

White House Explains

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The only basis of President Nixon's decision to raise government milk price supports in March, 1971, was a combination of "economic and traditional political considerations," according to White House lawyers.

Repeating the broad outlines of the position taken by Mr. Nixon last January in a lengthy public statement on the matter, the White House had denied to the House Judiciary Committee that milk price supports were increased in return for the promise of political contributions to President Nixon's 1972 re-election campaign.

The trade-off President Nixon did offer, according to a submission made to Judiciary by Mr. Nixon's lawyers, was that dairymen would receive an increase in 1971 "in return for a promise not to seek an increase in 1972."

According to the White House position, after the administration initially

decided not to raise milk price supports, President Nixon saw support mushroom in Congress for an increase. President Nixon decided that Congress would pass a bill "and that he could not veto it," the White House statement to the Judiciary committee said.

If President Nixon did veto the bill, the statement said, he was told by then-Treasury Secretary John B. Connally that he would lose Missouri, Wisconsin, South Dakota, Ohio, Kentucky and Iowa in the 1972 election.

As far as political contributions were concerned, the White House statement said that Connally told Mr. Nixon during a March 23, 1971, meeting that "the major dairy groups represent some 100,000 dairymen who are being tapped, labor union style, to amass an enormous amount of money which they were going to use in various congressional and senatorial races all over the country to the President's political detriment."

The White House statement does not, however, deal with a number of key issues in the controversy surrounding the decision to raise support prices in 1971.

The statement does not mention a late-night March 24, 1971, meeting attended by President Nixon's personal lawyer, Herbert W. Kalmbach, and dairy cooperative officials at which the dairymen reaffirmed a commitment to contribute \$2 million to the Nixon re-election campaign.

The White House statement, instead, cites testimony by officials of the largest dairy cooperative, Associated Milk Producers, Inc., that the figures of \$1 million or \$2 million were used in a "jesting manner" or were "thrown out" in conversation.

The White House statement also fails to mention that in 1971, simultaneous to President Nixon's decision to increase milk price supports, dairy cooperatives began contributions to Re-

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publican and dummy Nixon political campaign committees that totaled \$232,500 in 1971 and more than \$500,000 to the Nixon campaign before the 1972 election.

Although the White House statement alludes to a transcript of a March 23 meeting between Mr. Nixon and his advisers, the transcript is not reproduced in the White House submission.

In that transcript, released by the Judiciary Committee yesterday, Connally is quoted as telling Mr. Nixon that the dairymen were "amassing an enormous amount of money that they are going to put into political activities, very frankly. And, uh, uh, I think the purpose—I think they've got, uh a legitimate cause. I wouldn't, I wouldn't recommend that you do, you ta—, do that if it didn't have any merit to it."

Connally was a strong supporter of the decision to increase milk price supports in 1971, advocating the increase

on grounds that it was politically prudent and economically sound.

The White House statement pointed out that during the meeting with dairymen earlier on March 23 no mention was made of political contributions either by Mr. Nixon or by the dairymen.

After the decision was made by President Nixon to increase milk price supports, the White House statement said, a conscious decision also was made to hold off informing the dairymen until House Speaker Carl Albert (D-Okla.) and House Ways and Means Committee Chairman Wilbur Mills (D-Ark.) could be contacted "in order to obtain their support, in return, on other legislation."

The White House paper also cited testimony by Kalmbach that on March 25, 1971, "he was unaware of any price support matter and that he does not recall any suggestion or indirect suggestion of a relationship between cam-

paign contributions and governmental actions affecting the dairy industry by members of the dairy industry or their representatives or members of the White House staff."

The testimony cited by the White House statement is from a deposition given by Kalmbach on Dec. 13, 1973, in connection with a lawsuit concerning the price increase.

Kalmbach has given apparently conflicting testimony to the Senate Watergate committee, saying that presidential domestic adviser John D. Ehrlichman had arranged a meeting for him with the dairymen on March 24 so that they could reaffirm their intention to contribute \$2 million to the Nixon campaign.

The White House statement noted that three officials of the dairy cooperatives all have testified "to the effect that there was no quid-pro-quo relationship between a milk price support increase and campaign contributions."