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White House Reply On Milk and ITT

Washington

White House lawyers have cited political pressure from Congress and milk producers as justification for President Nixon's 1971 decision to raise the milk price subsidy.

Mr. Nixon's position, outlined in a statement of information submitted to the House Judiciary Committee, parallels the stance he took in January when he conceded "traditional political considerations" influenced the decision.

The White House catalog of evidence in the milk case and the ITT antitrust setflement was made public by the committee yesterday along with its own report of relevant evidence on those subjects generated by its impeachment inquiry.

In the ITT case, the White House statement portrays the antitrust proceedings as entirely separate from an ITT pledge of funds from the 1972 Republican National Convention.

The milk case involves allegations that Mr. Nixon raised the subsidy and altered dairy import quotas for the benefit of milk producers in exchange for reelection campaign funds from Associated Milk Producers Inc., and other milk producer organizations.

"Economic and traditional political considerations were the only basis of the decision to increase the price support level," said the document submitted by presidential lawyer James D. St. Clair.

The statement cited campaign fund - raiser Herbert Kalmbach's testimony in a civil suit.

Kalmbach testified that he does not recall any suggestion or indirect suggestion of a relationship between campaign contributions and governmental actions affecting the dairy industry by members of the dairy industry or their representatives or members of the White House staff, St. Clair said.

The White House also recounted congressional pressure to increase the milk subsidy to 85 or 90 per cent of parity. The Agriculture Department announced March 12, 1971, that the level would be maintained at about 80 per cent of parity. On March 23, 1971, Mr. Nixon reversed course and raised the level to 85 per cent but the decision was not announced until two days later.

As for the ITT case, the White House took the position that Justice Department antitrust lawyers negotiated the settlement on economic and legal grounds with no knowledge of the convention funds pledged by ITT's Sheraton Hotel.

The pledge was to support the GOP convention in San Diego where it was first scheduled. Two White House memos released by the committee referred to it as a $400,000 pledge.

St. Clair's statement said Mr. Nixon refused ITT chief Harold Geneen's request for a meeting in June, 1969, to discuss the Justice Department suits challenging ITT's acquisition of several companies, including the profitable Hartford Fire Insurance Co.

St. Clair noted that Erwin N. Griswold, then the solicitor general, authorized appealing an adverse lower court decision to the Supreme Court despite his own staff's assessment that the case would be tough to win.

Associated Press