

Milk Official Says Connally Talked of Gift After Suit Filing

SAN ANTONIO, Tex., Dec. 14 (AP) — Former Treasury Secretary John B. Connally discussed possible campaign contributions and federal lawsuits with dairymen after the filing of an antitrust suit against Associated Milk Producers, Inc., the milk producers' general manager says.

Dr. George Mehren, who heads the multistate, 40,000-member dairy cooperative, testified at a deposition hearing Friday about a meeting he and two other men had with Connally in Connally's Treasury Department office in Washington on March 16, 1972.

Mehren said Connally was told of AMPI complaints about the antitrust suit, other federal litigation and Agriculture Department tnoders. He then made a telephone call to John N. Mitchell, who had resigned as Attorney General and was directing the re-election campaign of President Nixon, Mehren said.

Connally could not be reached immediately for comment on Mehren's testimony.

Mehren did not say in his statement that the federal litigation was linked to discussion of possible contributions, although he said both subjects came up.

Mehren, who made the statements in a deposition in the antitrust suit and other complex court cases, said he was also reasonably certain that Connally made a second telephone call in his presence to Sen. Bob Dole (R-Kan.), chair-

man of the Republican National Committee.

He said Connally picked up the telephone and got through to Mitchell "quite quickly" after Mehran and the others complained of the burden of the government actions directed at AMPI.

"You're going to lose the Midwest," Mehren quoted Connally as telling Mitchell. "I'm getting it from everybody. You'd better get some people out there to see what's wrong . . . We're gong to have some political trouble out there."

"He said it rather forcefully, I might add," Mehren recalled.

During the 20-minute meeting with Connally, Mehren said, no reference was made to "intervention of the executive branch" in the settlement of the antitrust case, filed Feb. 1, 1972.

Mehren said Connally addressed a statement to a lawyer who accompanied Mehren, Jake Jacobsen, about the handling of possible 1972 contributions by AMPI.

Connally said that if the producers felt that they should contribute, it was his professional judgment that the contribution would be more desirable later on than immediately, Mehren said.

"Really, in effect, what he said was that if contributions were to be given, funds would be needed more down the road than then," Mehren said.

Mehren said Connally did not refer to contributions in the telephone calls to Mitchell

and Dole. He said Connally told Dole essentially the same thing he told Mitchell about "troubles" in the Midwest.

In his deposition, Mehren denied personal knowledge of any commitment by AMPI's political arm to contribute funds in connection with a March, 1971, amendment of milk price supports favorable to the milk industry. He also denied any knowledge of AMPI funds being committed to Mr. Nixon's 1972 campaign.

He said he was given a flat denial in early 1972 from an AMPI employee, David Parr, that Parr had committed \$2.6 million to Nixon aide Charles Colson.

It has been previously disclosed that a letter by attorney Patrick J. Hillings promised in 1971 that as much as \$2 million would eventually be given to the Nixon campaign by the dairymen.

Mehren said in his deposition that he met Feb. 3, 1972, in Los Angeles with President Nixon's personal lawyer, Herbert Kalmbach, and members of Kalmbach's law firm about the possibility of 1972 contributions, which never materialized.

AMPI contributed \$202,000 to Mr. Nixon in 1971.

Mehren said that Kalmbach mentioned no "quid pro quo" at the meeting, which took place two days after the antitrust suit was filed. Mehren said ways were discussed to "render hidden the total amounts" of any possible large 1972 contributions.