

Hill Panel Told Nixon Knew of Milk Fund Plan

Dairy Offer Of \$150,000 Is Reported

By George Lardner Jr.
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The general manager of the nation's biggest dairy cooperative allegedly offered \$150,000 to the Nixon campaign in 1972 in an effort to sidetrack a Justice Department anti-trust suit.

According to a statement filed in the litigation, George Mehren the operating head of Associated Milk Producers, Inc., sought assurances from President Nixon's personal lawyer, Herbert W. Kalmbach, that the Justice Department would first "slow down the antitrust action" and later "reduce it to just a wrist slap."

The deal was never struck, according to other court documents, because the controversy over the ITT antitrust cases "broke publicly in the press and Mr. Kalmbach said that he did not want any milk money contributions."

The allegations against Mehren were made by former AMPI lobbyist Bob A. Lilly in an interview for an independent report on the milk producers' political dealings.

Thirty checks for \$5,000 each, with the payees left blank, were made up and signed by Mehren on April 4-5, 1972, but were later voided.

Mehren told Senate Watergate investigators last fall that he had "no recollection" about the 30 checks be-

cause he was busy at the time with arrangements for a crucial meeting of the co-op.

Lilly said the checks were made out at AMPI's San Antonio, Tex., headquarters after a long meeting between him, Mehren and Harold Nelson, former AMPI general manager and subsequently a \$100,000-a-year consultant for the co-op.

The former AMPI lobbyist said the decision to make a fresh contribution to the Nixon campaign was made after a meeting in Washington on March 16, 1972, with Secretary of the Treasury John B. Connally.

See MILK, A27, Col. 1

Staff Seeks To Justify Tapes Bid

By Richard L. Lyons
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Charles W. Colson, then a White House aide, knew in 1970 that the dairy industry had pledged \$2 million to President Nixon's 1972 re-election campaign, House impeachment investigators say.

Mr. Nixon knew of this pledge on March 23, 1971, the investigators say, when he decided to set aside an Agriculture Department decision and order a larger increase in dairy price supports worth an estimated \$500 million to the industry.

Colson immediately communicated the President's decision to the industry, which began to raise the money at a series of all-night meetings the same day.

This sequence of events is detailed in a statement compiled by the impeachment staff of the House Judiciary Committee which is seeking to determine whether Mr. Nixon raised dairy price supports in exchange for campaign contributions, and whether in doing so he committed an impeachable offense. The staff said its account is based partly on public information and partly on "material in possession of the committee."

The statement was distributed to committee members to justify the staff's request that the White House give the committee 46 taped conversations on the dairy matter. Ten of them are identified as conversations be-

tween the President and then Secretary of the Treasury John B. Connally who has been identified as supporting the industry's request.

The staff said it has information that in the spring or summer of 1970, Associated Milk Producers, Inc. (AMPI), a large dairy cooperative, pledged to Colson, "who was AMPI's White House contact," a \$2 million contribution to support the President's re-election.

On or about March 5, 1971, the staff report says the President reviewed the See IMPEACH, A26, Col. 4