

Milk Price Supports Cost \$300 million, Report Says

Associated Press

WASHINGTON — President Nixon's order raising federal milk price supports in 1971 may have cost the public more than \$300 million, the staff of the Senate Watergate committee says.

It quoted the administration's chief agricultural economist as saying milk prices in grocery stores would have gone down had Nixon left federal price supports at the level set initially by the Agriculture Department.

"The President's decision was apparently worth anywhere from \$300 million to \$700 million in extra income to dairy farmers," the staff said in a draft report.

The report was written principally by Democratic staff members and based on evidence gathered by both sides.

The report said the cost of Nixon's price order was paid by consumers in the form of higher prices for milk, cheese, butter and other dairy products, and also by

taxpayers in the form of increased federal spending to keep farm income up.

The staff report said the President apparently "ignored the opinion of every agricultural expert in his administration" in raising prices.

It said he also ignored the criteria set down by law, which says price supports should be based on economic considerations.