

Nixon Tape Is Said to Link Milk Price to Political Gift

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WASHINGTON, June 5—The House Judiciary Committee heard today evidence suggesting that President Nixon conditioned his 1971 decision to raise Federal milk price supports upon a reaffirmation by dairy industry leaders of a pledge to raise \$2-million for the President's re-election campaign.

Committee members said that a tape recording of a meeting March 23, 1971, at which Mr. Nixon decided on the increase, contained implicit references to campaign funds being raised by milk producer groups and warnings that, without the industry's support, Mr. Nixon could lose as many as six states in the election.

Moreover, some members of the committee said that other, unrecorded evidence presented to the impeachment inquiry at a long closed hearing today was more explicit as to a link between the dairy industry and the price-support decision.

According to one Democrat on the panel, who took notes while listening to the recording of the March 23 meeting between the President and key aides, John B. Connally, then the Secretary of the Treasury, declared at the outset of the meeting that Mr. Nixon had to win the election.

Mr. Connally went on to say, according to the Congressman,

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that the nation's largest dairy cooperative was raising large campaign, that it had 40,000 members, and that its leaders were "going to make their [political] associations and alliances this year."

The informant said that Mr. Connally told the President that Congress was likely to raise the price support level and that if Mr. Nixon should veto such legislation "you lose Missouri, Wisconsin and South Dakota and you may lose Ohio, Kentucky and Iowa."

The President acknowledged last January that his decision in the milk case had been based in part on political considerations, especially the likelihood of Congressional action, but he strenuously denied that the campaign funds the milk producers might supply had had any bearing on the decision.

If the \$2-million the industry

pledged in 1970 to Mr. Nixon's re-election campaign and reaffirmed in March, 1971, is determined to be a factor in Mr. Nixon's ruling, it could have enormous consequences. Should the Judiciary Committee establish a direct link, the President's action could be construed as bribery. The Constitution lists bribery as a specific ground for impeachment.

Told to Make "Best Deal"

Some Republicans on the committee dismissed the milk matter as a potential ground for impeachment. Representative Wiley Mayne, Republican of Iowa, said tonight that the milk contributions to the campaign seemed to be "a coincidence." But several Democrats said that the unrecorded evidence presented to the committee was damaging to Mr. Nixon.

In effect, the Democrats said, the evidence suggested a circumstantial chain of events touched off by the March 23 meeting and ending with re-pledge.

According to the committee sources, at one point in the March 23 meeting, Mr. Nixon said, "Congress is going to pass [an increase]. I could not veto it. It would just turn off Middle America."

Moments later, the sources said, Mr. Nixon told his aides, "All right, make the best deal you can."

Clifford M. Hardin, then the Secretary of Agriculture, was quoted telling Mr. Nixon that if the milk organizations did not cooperate with the Administration "I'll tell them, 'Not one damn one of you is ever going to get into my office again.'"

Subsequently, Mr. Nixon was reported to have agreed to increase the price-support level, prompting John D. Ehrlichman, visor, to quip, "We'd better go get a glass of milk—get it while it's cheap."

Some critics of Mr. Nixon said that they believed the evidence presented today was "circumstantial" but not clear as to the possibility of a direct exchange—the price-support increase for the campaign fund promise.

"You can't indict him on what we have available at this time," Representative Charles B. Rangel, Democrat of Manhattan, told reporters.

The committee has asked for 46 more White House tape recordings that are believed to bear on the milk case, but Mr. Nixon has declined to supply them voluntarily.

The panel's chairman, Representative Peter W. Rodino Jr., Democrat of New Jersey, said that the committee would de-

cide nextweek whether to subpoena some or all of the recordings. Later, he said, the panel will decide whether to call witnesses to provide information to fill in gaps in the evidence caused by the President's refusal to supply recordings and documents.

The significance of the March 23 meeting among the President and seven Administration aides was that it was one alleged link in a chain of circumstantial evidence tying the \$2-million pledge to Mr. Nixon's ruling on the milk price supports.

Pledge of Aid Reported

Apart from tape recordings, most of the evidence on the milk case that was presented to the Judiciary Committee today had been developed by the staff of the Senate Watergate committee.

According to the draft of the Senate staff report on the milk investigation, Charles W. Colson, a former White House special counsel, told Mr. Nixon in September, 1970, that Associated Milk Producers, Inc., the largest dairy cooperative, had promised to raise \$2-million for Mr. Nixon's 1972 campaign.

On March 12, 1971, Mr. Hardin ruled that an increase in the price support for the marketing year to begin on April 1, 1971, could not be justified.

The Senate staff report, made available last week, contended that various Administration officials had been urging Mr. Nixon to countermand the departmental decision. These officials included Mr. Colson, who was the White House contact with the dairy industry, and Mr. Connally, the report said.

At a meeting March 19 in the office of Mr. Ehrlichman, White House aides reportedly considered, among other matters, whether the dairy groups would refuse to fulfill the \$2-million pledge if Mr. Hardin's decision was allowed to stand.

Phone Talk with Connally

On March 23, before a scheduled meeting between Mr. Nixon and leading dairy industry officials, the President telephoned Mr. Connally to discuss the price support matter. A recording of three minutes of Mr. Nixon's side of that conversation, but not Mr. Connally's part, was played for the Judiciary Committee this morning.

Without showing what Mr. Connally had said, the tape of the phone conversation was "not very revelatory," said Representative Wayne Owens, Democrat of Utah. Others on the committee agreed the tape was inconclusive.

The committee also heard a recording of the 50-minute meeting of the dairymen and the President. In that discussion, Mr. Nixon was said by a number of committee members to have made a vague expression of gratitude for past political support from the milk producers but to have made no mention of 1972 campaign

funds of his likely decision on price supports.

At one point, according to several committee members, Mr. Nixon jokingly told the dairy officials, "This isn't being taped."

Knowledge of Agriculture

The only matter of consequence that recording turned up, according to Representative Lawrence J. Hogan, Republican of Maryland, was that it demonstrated the President "doesn't know much about agriculture."

At 4:45 o'clock the same afternoon, March 23, Mr. Nixon met with seven aides. They were Mr. Connally; Mr. Hardin; J. Phil Campbell, Under Secretary of Agriculture; George P. Shultz, then director of the Office of Management and Budget; Mr. Ehrlichman; John D. Whitaker, then a deputy to Mr. Ehrlichman, and Donald Rice, an aide to Mr. Shultz.

According to a memorandum prepared two months ago by the Judiciary Committee staff, Mr. Nixon discussed "political and financial support" of dairy interests and Congressional pressure to raise the price support level.

The White House contended, in a position paper issued last January, that Mr. Nixon decided at the meeting to raise the support level to head off an even larger increase by Congress.

Representative William S. Cohen, Republican of Maine, said that Mr. Nixon, on the tape of his meeting with his advisers, had emphasized the Congressional demands for a price support increase and that to this extent the White House position paper was "a fair representation."

But Mr. Cohen said that the President had also discussed political considerations, such as the benefits to be derived from acting to raise the price support level before Democrats in Congress could do so legislatively.

Law on Price Supports

Under the law governing the price supports, the only factors allowed as a basis for changing the price support level are economic—whether an increase is needed to assure an adequate milk supply.

Moreover, Mr. Cohen and other members of the committee said that evidence presented to them apart from the three tape recordings suggested that the \$2-million campaign pledge had played a part in the President's decision.

Without judging the possibility that the decision in the milk Nixon case would be a possible ground for impeachment, Mr. Cohen said that it represented "a story of making decisions for political purposes." He added that the matter was one illustration of what had been and continued to be "wrong with the political financing system" in the United States.

The Judiciary Committee staff is expected to ask Mr. Colson about the milk case

when staff lawyers interview him about his knowledge of various allegations against the President.

Mr. Colson pleaded guilty Monday to one count of obstruction of justice in connec-

tion with the alleged conspiracy of a White House special investigations unit to break into the office of a California psychiatrist who had treated Dr. Daniel Ellsberg, who says

he gave the press the secret Pentagon papers on the history of the Vietnam war. Mr. Colson agreed then to cooperate with Watergate prosecutors and the impeachment inquiry.