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Dairy Group

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FBI Is Probing Campaign Gift

Washington

The FBI is investigating a \$50,000 cash contribution to President Nixon's re-election committee by the Washington lobbyist for LeHigh Valley Cooperative Farmers, a Pennsylvania dairy group, according to reliable government sources.

The \$50,000, in \$100 bills was given to two Nixon committee aides in separate \$25,000 donations. The first was on April 20, 1972, the day Secretary of Agriculture Earl L. Butz, addressed the stockholders of the LeHigh group. The second contribution was made in May 1972.

A recent General Accounting Office report listed the \$50,000 contribution as an anonymous gift to the Nixon committee that was not publicly reported as required by the Campaign Finance Disclosure Law.

The \$50,000 went into a secret Nixon campaign fund that was turned over in July, 1972, to Frederick C. LaRue, a top campaign aide to former attorney general John N. Mitchell. LaRue has testified that some of this money was used to buy the silence of the Watergate conspirators last year, according to Justice Department sources.

INSTRUCTIONS

J. Curtis Herge, a former Nixon campaign aide, said this week that the \$50,000 came from the LeHigh group and was handled "according to the absolute instructions" of Mitchell and former deputy Nixon campaign manager Jeb Stuart Magruder.

Government sources said that the \$50,000 was given to the Nixon committee by Frank Carroll, the Washington lobbyist for the LeHigh group.

Asked about the contribu-

tion yesterday, Carroll said it was "privileged information."

Richard L. Allison, president of the LeHigh group, did not return a reporter's telephone calls.

DAIRY

Dairy campaign contributions to the President's re-election effort have been controversial since it was disclosed that several large dairy cooperatives gave at least \$422,500 to the Nixon campaign.

The contributions came after the Nixon administration and the Agriculture Department, in a sudden reversal of policy in 1971, raised the price supports for milk from \$4.66 to \$4.95 per hundredweight.

That decision was worth about \$300 million a year to dairy farmers, according to sworn testimony by Harold S. Nelson, former general manager of Associated Milk Producers Inc.

Spokesmen for the dairy groups, the White House and the President's re-election committee have denied that there was any relationship between the contributions and the decision to increase the price supports.

It was unclear why the FBI is investigating the contribution because the GAO, the investigative arm of Congress, has jurisdiction over the campaign law.

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