

Higher Price of Milk Linked To Nixon Fund

WASHINGTON — AP) —

Large campaign contributions by dairymen's organizations to President Nixon's re-election campaign helped influence a decision to raise 1971 federal milk price supports, according to letters uncovered in a lawsuit and reported today by The Washington Post.

Reports of the timing of the campaign contributions with a decision to increase federal milk price supports from \$4.66 to \$4.93 per hundredweight on March 25, 1971, had been published previously. The decision reversed an earlier announcement on March 13 that price supports would not be increased.

But the Post said its information shows that officials of one large dairymen's organization believe their contributions helped bring about the reversal on the price supports.

Letters Cited

The Post said it obtained the information from letters in connection with a lawsuit brought by the National Farmers Organization against major national dairy cooperatives.

It also said NFO attorney Ward Rowley has forwarded the letters to Attorney General Richard Kleindienst with the statement that "this material . . . seems to raise the most serious questions of violation of federal criminal statutes."

A spokesman for the Justice Department said the material is under study. A Senate Judiciary subcommittee also has copies of the letters, and a spokesman said it is waiting action, if any, by the Justice Department.

'Facts of Life'

One letter, from William A. Powell, president of Mid-America Dairymen, Inc., which contributed \$65,000 to Republican coffers, said:

"The facts of life are that the economic welfare of dairymen does depend a great deal on political action. If dairymen are to receive their fair share of the governmental financial pie that we all pay for, we must have friends in government.

"I have become increasingly aware that the sincere and soft voice of the dairy farmer is no match for the jingle of hard currencies put in the campaign funds of the politicians by the vegetable fat interests, labor, oil, steel, airlines and others.

"We dairymen as a body can be a dominant group. On March 23, 1971, along with nine other dairy farmers, I sat in the Cabinet room of the White House, across the table from the President of the United States and heard him compliment the dairymen on their marvelous work in consolidating and unifying our industry and our involve-

ment in politics. He said, 'You people are my friends and I appreciate it.'

Department Order

"Two days later an order came from the U.S. Department of Agriculture increasing the support price of milk to 85 percent of parity, which added from \$500 to \$700 million to dairy farmers' milk checks. We dairymen cannot afford to overlook this kind of economic benefit. Whether we like it or not, this is the way the system works."

The letter was sent by Powell to another member of the organization.

The reported meeting of dairymen with President Nixon followed by one day a contribution of \$10,000 to four Republican fund-raising committees by TAPE, the political arm of Associated Milk Producers, Inc., another dairymen's group.

The Nixon Administration, the Post said, previously denied charges by consumer advocates, including Ralph Nader, that the increased milk supports were a payoff for political contributions, saying its reversal on the issue resulted from a new analysis of the milk market situation. A consumer group also has filed a lawsuit seeking a rollback in the supports.

Contributions

In an interview with the Post, Gary Hanman, chairman of ADEPT, the political fund for Mid-America, said his group gave the Republicans \$50,000, which was given in checks of \$5,000 apiece to 10 GOP fund-raising committees.

The money first was funneled through the law office of Harrison & Reeves, which is the firm of Murray Chotiner, a long-time confidant and aide to President Nixon, the Post said.

The post said TAPE, ADEPT and SPACE, is the political arm for Dairymen, Inc.

The Post said the three dairy groups also sent a total of \$170,000 to the President's campaign by making out checks for \$2,500 to each of 68 campaign committees. The Post said last year it revealed these to be "bogus committees" whose listed offices said they agreed to help the presidential campaign, but knew nothing about the money or the committees.

Altogether, the Post said, the dairymen's groups contributed more than \$300,000 to Republican campaigns in the time that followed the turn-about on the price-support ruling.