

NYTimes  
Wonderland Papers . . .

JAN 10 1974

The White House statements defending President Nixon's action in 1971 with regard to the milk price increase and the I.T.T. antitrust settlement have an "Alice-in-Wonderland" quality. Some awkward facts are omitted; others are stated but not explained; still others are described as meaning what the President says they mean, regardless of how they might first appear.

In both instances Mr. Nixon assures the public that the milk lobby's offer of \$2 million in campaign contributions and I.T.T.'s offer of \$400,000 or more to underwrite the 1972 Republican National Convention had nothing to do with his decisions favorable to their interests. The denials as elaborated in these statements, however, fail to take account of all the known facts.

On March 23, 1971, after meeting with milk industry leaders in the morning and with senior Administration officials in the afternoon, President Nixon decided to overrule the publicly announced decision of Secretary of Agriculture Hardin to hold milk price supports at 80 per cent of parity and instead increased them to 85 per cent.

In his latest statement, Mr. Nixon concedes that he was aware that the dairy leaders had promised to raise \$2 million for his re-election but denies that this influenced his decision. He attributes his decision to his fear that the Democratic-controlled Congress would pass a mandatory increase in milk price support—"and he could not veto it without alienating the farmers, an essential part of his political constituency."

What the White House statement describes as "traditional political considerations" are valid as far as they go. But the statement does not mention the meeting a day earlier between then Treasury Secretary Connally and dairy lobbyists, at which campaign contributions were reportedly discussed. It fails to mention or explain why the President's political fund-raisers went to extraordinary lengths to conceal the milk money as it flowed after the President's favorable decision. They established fifty dummy committees solely for the purpose of serving as conduits for these contributions.

The statement virtuously notes that the contributions from the dairymen of \$427,000 amounted to less than one per cent of the money contributed to the President's re-election campaign. But it fails to mention that Herbert Kalmbach, the President's personal attorney and one of his principal money-raisers, sought a substantially larger gift from the dairymen early in 1972 and was rebuffed. The most intriguing omission is any reference to the curious fact that on a list of secret contributions kept by Rose Mary Woods, the President's longtime personal secretary, a large portion of the dairy money—\$232,500—is entered under the heading, "house account."

The statement's stress is all on the pressure that the dairy lobby was able to generate among Democrats in Congress for higher price supports. According to Mr. Nixon, the pressure was politically "a gun to our head." For a President who regularly defied Congressional sentiment on resolutions to end the Vietnam war, vetoes of Health, Education and Welfare Department appropriations bills and many other issues, this was a bizarre area in which to start worrying about deference to Congress.