

Nixon Cut Dairy Import Quotas In '70 After \$2-Million Pledge

By DENNY WALSH

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WASHINGTON, Oct. 23—Fifteen days after a complaint to President Nixon about his failure to adjust import quotas on certain dairy products was coupled with a \$2-million pledge from the dairy industry for his 1972 campaign, the President drastically reduced the quotas on at least two of the products.

In a letter to the President on Dec. 16, 1970, made available today do the New York Times, Patrick J. Hillings, a California attorney who is an old friend and political ally of Mr. Nixon, said he represented Associated Milk Producers, Inc., a San Antonio-based Cooperative. He said the organization was then working with Thomas W. Evans, managing partner of the New York law firm of which Mr. Nixon had been a senior member, and Herbert W. Kalmbach, the President's personal lawyer, "in setting up appropriate channels for AMPI to contribute \$2-million for your re-election."

The letter went on to recount that the dairy industry was at a loss to understand the President's inaction on revised-quota recommendations made to him by the Tariff Commission three months earlier.

"This problem is bogged down within the White House," Mr. Hillings complained. "We write you both as advocates and as supporters. The time is ripe politically and economically to impose the recommended quotas."

Imprint quotas Amended

On Dec. 31, 1970, Mr. Nixon signed a proclamation amending the import quotas with respect to cheese and its substitutes, chocolate containing butterfat, animal feeds containing milk or its derivatives, and ice cream. These were the commodities apparently referred to in Mr. Hillings' letter when he spoke of "four specific dairy products."

A comparison of the cheese quotas with the ones previously in effect shows that the number of pounds allowed into the United States annually from Iceland, Poland and West Germany was reduced by between 80 per cent and 90 per cent, and the Denmark quota was reduced by 25 per cent. At the same time, the Ireland quota was increased fivefold and the United Kingdom quota was more than doubled.

The amount of chocolate containing butterfat allowed to be imported from Ireland was reduced by 60 per cent and the amount from the United Kingdom was cut by 87 per cent.

The previous quotas were set

by President Johnson in early January, 1969, just before he left office.

It has thus far been established that three dairy cooperatives contributed \$427,500 to the President's re-election effort, of which \$202,500 has been shown to have come from the group represented by Mr. Hillings.

Succeeded Nixon in House

The 50-year-old Mr. Hillings succeeded to Mr. Nixon's seat in the House of Representatives in 1951, when Mr. Nixon moved to the Senate. Mr. Hillings served four terms in Congress and then returned to private law practice. He is now employed as a counsel to the Ford Motor Company. He could not be reached for comment tonight.

The letter from Mr. Hillings to the President was on the letterhead of the Washington, D.C., law firm headed by Marion E. Harrison, who served as a Deputy Postmaster General during the administration of President Eisenhower. The letterhead listed Mr. Hillings as being "of counsel" and he said in the letter that since the preceding Jan. 1 he and his "Washington partner Marion Harrison" had represented Associated Milk Producers, Inc.

A spokesman for the group said Mr. Hillings was no longer one of its representatives. Mr. Harrison was not available for comment. A spokesman for his law firm said Mr. Hillings was no longer associated with the firm.

Investigative sources said today that there was evidence indicating the Hillings letter, although addressed to the President, went to H. R. Haldeman, then chief of the White House staff. These sources said it was not certain whether Mr. Nixon had read the letter or was told of its contents, but that evidence of his knowledge was in a later response to the dairy industry, the nature of which could not be learned.

Informed sources said the letter had been given to the Senate Watergate committee by John W. Dean 3rd, the dismissed Presidential counsel, and had been passed on to Archibald Cox, the discharged special prosecutor, whose staff had been looking into its implications.

The dairy industry's financial support of last year's Nixon campaign has been previously linked to a controversial 1971 increase in milk price supports. The donation started flowing on March 22, 1971, the day before Mr. Nixon met with representatives of the three cooperatives lobbying for higher price supports.