

Top Aides of Nixon Linked To Secret Dairy Donation

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WASHINGTON, June 1 — Long after the White House was accused in a lawsuit of ordering a multi-million-dollar rise in the Federal milk price level in return for hidden campaign contributions from the dairy industry, top aides of President Nixon were still taking secret cash campaign gifts from milk interests, Government investigators said today.

The charge came in a suit filed by Ralph Nader, the consumer advocate, in January, 1972, and it was indignantly denied then by Administration officials.

Yet the existence of two additional illegally concealed dairy-farmer contributions — A total of \$50,000 in \$100 bills given after the denials by the Lehigh Valley Cooperative Farmers, an eastern Pennsylvania milk marketing co-op — was confirmed today by the Government investigators. Details of the newly discovered transaction were reported today in The Washington Post.

The Federal Bureau of Investigation said it was interviewing those involved, reportedly including former Attorney General John N. Mitchell, apparently in preparation for a criminal prosecution.

Gifts Not Reported

Mr. Mitchell, then the director of the principal Nixon campaign committee, was said by a former aide to have "arranged the entire transaction." It was never reported as required by law.

The Lehigh Valley contributions — \$25,000 in late April, 1972, and \$25,000 that May — were required under the new Federal Election Campaign Act to be reported and fully identified in public disclosure statements filed by the Finance Committee to Re-elect the President.

The law, which provides a penalty for failure to report of up to a year in prison and a \$1,000 fine for each offense, took effect April 7, 1972.

According to J. Curtis Herge, a former Nixon campaign official then in charge of scheduling so-called surrogate speakers for the Nixon campaign, officials of the Pennsylvania dairy co-op had originally sought Vice President Agnew as a speaker at their annual meeting in Coatsville, Pa., on April 20, 1972.

Mr. Herge, now a special assistant to Deputy Attorney General Joseph T. Sneed, said in an interview that the dairymen, through Mr. Mitchell, had offered a \$100,000 contribution for Mr. Agnew's appearance.

But because of scheduling difficulties, Mr. Herge said, the speaking date was filled instead by Secretary of Agriculture Earl L. Butz, for whom the dairymen were willing to give only \$50,000.

The unreported \$50,000 gift from the Lehigh Valley co-op might not have come to light without the cooperation of Hugh W. Sloan Jr., the former treasurer of the re-election finance committee.

In an interview some weeks ago with auditors of the General Accounting Office, the agency in charge of enforcing the new campaign finance law, Mr. Sloan disclosed that the \$50,000 in cash had been among \$63,000 in currency entrusted to him as "anonymous contributions."

A G.A.O. spokesman said that Mr. Sloan, knowing the anonymously given cash to be a violation of law, had decided to "hold" the money pending efforts to identify the donors. But no identities had been supplied by last July, the G.A.O. learned, when Mr. Sloan turned the money over to Frederick C. Larue, a former Mitchell aide who was then assistant director of the Nixon campaign.

The G.A.O. reported last month that the cash turned over to Mr. Larue had been jointly controlled by Mr. Sloan and Maurice H. Stans, the former Secretary of Commerce who later became chairman of the re-election finance committee.

Mr. Larue reportedly has told Government investigators that part of the cash was paid out, in turn to the Watergate burglary conspirators, for lawyers' fees and to obtain their silence concerning details of the break-in conspiracy.

Prior Charge

Mr. Herge said today that he had told the F.B.I. that because "the entire transaction was carried out under the instructions of" Mr. Mitchell, he had assumed "absolutely" that the Lehigh Valley contribution would be properly handled and fully reported. He said he had only recently learned that it was not. It was not known whether the dairy donors had expected the gift to be disclosed.

Aside from the apparent violations of the Federal campaign finance law involved in the unreported contribution, the handling of the gift from the Pennsylvania dairymen came at a time of continuing public controversy over milk industry contributions to the Nixon campaign.

Newspaper reports and the Nader lawsuit had already charged that, in return for more than \$400,000 in Nixon campaign contributions from three Middle West and Southwest dairy farm co-ops, the White House in March, 1971, had reversed a published decision by career economists at the Agriculture Department to hold the price line and had ordered a price increase worth an estimated \$300-million a year to dairy farmers.