

White House Reportedly Told of Dairymen Wishes

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The White House told explicitly in 1969 that the nation's biggest dairy cooperative would be looking for higher milk price supports as a result of a \$100,000 cash contribution for President Nixon, according to secret Senate testimony.

The President's personal lawyer, Herbert W. Kalmbach, has testified that a spokesman for the co-op, Associated Milk Producers, Inc., made it clear—before the money was delivered—that AMPI had three specific goals in mind.

According to several sources, Kalmbach said he told then-White House chief of staff H. R. (Bob) Haldeman what the milk producers wanted. Kalmbach said Haldeman told him to go ahead and accept the \$100,000.

Kalmbach, according to the accounts of his testimony, said AMPI wanted:

- Higher price supports.
- A speech by Mr. Nixon at one of the co-op's annual conventions.
- An audience at the White House for dairy co-op leaders.

"The objectives were all described in mid-1969 and eventually they were all realized," one source said.

AMPI's initial \$100,000 for Mr. Nixon was secretly turned over to Kalmbach on Aug. 2, 1969, in \$100 bills by Milton P. Semer, a Washington lawyer who was then retained by the big dairy co-op.

According to Kalmbach's testimony, it was Semer who

told him, both in advance discussions and at the time the delivery was made, of AMPI's aims.

Kalmbach reportedly said that Semer also told him, earlier in the summer of 1969, that AMPI planned to contribute a total of \$250,000 that year.

No additional contributions were made in 1969, however, perhaps because the milk producers did not meet with as much initial success as they expected in getting access to the White House, Kalmbach was quoted as saying.

Kalmbach has previously testified in civil litigation that the \$100,000 transaction was approved in advance by Haldeman, "the maximum boss I was reporting to" at the time. But his testimony to the Senate Watergate committee was the first indication that the White House had been told there might be strings attached to the gift.

Kalmbach was said to have discussed AMPI's \$100,000 contribution and the co-op's goal on various occasions with other White House aides such as John D. Ehrlichman, Harry Dent, Peter Flanigan and Jack Gleason.

According to one account, the President's lawyer also maintained logs and notes indicating a similar discussion with former Secretary

of Commerce Maurice H. Stans, who served as finance chairman of the President's 1972 re-election effort.

The milk producers raised their commitment to Mr. Nixon in 1970 when they pledged \$2 million for his campaign.

AMPI's dealings with Mr. Nixon and administration officials have come under intensive investigation because of the President's controversial decision in 1971 to increase milk support prices, allegedly in conjunction with the \$2 million pledge.

The White House has acknowledged that Mr. Nixon knew of the commitment at the time he approved the higher 1971 price supports, but has denied that this influenced him in any way.

Mr. Nixon was told of the 2 million pledge in a briefing memo prepared for him in September, 1970, when he met with AMPI leaders Harold Nelson and David Parr at the White House for the first time.

The President met with them again, along with other dairy co-op leaders, on March 23, 1971. He approved the higher support prices later that day.

The Washington Post reported earlier this month that Kalmbach has also testified of a March 24, 1971, meeting in his Washington hotel suite at which AMPI general manager Nelson was

asked to reaffirm the \$2 million campaign pledge.

According to Kalmbach, the late Murray Chotiner, who at the time had just left the White House staff to practice law on a \$60,000-a-year retainer from AMPI, told Nelson that Ehrlichman expected the milk producers to reaffirm the commitment in light of a forthcoming increase in milk support prices.

The increase was announced the next day, on March 25, 1971. It added an estimated \$300 million to \$700 million to dairy farmers' income.

Later that year, the President also turned up at the AMPI annual convention in Chicago to address 40,000 dairy farmers and their wives in McCormack Place. The convention reportedly cost the co-op \$4 million.