

NY Times MAR 15 1974
\$100,000 Aid to Democrats Tied to Co-op

KANSAS CITY, Mo., March 14 (AP) — An independent investigation of political corruption involving the nation's largest dairy cooperative disclosed today that the co-op had apparently paid more than \$100,000 from corporation funds to print and distribute, during the 1968 Presidential campaign, copies of a book of President Johnson's speeches.

The disclosure came in a 157-page report submitted to the board of directors of the Texas-based Associated Milk Producers, Inc. The report was made available in United States District Court here today.

The report said the huge co-op apparently paid a total of \$104,521.62 for distribution of 26,184 copies of the book, entitled "No Retreat from Tomorrow." The books were distributed to help the Presidential campaign of Hubert H. Humphrey, who was Mr. Johnson's Vice President.

An invoice, which investigators found in the co-op's files, indicates that the book's printer

was referred to the dairymen by a White House letter.

The report said that the Internal Revenue Service had disallowed most of the cost of the printing as a legitimate business expense.

Although the report did not say so, the facts indicate that the payment was an indirect political contribution. Federal law prohibits such political donations from corporate funds.

The report was the result of a months-long investigation by the Little Rock, Ark., law firm of Wright, Lindsey and Jennings. It was submitted to the co-op's board of directors in San Antonio. Copies have been sent to the special Watergate prosecutor and the Senate Watergate committee.

The report became public when it was filed as part of a tangled antitrust law suit against the cooperative.

In a related development, Dwight L. Morris, a former official of Associated Milk Producers, official who says he was told of a deal to kill an antitrust suit in return for a \$300,000 donation to the Nixon

campaign, has admitted that he once gave illegal political donations to Democrats.

Mr. Morris, former secretary of the dairy cooperative, said under cross-examination today that he had given \$2,000 to President Johnson, and \$1,000 to the presidential campaign of Mr. Humphrey in 1968.

He said he had been reimbursed out of the co-op's treasury in violation of the campaign spending laws. His statement came in testimony on pre-trial proceedings in the antitrust case.

Ex-Aide Gives Up

LITTLE ROCK, Ark., (UPI) — Harold Nelson of San Antonio, former national manager of Associated Milk Producers, Inc., surrendered today to Federal marshals and will face charges of giving false testimony to a grand jury.

He was indicted Monday by the United States grand jury for the Eastern District of Arkansas for allegedly giving false testimony to the jury when it was investigating illegal campaign contributions.