

Milk Man Tells of Connally Talks

San Antonio, Texas

Former Treasury Secretary John B. Connally discussed possible campaign contributions and federal lawsuits with dairymen after the filing of an antitrust suit against Associated Milk Producers, Inc., the milk producers' general manager says.

Dr. George Mehren, who heads the multistate, 40,000-member dairy cooperative, testified at a deposition hearing yesterday about a meeting he and two other men had with Connally in Connally's Treasury department office in Washington on March 12, 1972.

Mehren said Connally was told of AMPI complaints about the antitrust suit, other litigation and Agriculture Department orders. He then made a telephone call to John Mitchell, who had resigned as attorney general and was directing the reelection campaign of President Nixon, Mehren said.

Mehren did not say in his statement the federal litigation was linked to discussion of possible contribu-

tions, although both subjects came up.

Mehren said he was also reasonably certain that Connally made a second telephone call in his presence to Senator Robert Dole (Rep-Kan.) chairman of the National Republican Committee.

He said Connally picked up the telephone and obtained Mitchell "quite quickly" after Mehren and the others complained of the burden the government actions directed at AMPI.

"You're going to lose the Midwest," Mehren quoted Connally as telling Mitchell. "I'm getting it from everybody. You'd better get some people out there to see what's wrong . . . we're going to have some political trouble out there."

During the 20-minute meeting with Connally, Mehren said, no reference was made to "intervention of the executive branch in the settlement of the antitrust case.

Mehren said Connally addressed a statement to a lawyer who accompanied

Mehren. Jake Jacobsen, about the handling of possible 1972 contributions by AMPI.

Connally said that if the producers felt that they should contribute it was his professional judgment that the contribution would be desirable later on than immediately, Mehren said.

Mehren said Connally did not refer to contributions in the telephone calls to Mitchell and Dole.

Mehren said he had no knowledge that Mitchell attempted to block or took any action with respect to criminal investigation of alleged monopoly practices by the San Antonio milk cooperative.

According to Justice Department reports, Mitchell blocked a criminal investigation, a more aggressive government procedure than a civil antitrust suit.

Through his lawyer, Mitchell denied the reports.

In his deposition, Mehren denied any personal knowledge of any commitment by AMPI's political arm to contribute funds in connection

with a March 1971 amendment of milk price supports favorable to the milk industry. He also denied any knowledge of AMPI funds being committed to Mr. Nixon's 1972 campaign.

It has been previously disclosed that a letter by attorney Patrick J. Hillings promised in 1971 that as much as \$2 million would eventually be given to Mr. Nixon's campaign by the dairymen.

AMPI contributed \$202,000 to Mr. Nixon in 1971.

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