenditures.

It was not until after this, on March 30, that President Johnson announced he would not seek re-election. McCarthy won the Wisconsin primary April 2 with 57 per cent of the vote.

Freeman thanked the milk producers for their help anyway—in an April 15, 1968, letter to general manager Nelson, which was recently found

in AMPI files. The letter suggests that they did more for the LBJ effort than just help Freeman.

“Two of your men who were working in Wisconsin, Bob Lilly and Joe Johnson, did an outstanding job in working out details for my second campaign trip to the state,” Freeman wrote. “I wanted you to know how much I appreciated their support and the use of the airplane they had with them . . . Thank you for the help you gave in Wisconsin! Keep up the good work.”

Asked about the thank-you note for the MPI plane and other support, Freeman declared: “I didn't give the airplane a blood test. I must have made a dozen speeches on that trip. It was not until nighttime, really, that I knew the milk people had arranged the details. I asked them for their cars. That's my recollection.”

According to other statements and reports in court records, subpoenaed in connection with an antitrust suit against AMPI, the co-op paid more than \$104,000 in corporate funds in 1968 for an LBJ campaign book, “No Retreat From Tomorrow,” which was printed before he dropped out of the race.

The co-op was also reported to have paid MPI employees more than \$50,000 in “phony



ORVILLE FREEMAN
... got advance men, plane

bonuses” that wound up as contributions to the “LBJ Thousand-Dollar Club” that year.

Freeman said he was not aware of any such contributions. He acknowledged discussing the 1968 price-support increase with White House officials, but insisted that he got “no pressure from the White House” to grant it.

Freeman said he was also unaware that George Mehren, who was his assistant secretary of agriculture in charge of the milk-price support program, became a \$15,000-a-year consultant for MPI on leaving the Agriculture Department.

The Washington Post reported several weeks ago that Mehren, who is now AMPI general manager, submitted his resignation on May 28, 1968. President Johnson accepted it on May 31. Mehren became a consultant for the milk producers the next day, under a contract dated June 1, 1968.