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President Disputed On Milk

Hill Pressure For Supports Is Discounted

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The head of the nation's biggest dairy farm co-op has disputed President Nixon's contention that congressional pressures left him no choice but to approve a 1971 increase in milk support prices.

Mr. Nixon has defended the controversial decision on the ground that Congress would have passed legislation for higher support prices anyway and could have overridden any veto on his part.

However, George L. Mehren, general manager of Associated Milk Producers, Inc., which had pledged \$2 million for Mr. Nixon's re-election, has told Senate investigators that the congressional backing for the increase was not as overwhelming as the White House has claimed.

"We had lined up quite a bit of support," Mehren said, "but not in my opinion sufficient to override a presidential veto."

In fact, Mehren stated, the dairy-farm lobbyists pressing for the higher price supports were not even enthusiastic about their chances before they got an audience with Mr. Nixon on March 23, 1971.

A former assistant secretary of agriculture in the Johnson administration, Mehren had been working to drum up support for the increase that spring as AMPI's just-hired director of programming. Others involved in the campaign were Harold Nelson, then AMPI general manager, and former LBJ White House aide Jake Jacobsen, who was then a key lawyer for the giant co-op.

"I recall that day [March 23, 1971] that I had breakfast with Nelson, Jacobsen and others and the general feeling was not one of optimism," Mehren said in an interview with Senate Watergate committee investigators. "Nelson wanted pressure kept on Congress."

After his meeting with dairy co-op leaders that day, Mr.

Nixon conferred in the afternoon with his ranking advisers on the issue—including Secretary of the Treasury John B. Connally, an old friend of Jacobsen's, and White House domestic adviser John D. Ehrlichman. It was then that Mr. Nixon has said he personally decided to order higher price supports.

Before any announcement was made, however, according to House impeachment investigators, the White House passed word to the milk producers that they were expected to reaffirm their \$2 million "commitment" for Mr. Nixon's campaign.

According to the House

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staff report, Ehrlichman contacted White House special counsel Charles W. Colson "immediately following the President's afternoon meeting of March 23, 1971, with his advisers."

Colson, to whom the \$2 million commitment had been made in the fall of 1970 and who had informed Mr. Nixon of it then, followed up Ehrlichman's advice by meeting with Murray Chotiner, an old confidant of President Nixon who had just left the White House staff to become a \$60,000-a-year lawyer for AMPI.

"Later in the night of March 23, 1971," the House staff report said, "AMPI officials and other dairy representatives engaged in all-night meetings . . . at which they agreed to make political contributions to the campaign and to contribute \$25,000 by the evening of March 24, 1971."

One of those meetings, house investigators say, "took place after an early dawn flight to Louisville, Ky."

Louisville was the headquarters of Dairymen, Inc., another giant dairy farm co-op that had also been lobbying for the higher price supports.

The next day, on March 24, 1971, the Trust for Special Po-



GEORGE L. MEHREN



CHARLES W. COLSON

. . . figures in dairy industry's \$2 million commitment

litical Agricultural Community Education (SPACE), which was the political arm of Dairymen, Inc., contributed \$25,000 to the Nixon campaign.

According to the House staff report, Chotiner, who died in January, also told several dairymen that March 24 that "Mr. Ehrlichman expected the dairy industry to reaffirm its \$2 million 'commitment' in light of a forthcoming increase in milk Secretary of Agriculture Clifford Hardin, who had ruled earlier that no increases were justified, announced the higher support levels on March 25, 1971.

Although the \$2 million pledge was made to Colson in the fall of 1970 by AMPI officials, the commitment was evidently meant to be a joint undertaking by MPI, Dairymen, Inc., and another big co-op involved in the lobbying campaign, Mid-America Dairymen, Inc.

Court records show that former AMPI lobbyist Bob A. Lilly stated that the "1971 price support commitment" for \$2 million was to include \$1 million from AMPI and \$500,000 each from the other two big co-ops.

Both Lilly's statement and the Senate interview with Mehren were recently subpoenaed in connection with a Justice Department civil antitrust suit filed against AMPI on Feb. 1, 1972. Government antitrust lawyers had recommended a criminal antitrust investigation, but this was ruled out by Attorney General John N. Mitchell.

In attempting to defend the 1971 price support increase, the White House has also said that Mr. Nixon thereby hoped to preclude another one in 1972, "thus holding the price line for two years."

Mehren said, however, that Nelson had told him several weeks after the March 23, 1971, meeting with Mr. Nixon that the dairy farm leaders agreed then and there "not to ask for an increase in 1972."