

NYTimes JUN 1 1974  
**Staff of Watergate Links  
Milk Prices to Nixon Aid**

By The Associated Press

WASHINGTON, Mar. 31—Donations by dairy cooperatives to President Nixon's 1972 re-election campaign were apparently linked directly to Mr. Nixon's order to raise milk price supports in 1971, according to the staff of the Senate Watergate committee.

The staff also said in a draft report, which is not binding upon the committee, that there were serious deficiencies in a recent White House white paper that said the President was not influenced by campaign pledges of up to \$2-million when he ordered Federal milk price supports increased in March, 1971.

The committee staff, after months of behind-the-scenes investigation, issued its findings in a 359-page draft report circulated to members of the committee today. The Associated Press obtained a copy.

#### Written by Democrats

The report was based on evidence gathered by both sides of the committee but was written principally by two Democratic staff members, David Dorsen and Alan Weitz. A detailed report of the aid by dairy farmers' cooperatives to the Democrats is scheduled to be circulated soon by Republican staff members.

The milk contributions report said that the dairy-farmer lobby began "an effort to secure the favor of the President and his Administration" shortly after Mr. Nixon took office in 1969. It said the campaign pledge was reaffirmed and restated at the time of the Federal price

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support increase in March, 1971, and a method was worked out by which three cooperatives were to donate monthly installments of \$90,000 through dummy committees to conceal the source of the money.

The money was to come from Associated Milk Producers, Inc., the nation's largest dairy cooperative; Dairymen, Inc., and Mid-American Dairymen Inc. Together they control about one-fourth of the nation's milk supply.

These campaign pledges were "apparently directly linked to a favorable milk price support decision by the President worth hundreds of millions of dollars to the industry — and costing the same amount to the Government and consumers," the

report said.

Although the dairymen gave less than half the promised \$2-million, the report said that the donations continued through 1972, "partly to honor the earlier commitment and partly to secure a favorable resolution of a

Justice Department antitrust suit" against A.M.P.I.

The report cited evidence of possible White House influence on the course of that lawsuit, including a document indicating that President Nixon's former chief of staff, H. R. Haldeman, may have discussed it with then Attorney General John N. Mitchell.

Mr. Mitchell later turned down repeated requests by antitrust lawyers to convene a grand jury investigation of the milk producers. He told his subordinates to file a civil suit rather than seek criminal prosecution.

#### Aid to Democrats Reported

The report said the dairymen also supported Democratic Presidential candidates in 1972, and said this was sometimes done through secret use of the cooperatives' corporation funds "in part to avoid the enmity of the Nixon Administration." These candidates are known to include Representative Wilbur D. Mills of Arkansas and Senator Hubert H. Humphrey of Minnesota.

#### Connally Help Alleged

WASHINGTON, May 31 (UPI)

—The Senate Watergate Committee staff is investigating allegations that former Treasury Secretary John B. Connally got \$15,000 in milk cooperative funds for his help in a 1971 price-support increase and trying to reduce a 1972 antitrust suit to a "wrist slap."

The staff also said that despite Mr. Connally's sworn testimony to the contrary, he was deeply involved in the controversial 1971 increase that meant at least \$300-million in extra income for dairy farmers.

The staff report was sent to Senators on the committee today for their approval. Senator Sam J. Ervin Jr., Democrat of North Carolina, the committee chairman, has already approved the report.

The report also said that former President Johnson recommended that A.M.P.I. meet its obligation, if there was one, and contribute to Mr. Nixon's 1972 re-election campaign.

The staff quoted the testimony of Dr. George L. Mehren, A.M.P.I. general manager and former Assistant Agriculture Secretary in the Johnson Administration.