

Support Increase Cited

Former Milk Lobbyist
Tells of Fund PledgeBy Brooks Jackson
Associated Press

Former milk-producer lobbyist Bob A. Lilly is quoted in court papers as saying his boss told him campaign donations were pledged to President Nixon "in conjunction with the 1971 price-support" increase.

The statement is the first to be attributed to a dairy cooperative official alleging a link between Mr. Nixon's order to raise federal milk price supports in 1971 and the dairymen's promises of up to \$2 million in campaign donations.

In a White House statement in January, the President specifically denied that he had ordered prices increased in return for campaign money. He conceded that "traditional political considerations" played a part in his decision to overrule the Agriculture Department's desire to keep prices steady.

The House Judiciary Committee is investigating the milk-price matter as part of its impeachment inquiry, and the Watergate Special Prosecution Force also is looking into it. The White House has declined requests for numerous tapes and documents relating to the price-support matter.

Lilly's statement surfaced as part of subpoenaed papers made public in connection with the Justice Department's antitrust suit against the nation's largest dairy-farmer cooperative, Associated Milk Producers, Inc.

Lilly was interviewed by

former American Bar Association President Edward L. Wright last Dec. 27 and 28 as part of his investigation into the milk producers' political activities, which he conducted for the co-op's board of directors.

According to Wright's typewritten notes of the interview, Lilly said he was told on April 4, 1972, about "a commitment" of campaign funds to Mr. Nixon's re-election campaign.

On that date Lilly attended a meeting that included the milk producers' general manager, George L. Mehren, and its former general manager, Harold S. Nelson, who had just been demoted to a \$100,000-a-year "consultant."

"Mehren and Nelson talked about a commitment having been made," Lilly is quoted as saying.

"There was a prior commitment of money made in conjunction with the 1971 price support.

"The commitment was made in March of 1971 by Nelson, Parr, Marion Harrison and Jacobsen."

David L. Parr had been Nelson's special assistant. Harrison was a Washington lawyer employed by the mill producers. Hundreds of thousands of dollars in dairy men's campaign donations passed through his office on the way to the Nixon campaign after the price increase was granted.

Jake Jacobsen is a Texas lawyer now under indictment for perjury in connection with \$10,000 allegedly earmarked for former Treasury Secretary John B. Connally, who has denied taking money from the dairy cooperative.

Tape recordings of conversations between him and President Nixon that bear on the administration's milk-price support decision are being sought by the House Judiciary Committee, the Washington Star-News reported yesterday.

According to the document, Lilly continued: "There was a big argument over how much money had been committed. The figures range from \$500,000 to \$1,000,000. Jacobsen contacted Connally in March of 1971 about the contribution. Connally said there had to be new money or additional money."