

Colson Note Warned on Milk Probe

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One of President Nixon's top aides warned the White House in 1971 against going "too far" with an antitrust investigation of a dairy co-op that was contributing funds for Mr. Nixon's re-election.

Former White House special counsel Charles W. Colson sounded the warning in a Sept. 24, 1971, memo to then White House chief of staff H. R. (Bob) Haldeman. Colson said the investigation could have "very serious adverse consequences."

The document was made public last week in connection with a lawsuit challenging the administration's controversial 1971 increase in milk price supports.

Colson wrote it little more than two weeks after the Justice Department's Antitrust Division formally proposed a federal grand jury investigation of the co-op, the Associated Milk Producers, Inc.

Colson has been described in court records as "the point of contact with the dairy people within the White House." He was also the one who had told Mr. Nixon in 1970 that AMPI had pledged \$2 million for the President's campaign.

The recommendation for a criminal investigation of AMPI's allegedly monopolistic practices was never approved. Attorney General John N. Mitchell delayed action on the request for several months and then authorized a civil anti-trust suit against AMPI instead of grand jury action.

Haldeman, other long-secret White House records show, may have taken up the anti-trust issue with Mitchell a few weeks after Colson voiced his alarm.

In his memo, Colson told Haldeman: "For obvious reasons, I should not be involved with respect to the following.

There is under way in the Justice Department at the moment an Antitrust Division investigation of the milk producer co-operatives . . . If this goes too far, there will be a number of very serious adverse consequences which I would be glad to elaborate on in detail."

The memo was brought out in the course of a deposition by the President's personal lawyer, Herbert W. Kalmbach, who worked closely with AMPI representatives in funneling money to Mr. Nixon's campaign. Kalmbach testified that he did not know just what "adverse consequences" Colson had in mind, but assumed that he meant "the milk producers would be upset" and might stop their contributions.

Other White House documents filed with Kalmbach's deposition indicate mounting alarm following disclosure in The Washington Post and The Wall Street Journal on Sept. 28, 1971, of the dozens of dummy committees through which AMPI and two other big dairy co-ops were putting up their money for Mr. Nixon.

In a note sent him the next day by White House aide Gordon Strachan, Haldeman was told that White House counsel John W. Dean III was working on ways "to preclude any further disclosure" of contributions from the milk producers.

The chief of the Antitrust Division, Richard W. McLaren, had initially asked Mitchell to approve a grand jury investigation of AMPI's practices on Sept. 9, 1971. He asked Mitchell again on Oct. 29, but still got no answer.

A few days later, on Nov. 3, 1971, Strachan sent Haldeman a proposed agenda for a "political matters meeting" that Haldeman was scheduled to hold in his office with the attorney general and others. Proposed topic No. 15 dealt with the antitrust investigation and White House fears that The Washington Post was making more inquiries into "the milk money project."

The document filed in U.S. District Court last week do not know whether the topic was discussed.

The civil antitrust suit against AMPI was filed on Feb. 1, 1972, the day McLaren left the Antitrust Division to become a federal judge.