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Tape Transcripts

Data Supports Nixon Claim on Milk Prices

Washington

Transcripts of two White House tapes released yesterday seem to corroborate President Nixon's claim that he ordered a controversial 1971 increase in milk price supports for political reasons, but also suggest the action was manipulated to nail down a \$2 million campaign pledge.

The transcripts, along with scores of documents assembled by the House Judiciary Committee from White House, dairy industry and court files, indicate that Mr. Nixon's staff repeatedly intermingled concern for obtaining milk money with handling industry problems.

Hundreds of thousands of dollars was eventually passed from milk marketing groups to the Nixon campaign, but the evidence indicates that far more could have been collected if the operation had not become tangled in its own secrecy system.

"They could have gotten much more money from us," a milk group leader said if the system for creating dummy committees to receive the funds had not bogged down.

The documents and an accompanying chronology of events released yesterday on the milk producers affair, two large volumes totaling 984 pages, are part of the mountain of material compiled by the Judiciary Committee in its impeachment investigation.

At issue in the milk producers case is whether Mr. Nixon's decision to overrule his secretary of agriculture and give the dairy industry higher price supports was illegally or improperly influ-

enced by the industry's prior pledge of \$2 million in campaign funds.

Broad factual outlines of the milk fund matter are documented extensively by the committee report.

- In December, 1970, a lawyer for Associated Milk Producers Inc. (AMPI) a giant milk marketing cooperative, sent Mr. Nixon a letter asking help on a dairy tariff problem and saying AMPI was arranging to give \$2 million to the reelection campaign.

- Mr. Nixon's aides began work on arrangements to receive the milk money, which was to come in as a series of monthly installments. Personality clashes and problems of insulating White House aides from the collection process plagued the operation.

- Early in 1971, dairymen began lobbying for higher price supports, but on

March 12, 1971, Secretary of Agriculture Clifford Hardin officially decided against approving the increase.

- On March 23, 1971, already aware of the \$2 million pledge, Mr. Nixon met with representatives of the dairy groups. Later the same day, he discussed the situation with his advisers and decided to reverse Hardin's decision.

Mr. Nixon has said his action was prompted by a belief that Congress would move to raise supports if he refused to do so. He has denied being motivated by the campaign pledge.

Transcripts of the two White House meetings on March 23, 1971, seem to support the contention that Mr.

Nixon felt his hand was being forced politically.

There are also strong indications in the transcripts and supporting documents, however, that the public announcement of Mr. Nixon's decision was delayed for two days so that a reaffirmation of the \$2 million pledge could be obtained from industry leaders.

During his March 23, 1971, meeting with the dairy groups, Mr. Nixon appeared to make only one indirect reference to their pledge, saying he understood the group was "politically very conscious" and adding:

"... You're willing to do something about it. And I must say a lot of businessmen and others that I get around this table, they'll yammer and talk a lot but they don't do anything about it."

Later that day, in summing up his conclusion for his advisers, Mr. Nixon said, "My political judgment is that Congress is going to pass it (the support increase). I could not veto it. Not because they're milkers but because they're farmers."

"And it would be just turning down the whole damn Middle America. Uh, where, uh, we, uh, where we; uh, need support. And under the circumstances, I think the best thing to do is just, uh, relax and enjoy it," he said.

Earlier in the discussion with his advisers, there had been extensive comments about the political and financial benefits of giving the dairy groups what they wanted, particularly from former Treasury Secretary John B. Connally.

"They're assembling an enormous amount of money that they're going to put into political activities, very frankly."

Connally said, adding "I think they've got, uh, a legitimate cause... I wouldn't recommend that you do, you ta—, do that if it didn't have any merit."

He urged Mr. Nixon not to wait until Congress voted the higher support levels. "If you do, you've cost yourself the money—you've lost your political advantage. You, you're infinitely worse off," he said in the most di-

rect reference to the campaign pledge that was made during the meeting.

A few minutes later, after Mr. Nixon agreed to raise the supports, Connally and others urged him to hold back the announcement. "... We've got a little work to do," Hardin said.

"You're in this thing for everything, you, you can get out of it," Connally told the President.

John D. Ehrlichman, then White House domestic affairs chief, said no action should be taken until "you get the green light."

Mr. Nixon, apparently unclear about the reference, said "you're now thinking of the political offer?"

Ehrlichman answered "in a day or so," apparently meaning the announcement could be made in a day or so.

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