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PRESIDENTIAL CAMPAIGN ACTIVITIES OF 1972

DOCUMENTS SENATE RESOLUTION 60

NOV 4 1975

THE UNIVERSITY OF KANSAS

EXECUTIVE SESSION HEARINGS
BEFORE THE
SELECT COMMITTEE ON
PRESIDENTIAL CAMPAIGN ACTIVITIES
OF THE
UNITED STATES SENATE
NINETY-THIRD CONGRESS
SECOND SESSION



WATERGATE AND RELATED ACTIVITIES

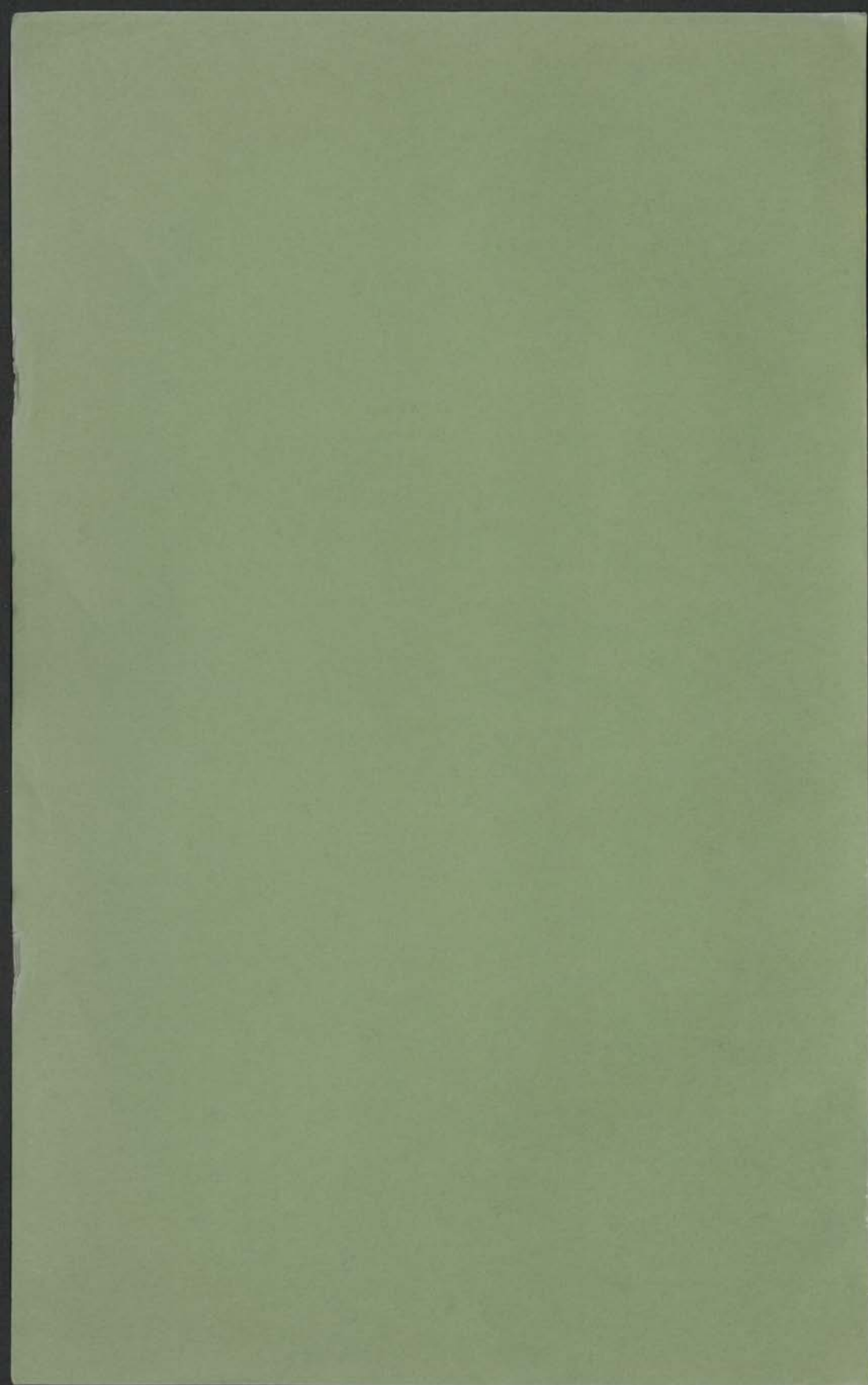
Milk Fund Investigation

WASHINGTON, D.C., MARCH 20, 22, 25, 26, APRIL 2, 11, 26,
MAY 21, 31, AND JUNE 13, 1974

Book 17



Printed for the use of the
Select Committee on Presidential Campaign Activities



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SENATE RESOLUTION 60

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[Executive session hearings released to the public after the filing
of the final report of the Senate Select Committee.]

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PRESIDENTIAL CAMPAIGN ACTIVITIES OF 1972 MILK FUND INVESTIGATION

WEDNESDAY, MARCH 20, 1974

U.S. SENATE,
SELECT COMMITTEE ON
PRESIDENTIAL CAMPAIGN ACTIVITIES,
Washington, D.C.

The Select Committee met, pursuant to notice, at 2:10 p.m., in room 1418, Dirksen Senate Office Building.

Present: Senator Talmadge.

Also present: David M. Dorsen, assistant chief counsel; Alan S. Weitz, assistant majority counsel; and Donald Sanders, deputy minority counsel.

Senator TALMADGE. Do you swear that the evidence you shall give the Select Committee on Presidential Campaign Activities of 1972 shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. NUNN. I do.

Senator TALMADGE. Thank you, sir.

[Brief recess.]

Mr. WEITZ. Well, I guess we can begin now.

Just as a preliminary question, I wonder if you would get some background on the record, Mr. Nunn? For the record, would you please state your full name and address?

TESTIMONY OF LEE NUNN, ACCOMPANIED BY WALLACE L. DUNCAN, COUNSEL

Mr. NUNN. Lee Nunn, Route 1, Cave City, Ky.

Mr. WEITZ. And would your counsel please identify himself for the record?

Mr. DUNCAN. Wallace L. Duncan; Duncan, Brown & Palmer, 1700 Pennsylvania Avenue, Washington, D.C.

Mr. WEITZ. Mr. Nunn, just by way of background, I understand you were director of the Senatorial Campaign Committee—the Republican Senatorial Campaign Committee from 1968 until 1971?

Mr. NUNN. Yes; that is correct. Maybe it was a little earlier than that. I don't recall the exact dates.

Mr. WEITZ. I see. Did you also have responsibility during that period and earlier for national Republican annual dinners?

Mr. NUNN. Yes; I did.

Mr. WEITZ. For what period; do you recall?

Mr. NUNN. Probably going back to 1967, I guess, through March of 1971. March of 1971 was the last dinner that I held for—including the dinners at the Republican National Conventions.

Mr. WEITZ. Now, did you leave the Senatorial Campaign Committee in March of 1971?

Mr. NUNN. At the end of March of 1971, yes; March 31, 1971, I guess was my last day.

Mr. WEITZ. And then at that time, or shortly thereafter, did you join the predecessor organization to the Finance Committee To Re-Elect the President?

Mr. NUNN. Yes, at sometime in April I became active in that.

Mr. WEITZ. Was that the earliest time you were connected with the reelection effort, the reelection campaign?

Mr. NUNN. Yes.

Mr. WEITZ. What was your position there?

Mr. NUNN. Well, I eventually was vice chairman. I was named the vice chairman without my knowledge. It just suddenly appeared on the letterhead one day and that was that.

Mr. WEITZ. Do you know when that first happened?

Mr. NUNN. That took place when Secretary Stans came into operation—shortly after he arrived in 1972 that happened.

Mr. WEITZ. Prior to that you did not hold any specific title?

Mr. NUNN. I held no specific title. I worked both politically and with the finances.

Mr. WEITZ. What were your responsibilities or areas of activities?

Mr. NUNN. Well, in the beginning we set up a direct mail campaign to bring in funds to help sustain the small operation that was there. I worked on political matters in the 50 States due to my knowledge of the political people all around the country just keeping an ear to the ground as to delegates and potential opponents that might come up, and things of that nature; just general politics as well as finance.

Mr. WEITZ. How long did you serve as vice chairman of the committee?

Mr. NUNN. Until the end of the committee, I guess.

Mr. WEITZ. Who did you report to first before Secretary Stans came on, and then after?

Mr. NUNN. To Attorney General Mitchell. Then Secretary Stans came in and I reported to Secretary Stans and to Attorney General Mitchell. Then also I reported to Clark MacGregor when he came in on matters that related to politics. I never was completely out of the political field. I did a little politics along with the fundraising at all times.

Mr. WEITZ. Did your position change in any way, either practically speaking or in title, after April of 1972?

Mr. NUNN. No.

Mr. WEITZ. Were you reporting to or coordinating with the efforts of Mr. Kalmbach? Were you reporting to him or was he reporting to you?

Mr. NUNN. No; there was some relationship. Kalmbach was on board when I came in, but he was outside most of the time. He was seldom in the office, but we did have discussions from time to time chiefly on fundraising; yes.

No one ever told me that I was to report to anyone in particular. John Mitchell just said:

Go on over there. We are going to set up an organization and I will be over very shortly and we will get things going.

Mr. WEITZ. All right. Now I would like to turn your attention to 1971 and ask you when, either at the senatorial campaign committee or after you joined the reelection effort, you first became aware of the milk producers and potential contributions by them?

Mr. NUNN. Well, the milk producers had contributed to our dinners. Now, I can't recall the first one that they contributed to, but I do know they contributed substantially to the March dinner.

Mr. WEITZ. Had they, to the best of your recollection, Mr. Nunn, contributed before 1971?

Mr. NUNN. I believe they had. I can't say that for certain. You would have to check the records of the senatorial campaign committee. It was not large prior to that time if they had.

Mr. WEITZ. Either prior to 1971 or in connection with the 1971 contributions, did you deal with them directly?

Mr. NUNN. No, I never did get acquainted with the top people in the milk producers.

You say "dealing with them directly," and at one time I was in the milk business, a farmer myself, and the milk producers deducted from my checks for their purposes. So I did have some knowledge that there was such an organization in existence at that time. And then as director of the dinners, the people working for me were calling contributors from all over the United States and milk producers were on that list, of course. And they were contacted by the people working for me out there on those dinners. They were usually conducted from the Washington Hilton Hotel.

Mr. WEITZ. Do you know how, in fact, the milk people were solicited for their contributions to the 1971 dinner? Was it through this telephone operation?

Mr. NUNN. Through this telephone operation? Yes, we didn't have anyone out in the field working. It was all done by telephone from here in Washington.

Mr. WEITZ. Did you discuss the possibility of contributions by the milk people with Marion Harrison?

Mr. NUNN. Yes, Marion Harrison was the principal contact here in Washington for the milk producers at that time.

Mr. WEITZ. Did you know him prior to that?

Mr. NUNN. No, I did not. I think the first time I met Marion Harrison was when he delivered checks over there to the dinner committee or else he attended a dinner. I can't recall which, but it was on one of those occasions.

Mr. WEITZ. Do you recall when you were first told of the intention of the milk producers to contribute to the dinner?

Mr. NUNN. Well, I cannot because we had a card system with about 30,000 cards that we solicited and each day I would go through these as the telephone people would turn them in at night, and we would study the cards as to who had made commitments and we would try to follow up. All commitments didn't always come through so we had an intensive followup on those. And at some time now during that period, I am sure I must have noted from the cards that the milk producers intended to contribute. Also I may have had a call from someone, possibly Harrison, but I just don't recall how that happened it has been so long ago.

Mr. WEITZ. With respect to reviewing those cards or otherwise, what was the amount of the commitment that the milk producers intended or had made—or intended to contribute?

Mr. NUNN. I have no idea, because they were in the thousands. You see, those dinners at that time were running \$2 or \$3 million for a single dinner and there were a lot of contributors. The records will show all of that, whatever it is.

Mr. WEITZ. Well, the records will show what they ultimately contributed. What I am asking is if there is possibly any discrepancy between that and their commitment, and if so, if you were aware of what that amount was?

Mr. NUNN. No, I am sure there was not.

Mr. WEITZ. Did you discuss the milk producers' pledge or contribution to the dinner with anyone in the White House?

Mr. NUNN. I don't recall. I could have. I don't recall it because my contacts at that time were with the committees here on the Hill and with the Republican National Committee. They were the three that shared in the dinner. I don't think the White House had any part of that dinner.

Mr. WEITZ. Was there any preexisting commitment by the White House people to the Republican National Committee or to your committee, "your" meaning the senatorial committee, at that time that was outstanding in either moneys that they had taken or moneys that they had been committed to raise for you?

Mr. NUNN. They hadn't taken any money from our committee or agreed to raise any money as far as our committee was concerned. Now the Republican National, I just don't know. There could have been because the Republican National Committee had a custom, and I presume they still do, of an amount set up in their budget to take care of White House expenses. But as to what that was, I did not know at that time. At a later date I did know.

Mr. WEITZ. Now, the Republican National Committee—is it not true that it or its affiliate committees normally share in the proceeds of the dinners, they would share in the March of 1971 dinner and similar dinners?

Mr. NUNN. The March of 1971 dinner they did. At one time it was Senate-House only and then I think we had just a Senate dinner and then we had the Republican National Committee coming into the picture. At the 1968 or 1969, or somewhere in there at one dinner, the White House shared by way of the Republican National Committee to help defray some of the expenses of the inauguration and so forth. You know, the legislation had been enacted here setting up funds to change over the administration, but it was not adequate so the Republican National Committee made up the difference. I think some of that money came from the dinner operation.

Mr. WEITZ. So if there was some type of commitment or arrangement between the White House and the Republican National Committee, at least in 1971, you were not necessarily aware of it?

Mr. NUNN. No, I didn't know anything about it because at that time I hadn't the faintest idea I would be involved in the Presidential campaign.

Mr. WEITZ. And I take it no one in any way discussed the connection between the milk producers' contribution to the dinner and any arrangements between the White House and the Republican National Committee for fundraising?

Mr. NUNN. If they did, I don't recall it. They could have. They could very well have done so because there were all sorts of discussions on the dinner and everyone was interested in the dinner. We had asked people connected with the party, including the White House, for anything they could do to assist in selling dinner tickets. So there could have been. I don't recall if there was.

Mr. WEITZ. Who would have told you that, if, in fact, you were informed of any such arrangement? Who were you in contact with who would have had that information?

Mr. NUNN. Well, Murray Chotiner, I would imagine, because he was the man we had most of the contact with concerning the 1970 campaigns.

Mr. WEITZ. In the White House?

Mr. NUNN. In the White House, yes.

Mr. WEITZ. How much was each ticket to the dinner?

Mr. NUNN. \$1,000.

Mr. WEITZ. And was there a set number of seats per table?

Mr. NUNN. Yes, 10 per table; that is \$10,000 per table.

Mr. WEITZ. If the White House had wanted to get credit for the milk producers' contribution to the dinner from the Republican National Committee, that is, credit from the Republican National Committee, would that again have been something that could have taken place between the White House and the Republican National Committee without you people knowing about it?

Mr. NUNN. Oh, yes, without our knowledge. We wouldn't have known anything about that.

Mr. WEITZ. Do you recall how much was contributed by the milk producers, the three dairy co-ops, or their political trust to the dinner?

Mr. NUNN. Well, I tried to reconstruct some of it and I think somewhere around \$60,000 or more; \$60,000 sort of sticks in my head, but there again they would have it over at the Senatorial Campaign Committee. It is on the records.

Mr. DUNCAN. This is the March of 1971?

Mr. WEITZ. Right.

Mr. NUNN. Whatever their records are, I mean.

Mr. WEITZ. Well, I would like to read for you and ask you, with respect to the following nine committees, which of these committees, because these are committees that received funds from the milk producers in the period of March, April, and May of 1971, and I would ask you which received funds?

Mr. NUNN. Well, at the March dinner in order to spread the money that they contributed—in order to do that, we used practically all of the committees that national had and the Congressional Campaign Committee had, too, in order to spread the money.

Mr. WEITZ. So that if a contribution was made, not directly to a dinner committee as such, but to the Republican National Committee, it still might count against their share in the proceeds of the dinner?

Mr. NUNN. Oh, yes; when the final settlement was made and when it was noted they had been advanced that much.

Another thing that happened through a dinner occasionally, particularly with the congressional side, they would need additional funds before the end of the dinner, before we could render an ac-

counting, so we would make an advance of \$50,000 or \$100,000 or something of that kind, so that they could go ahead.

There was interchange amongst the committees from time to time, on the basis of need, more than anything else.

Mr. WEITZ. Let me just read the names of the nine committees and at the end, assuming they probably all were used at the time—at the end you can tell me if any were not used.

First, Republican National Finance Committee; Republican National Candidates Conference; Republican National Committee; Republican National Associates; Kick-Off 1972 Republican Dinner Committee; Republican National Finance Operations Committee; Republican Victory Committee; Republican Campaign Committee; Committee for a Republican Congress; finally, Republican Congressional Candidates Conference.

Mr. NUNN. The one that doesn't ring a bell is that candidates conference.

Mr. WEITZ. The Republican National Candidates Conference?

Mr. NUNN. But it could have been used. Probably they were all used. If the records show that, I would agree.

Mr. WEITZ. Well, the records do show the contribution. I am just asking for your best recollection of whether they were associated with receiving moneys for the dinner?

Mr. NUNN. Yes, if the records show that, I am sure they are.

Mr. WEITZ. Do you recall any problem with any of the particular dairy trusts or the dairy people in the timing of their contribution; that is, not having the money available before the dinner and either Mr. Harrison or someone else advancing money for any tickets?

Mr. NUNN. It could have happened. That very often happened that people would not have the money available and it would come in later and we would extend credit to them and so it could have occurred with the milk producers. I don't recall offhand. It seems to me there was something about that, but I have no recollection of it offhand. Again, the records would show because following the dinner there would be a sheet that would show those that were outstanding and had not made payment but had been extended credit. So it would show on those records.

Mr. WEITZ. Do you know who kept the records?

Mr. NUNN. Well, let's see. That may have been Lynda Clancy at that time. I'm not sure. No, I guess not. Maybe she came in later.

Mr. WEITZ. I think she may have told us she did.

Mr. NUNN. She could have. She has custody of the records now and I presume she could tell you that.

Mr. WEITZ. Did you speak with, either at the dinner or before or after the dinner, any of the representatives of the dairy co-ops, particularly from your State of Kentucky?

Mr. NUNN. Not that I recall. The first member of the dairy operation that I met, I guess, and that I recall was not too long ago when I was having lunch—when you and I, Mr. Duncan, were having lunch over at the—

Mr. DUNCAN. The Lawyers' Club.

Mr. NUNN. Yes; at the Lawyers' Club with a man—well, I don't recall the man's name but he was introduced as being with the Associated Dairy in Louisville, Ky.

Mr. WEITZ. I see, but I meant in 1971.

Mr. NUNN. No, I had no contact with them.

Mr. WEITZ. Do you recall any solicitation sometime after the dinner, say 4 to 6 weeks after the dinner, to the co-op or its trust in Kentucky in connection with the dinner, some oversight of a contribution that hadn't been made but had been committed in connection with the dinner?

Mr. NUNN. No, I don't. If there had been anything of that nature, it would have been handled through Marion Harrison's office.

Mr. WEITZ. Do you recall any dealings with Harrison in that regard?

Mr. NUNN. I don't recall, but there again, the records would show if there was anything.

Mr. WEITZ. Did you have a conversation with Attorney General Mitchell in connection with your joining the Finance Committee To Re-Elect the President and, in fact, asked to join the committee?

Mr. NUNN. Well, he called me and asked me if I would stop by his office. I don't recall when that was but again his records would show that because he had a record of all of his appointments.

Mr. WEITZ. Was it after the dinner?

Mr. NUNN. Yes, it was—well, I guess it was after April 1, if it was after I had resigned. Again, I don't recall but you would have that.

But he did call me in and ask me what my intentions were and I told him that I had neglected my home and farming operations for a long time. He said that he would like for me to stay on in Washington for the duration of the President's campaign and asked me to think about it and see if I couldn't extend my stay up here and assist in the reelection campaign. He said that he expected to be the chairman and about the same type organization would probably be set up as had been set up in New York in the previous campaign. So I said, "Well, let me talk to my family," because I was commuting back and forth, you know. And I did talk to my family. And then at a later meeting I agreed that I would continue on in the Presidential campaign and do what I could to assist in the reelection efforts.

Mr. WEITZ. Either before joining the reelection campaign or shortly after coming on board, were you made aware of any outstanding pledge or commitment by the dairy producers for the reelection effort?

Mr. NUNN. I was told that one of the immediate jobs was the money coming in from the dairy co-ops and the problem was to set up the committees to receive these funds. Now all of this was in process and Bob Bennett was setting up committees to receive funds from the co-ops. And, yes, I was made aware of that and it was not going too well, not very rapidly.

Mr. WEITZ. Who did you discuss that with, do you recall?

Mr. NUNN. Oh, probably Hugh Sloan, probably Herb Kalmbach. I don't recall specifically. They would have made me aware of that and particularly Hugh Sloan would have briefed me something about it. And then from time to time there were discussions with others I am sure because of the slowness with which this thing proceeded. And I never did quite understand the reasons for the effort to set this up in the manner in which it was being set up.

Mr. WEITZ. How many committees were either being or to be established in that connection?

Mr. NUNN. Well, as I recall it, it was a couple of hundred, maybe 250. It seems to me there was a figure of about a couple of hundred committees we were going to need but—

Mr. WEITZ. Now I'm talking about the milk producers.

Mr. NUNN. Yes, but the immediate need was for 100 committees.

Mr. WEITZ. Then ultimately several hundred?

Mr. NUNN. Well, I never did get beyond maybe 200 or 300 possibly. But, no, I never did go beyond that or hear any figure beyond a couple of 100 or maybe 250.

Mr. WEITZ. What amount did you understand would be contributed to each committee and overall?

Mr. NUNN. Well, to each committee, now that was another problem. The contribution was to be only \$2,500 and we had such difficulty in setting up committees, and so I brought up the matter of "why not make it \$5,000," which was the limit. I understood that their counsel would not go along with this. At a much later date I was told that the reason was that he was afraid that because there were so many committees, that someone would make a mistake and make two contributions of \$5,000 in one committee and then they would be in trouble. So it was just set up for \$2,500 each.

Mr. WEITZ. So that if there was a mistake, they would still be within the law?

Mr. NUNN. Yes, and there was a great problem. Mr. Bennett was having great difficulty in trying to get together the people who would serve as treasurers and chairmen of these committees.

Mr. WEITZ. Did Mr. Kalmbach or Mr. Sloan or anyone else indicate what the total contribution would be?

Mr. NUNN. Not at that time; not that I recall, no.

Mr. WEITZ. Why were separate committees being set up by Mr. Bennett for these contributions?

Mr. NUNN. Well, the theory was that they wanted to keep these committees undercover without publicity as long as possible and that they felt the best way to do this apparently was to use bank personnel as treasurers and then people that were close party members as chairmen, but I never did have any confidence in their ability to keep them confidential because there were so many people involved in so many committees and of course it didn't stay confidential very long. And I couldn't see the need of it because milk producers were filing right over here to the Clerk of the House. It was a matter of public record.

The only thing that was secret about it was that the press had difficulty in getting a treasurer or a chairman to tell for whom they were acting. But I believe, anyway, they filed only treasurers' names as I recall it.

Mr. WEITZ. The milk producers?

Mr. NUNN. Yes. And the treasurers being at the bank, why then, when they called the bank, no information.

Mr. WEITZ. So although it may not have been totally effective, there was some element of secrecy involved by using bank officials, I take it?

Mr. NUNN. Well, yes. They felt it would not be good business to disclose immediately that these funds were coming in for the Presidential campaign, politically, because the later you postpone those things, the better. If you don't, you alert the opposition party that you are out there active, so then it activates them. They get moving much earlier too.

Mr. WEITZ. Did anyone ever discuss with you any other reasons for keeping these contributions, as you put it, "undercover," besides what you have already enumerated?

Mr. NUNN. No, there was very little discussion of anything of that nature with me. The discussion with me was: "Let's get these committees formed and Harrison has some more money." And Harrison would call me occasionally and would say: "Look, if you will give me some committees' names, we can send some additional funds in."

Now Bob Bennett was the man setting up the committees, but on the other hand they didn't want me to press Bob Bennett too hard because he was the son of a U.S. Senator. So the thing seemed to drag and so we just did the best we could in getting the committees set up. It was delayed and slow moving.

Mr. WEITZ. I understand you said Marion Harrison would call you and say that he had money if you had the committees?

Mr. NUNN. Yes; the committees, yes—that the money would be available if we had the committees that the checks could be written to.

Mr. WEITZ. Now, was there any reason why it seemed to be a reverse situation from the normal fundraising situation where a fundraiser presses, or at least solicits, or at least approaches the contributor rather than the contributor actually seeking out the fundraiser and informing him that they are anxious to give as soon as the committees are formed?

Did you have an understanding as to the relationships or the arrangements between Mr. Harrison and the Committee To Re-Elect?

Mr. NUNN. No, all I understood was that Mr. Harrison—that his office was the contact for the milk producers' contribution and if they wanted to make these contributions we should get together a hundred or a couple of hundred committees. But we needed 100 committees, and that was the immediate goal we had there.

I couldn't understand the difficulty in getting them together. And then also Bennett was supposed to do this with his organization or himself. And it was slow and there was no pressure to be exerted on Bennett to get him upset in any way. There was no urgent need for money because funds were coming in from our little direct mail campaign that was underway at that time.

Mr. WEITZ. What was the money from the milk producers to be used for?

Mr. NUNN. General campaign purposes as far as I was concerned. I didn't know. I had nothing to do with that end of it. My job was to try to get the committees established so the contributions could be made.

Mr. WEITZ. Well, didn't you have a discussion with Kalmbach and Sloan, either separately or together, in May of 1971, discussing what the best use of the moneys from the milk producers would be?

Mr. NUNN. I could have, I could have. I don't recall. I mean, I could have very well done so. We had discussions from time to time because of the slowness with which these funds were coming in. The use of the money was just general campaign as far as I knew.

Mr. WEITZ. Was there first a suggestion that it would be used for the operating expenses of 1701 and then that suggestion was rejected?

Mr. NUNN. It could very well have been, it could very well have been. I think my contention all along was that it could be sustained very easily by direct mail or direct contacts from the committee because there were so few people there and the expenses were not heavy at that time. I don't recall.

Mr. WEITZ. We have a White House memorandum from Gordon Strachan to H. R. Haldeman in May of 1971 and there is reference to the fact that both you and Mr. Kalmbach opposed the use of the milk money for the ongoing expenses of the Citizens' Committee to Re-Elect. Is that consistent with your recollection?

Mr. NUNN. It could have been because the committees were being set up and it could very well have been. There was no reason to disturb the committee setup. It could very well have been. I don't recall.

Mr. WEITZ. Was one of the reasons for that view, if you had it, that the use of that money might increase the possibility of disclosure of those contributions?

Mr. NUNN. I don't recall. It could have been. Let's see, well, they would have had to have transferred the money out of those committees to other committees. It could very well have been. I don't recall the details of the thinking behind it at that time. It has been so long ago.

Mr. WEITZ. Was there ever any discussion as to a special need or particular desire to maintain the secrecy of the milk money contributions as opposed to other large contributions during 1971?

Mr. NUNN. No; you see, I guess the reason for the milk producers' contribution, that is, hopefully, the keeping of that undercover for awhile, was because it was a fairly substantial amount early. All you are doing is activating the opposition when you disclose a substantial contribution early.

Mr. DUNCAN. You are talking about the memorandum of May 21 of 1971 from Gordon Strachan to Haldeman?

Mr. WEITZ. Right. It is already in there. I won't make an exhibit to this, partly because you can't identify it, Mr. Nunn, and partly because we already have had it admitted into the record.

Mr. DUNCAN. He had never seen it.

Mr. WEITZ. At the time, yes.

Mr. DUNCAN. And still hasn't, to my knowledge.

Mr. WEITZ. I see. Now, there is a reference in the memorandum to the effect that the milk money, if it were to be transferred into the committees holding Kalmbach-collected money, might contaminate them. It says "might contaminate them," and that is the language of the memorandum. Can you explain what that means?

Mr. NUNN. Well, I guess the fear there was—you are increasing the amount of money in the accounts and the milk producers were filing, and the other people would not be filing up here. I think that would probably be it. You see, the milk producers' situation was peculiar in two respects: One, it was \$2,500 when it could have been \$5,000; and the other was they filed with the Clerk of the House.

Mr. WEITZ. So from their end they were reporting?

Mr. NUNN. Yes; so they said, "We are reporting and there is no secrecy here and we are a trust and we have to report." That is what I understood from Harrison.

Mr. WEITZ. Were you aware in April-May of 1971 of 75 checks of \$2,500 each that, in fact, were either prepared or delivered or ready for delivery but were not delivered or deposited because of the lack of readiness of the committees?

Mr. NUNN. Sure I was, because I was following through on that about that time. I would have known about those, yes.

Mr. WEITZ. Let me ask you this. There is something that puzzles me. Both the checks and the records of the dairy trust indicate that the first series of contributions to these multiple committees was made in July of 1971. Now in this May 21 memo, it refers to the fact that "76 checks for \$2,500 each have been transferred into Bennett-created committees."

In other words, it is speaking in the past tense. And in fact, Mr. Nunn, the milk producers' records do indicate voided checks that were drawn around that time to numerous committees in the amount of \$2,500 each.

My question is this: Do you have any knowledge as to why the memo speaks in terms of the past tense, that is, delivery of the checks, whereas according to the records of the milk producers, they were voided and weren't ultimately deposited—well, that subsequent checks were made out and were not deposited until 2 or 3 months later?

Mr. NUNN. Gee, I don't recall that. Of course I had nothing to do with the depositing of the checks. When I received the checks, I turned them over to the treasurer and that was the end of it as far as I was concerned.

Mr. WEITZ. So you don't know whether in May of 1971 checks were in fact delivered to the committees?

Mr. NUNN. Oh, I think that checks were delivered. I don't recall, I mean, I don't recall the dates.

I do know this, that there was a long delay in getting these Bennett committees established. It was very frustrating. I think that it probably created a bad impression as far as people over there were concerned with the management of the campaign, you know, that since there was so much delay it must be the fault of the personnel. But then we had this other problem that on the other hand you couldn't put any pressure on Bob Bennett. And so I don't recall the dates, but whatever the records would show should be correct on that.

Mr. WEITZ. Did you discuss this matter or any other matter in connection with these contributions with Murray Chotiner?

Mr. NUNN. Oh, if Harrison was out of town, yes. Chotiner was in that Harrison firm up there. As I understood it, Harrison was the principal one but Chotiner was involved from time to time and I knew Murray Chotiner personally. Murray was the man we worked with in 1970 in the Senate races when John Tower was the chairman of the committee here. So naturally it would just be a normal thing for him and I to discuss it if Harrison was out of the city or unavailable.

Mr. WEITZ. Did Mr. Kalmbach ever express any other problems to you or any other reservations he had about the milk producers' contributions other than this delay in the committee's preparation and also in the \$2,500 amounts? Is there anything else that he ever discussed with you in that connection?

Mr. NUNN. I don't recall anything. He could very well have done so, but I don't recall it.

Mr. WEITZ. Did he ever raise the problem of the lack of control or somehow about their being less control over these funds from the committee's viewpoint and more control of the donor's viewpoint than from other contributors?

Mr. NUNN. Not that I recall, no.

Mr. DUNCAN. There is one thing that I want clarified there. I don't think the prior testimony shows he ever discussed with Mr. Kalmbach the problem of making the checks out for \$2,500 as opposed to \$5,000. I think your question presupposed that conversation took place.

Mr. WEITZ. Right. The question essentially should have read that other than these problems, which you were aware of and perhaps others were, did you ever discuss with Mr. Kalmbach any other problems in connection with these contributions? I gather your answer was no?

Mr. NUNN. No, I don't recall any.

Mr. WEITZ. Were you aware of any overall pledge to the campaign, either overall pledge or some monthly pledge or pledge by a timetable by the milk producers to the reelection campaign?

Mr. NUNN. Not that I recall other than this 100 committees that we were to set up. Now, sometime down the line—well, as a matter of fact, it is fairly recently that I first read that famous letter that was written by the former Congressman from over there in Harrison's office—

Mr. DUNCAN. Pat Hillings?

Mr. NUNN. Yes, Pat Hillings. But I don't recall hearing any figure at all. Of course I was always accustomed to hearing these boxcar figures dropped when I was here with the committee and, you know, in Washington you pay no attention to those until it is actually money in hand. We always had a policy at our dinner committee where, when some livewire that was doing the calling would come in and say "Well, I just sold 10 tables" or "Well, I just sold two tables," or whatever it was, and he would say "Write it up for me and put it on the record," and so forth. Well, we would just say, "Now, look, just don't count anything until the money is in hand."

And so if I had heard of any figure, I would have paid attention to it. I did know that the milk producers were very substantial people and could contribute substantially because they were deducting a lot of money.

Mr. WEITZ. From their members?

Mr. NUNN. Yes.

Mr. WEITZ. Well, how much do you remember was received from the milk producers in 1971? Let's limit ourselves for the moment to these committees.

Mr. NUNN. I don't remember the figures at all except in a general way. It seems to me that there was \$200,000 or \$300,000 that finally came in there while I was active in the early stages.

Mr. WEITZ. Were you reporting your activities to anyone in the White House?

Mr. NUNN. No; I would just take the checks and turn them over to Hugh Sloan or maybe to Gordon Strachan. Gordon was sort of a runner between the White House and the committee over there and maybe in a conversation with him he would ask questions of me, or Sloan would or somebody else, you know, sort of needling me as to "What about getting some movement on this?" or "What about getting some movement on that?"

Mr. WEITZ. So he would ask about particular areas and not a general report?

Mr. NUNN. No, I didn't make any general report to anyone over there.

Mr. WEITZ. In other words, you would answer his specific question?

Mr. NUNN. Oh, yes, sir; why any question I would get over there, why of course you would answer it.

Mr. WEITZ. Do you recall any questions or conversations with Strachan about the milk producers' contributions?

Mr. NUNN. No, I don't recall any but I am sure there were conversations concerning how it was coming along because it was the one that was being delayed and dragged out because of the problem of getting those committees together.

Mr. WEITZ. Was the White House aware of this problem?

Mr. NUNN. Strachan, I assume, was, and I assumed that they were.

Mr. WEITZ. Do you recall reporting to Strachan in 1971 and—let's say September or the fall of 1971—as to the amounts that had been received up to that time?

Mr. NUNN. I could very well have done so. I don't recall it offhand, but I very well could have done so.

Mr. WEITZ. Do you recall either calling him, discussing him, or otherwise becoming aware of the fact that a \$90,000 commitment had been made by the milk producers?

Mr. NUNN. I don't recall any commitment.

Mr. WEITZ. Or representation of a \$90,000 contribution?

Mr. NUNN. No, I never made any commitment figure of that kind.

Mr. WEITZ. Do you recall in the course of any conversations with Mr. Strachan in 1971 his observations or discussion to the fact that whatever had been contributed by the milk producers, was below the amount—was below the goal figure for the amount that was expected of them?

Mr. NUNN. I do not recall, but it could have happened; but I doubt it very much because Gordon Strachan did not speculate and did not give out any information at all. He did specifically, according to my view of it, what he was told to do and nothing else. There was just no information from Gordon Strachan.

Mr. WEITZ. What about anybody else like either Hugh Sloan or Herb Kalmbach?

Mr. NUNN. Well, Hugh Sloan was our treasurer and of course Hugh and I might discuss it from time to time if there was some problem. But about the only White House contact at that time over there was Gordon Strachan and I do not recall any of the other people being over. There was just not much activity.

The chief interest was in delegates and things of that nature and whether someone was going to come out and oppose the President and that sort of thing.

It was political more than fundraising. There was no pressure in the fundraising field particularly and certainly not by comparison with that that was put on when Maurice Stans arrived on the scene. And I was advised that we did not want to make any special effort until or after the Republican National Finance Committee had their—well, I believe it was their November dinner of 1971. They had a November dinner and we were not to interfere with that. And hell, if we talked to very many people, why they would get upset about our interfering with their activities. They felt that they should get their budget out of the way before the Finance Committee To Re-Elect started their activities.

Mr. WEITZ. I think you mentioned some reference to a concern not so much with contributions but with positions of newspapers and other public issues. Did there come a time in the fall of 1971 when there was some adverse publicity in connection with the milk contributions?

Mr. NUNN. Yes, there were some articles that appeared somewhere in the news and I cannot recall what State or where it was. It could have been—no, I do not think it was Washington. And I was never concerned about it at all. I could not see any problem with it.

Mr. WEITZ. Well, did not the articles in addition to just stating the fact that there were substantial amounts coming in from a few sources relatively early in the campaign—were there not some suggestions in the articles which did cause concern, linking or suggesting that there was a link between those contributions and the milk price supports?

Mr. NUNN. Yes, I think so. At some point in time that came in and then, yes, there was reason for concern at that time. But all of that happened before I ever became involved with the committee. I did not even know I was coming there at the time of those price supports.

Mr. WEITZ. You mean the decision itself?

Mr. NUNN. Yes.

Mr. WEITZ. I take it during March of 1971—and just to backtrack for a moment, when you were running or preparing for the dinner, I take it that you had no knowledge of either any action in connection with those decisions or any active solicitation by Mr. Kalmbach or others of the milk producers?

Mr. NUNN. I had none whatsoever. I was so tied up in the dinner that that was all that was on my mind. Whatever knowledge I might have had would have been something that was in the press. But, no, I did not know what was going on.

Mr. WEITZ. Now in the fall of 1971 after you were involved, and in connection with these articles and the investigation by newspapermen in preparation for these articles, did you discuss both the contributions and any other matters relating to them with anyone either in the White House or other people connected with the committee?

Mr. NUNN. I could have but I do not know who it would be in the White House. I probably did with Sloan and maybe with Kalmbach and possibly could have had some discussion with John Dean because John was consulted on the setting up of the committees, the charter and so forth, and things of that nature. But as to the problems that would be with the White House, those involvements there, as to that, no; our chief discussion was being sure that we were able to get these committees set up and that they were set up legally and that type of thing and just to maintain the confidentiality of funds coming in.

Mr. WEITZ. We have another memo and this is September of 1971 from Gordon Strachan to H. R. Haldeman, and it discusses both the report by you to Mr. Strachan on the amounts received up to that time, which was slightly over \$200,000, but also it goes on to discuss the investigation by a reporter from the Minneapolis Star in connection with an article relating to the milk fund. Now in the course of the memo Mr. Strachan says that "Bennet has told Nunn that no damaging information has been released."

Now, did he discuss with you what information be considered damaging that either was or was not released?

Mr. NUNN. Well, the release of the names of the treasurers would have been—well, I do not mean the treasurers, of the chairmen—was always considered to be somewhat of a problem because the only information that the press had at that time was the treasurers' names, as I recall it, that were filed over there. I do not believe the milk producers filed the chairmen but I do not recall anything specific about that.

Mr. WEITZ. Well, do you recall in September of 1971 meeting or discussing this matter with—and I know you said with Mr. Dean or Mr. Kalmbach, perhaps, and Mr. Sloan—but do you also remember discussing it with Tom Evans?

Mr. NUNN. Tom Evans of New York?

Mr. WEITZ. I believe so.

Mr. NUNN. Could have. He was with a New York law firm and he came down there and was eventually deputy chairman for a while. Could very well have been so, yes.

Mr. WEITZ. He was a partner in Mr. Mitchell's and the President's law firm, was he not?

Mr. NUNN. Yes, and I met Tom earlier and knew him, yes.

Mr. WEITZ. Do you remember a meeting together with Mr. Kalmbach, Mr. Dean, and Mr. Evans to discuss the possible articles and any matters in connection with the milk contributions?

Mr. NUNN. Could very well have been. I do not recall the specific meeting, but there could have been because they were considerably disturbed over the publicity concerning the milk producers as to what damage it might cause the Presidential campaign.

Mr. WEITZ. Let me go back. Do you recall any specifics about that meeting or in connection with discussing the matter with these people and do you recall any particular views or recommendations that were made, anything particularly that was said?

Mr. NUNN. I do not recall any, no. I do not think there was anything that could be said or any action taken particularly. I do not recall.

I know at some point there the press began to telephone concerning the funds. They were trying to uncover who these committees were acting for. And at that time of course they were acting for the milk producers' committees. We had no funds and the Committee To Re-Elect had none at that time, as I understood from Mr. Sloan. I do not know at what point in time these transfers ever took place.

Mr. WEITZ. But they were ultimately acting for the reelection campaign; were they not?

Mr. NUNN. Yes.

Mr. DUNCAN. I am sorry but I want to clarify one thing. I think I heard you say in enumerating the participants in that conference, I think you said that Mr. Mitchell was there?

Mr. WEITZ. No. If I did, it was incorrect. I said Mr. Kalmbach, Mr. Dean, and Mr. Evans.

Mr. NUNN. I never did see John Mitchell on the second floor, which was the finance operation during the entire campaign.

Mr. WEITZ. Did this meeting take place in the reelection headquarters?

Mr. NUNN. I would think so. I would think so, yes.

Mr. WEITZ. Did you ever meet in Dean's office?

Mr. NUNN. I met in Mr. Dean's office and with Mr. Dean and Mr. Sloan. I discussed the charters in his office at one time on those committees.

Mr. WEITZ. All right.

Mr. NUNN. I think that maybe Dean either prepared or checked the charters for the committees.

Mr. WEITZ. Were there other large contributions either from similar or related sources or from any one source, during that period of time in 1971?

Mr. NUNN. Oh, there were a few. It seems to me in 1971 we got a part of the Claude Wild contribution and I guess the C. V. Whitney contribution came in—and that was ultimately returned and then a part of it rereturned early—and then the Phillips Petroleum—well, I do not remember. That could have been in 1971 or a part of it but I cannot recall how much. There were probably others.

There was no great active effort going forth at that time, but there were others. I am sure there were others, but whatever the records show.

Mr. WEITZ. Let the record show that Mr. Sanders has just come in. Off the record.

[Discussion held off the record.]

Mr. WEITZ. Back on the record.

My question is this, Mr. Nunn. There were, as you indicate, other contributions and although we will return to it later, Mr. Whitney's contribution also was about \$205,000 I think the record will show?

Mr. NUNN. Right.

Mr. WEITZ. So therefore there were other contributions in 1971 of the magnitude of the milk producers' contribution?

Mr. NUNN. No, the only one would be the Whitney contribution, which was \$205,000. The Phillips Petroleum and Claude Wild would be somewhere in the range—well, I think Claude Wild's contribution was \$50,000, the first one. I think the Phillips' contribution would be somewhere around \$50,000 or \$75,000 or somewhere in there. There could be others that would be—oh, there could have been some at the \$10,000 or \$15,000. I do not recall any other large ones but there could very well have been. It was so long ago that you just do not recall it, but whatever the records show.

Mr. WEITZ. Was not there a list in fact of different classes of contributors projected like one from 0 to 100 and then one from 100 and above, meaning \$100,000?

Mr. NUNN. I do not know. I never had access to those lists. All lists and things like that were prepared by Hugh Sloan and I never had a list of that nature in my possession other than by States for the purpose of dealing with the State finance chairmen at later dates.

But it seems to me that somewhere down the line a list, probably after Secretary Stans came in, was prepared. But those records were not available to me.

Mr. WEITZ. In the May 21 memo that we referred to, the Strachan memo, on page 2 he actually says: "Kalmbach and Nunn argue that the money being collected by Nunn through the direct mail solicitation and the 0-100 contributors should cover citizens' expenses."

Now were you then aware of people, whether or not you saw the whole list, of people who were considered to be targets of either 0 to \$100,000 contributors?

Mr. NUNN. Those were the ones I just mentioned that were the 0 to \$100,000 contributors.

Mr. WEITZ. Similarly were you not aware, whether or not you saw the whole list, that there were contributors with goal figures that had been established by someone in the fundraising effort with figures above \$100,000?

Mr. NUNN. No, I cannot say that. At that time we were not setting goals. That came about after Secretary Stans came into the picture. There may have been other lists but not that were available to me.

Mr. WEITZ. Well, the very fact of people being targetted in the 0 to 100 grouping, now if there was no one above \$100,000, the grouping would be somewhat needless. Was there not, in fact, a grouping of people beyond the \$100,000 that were being handled by Mr. Kalmbach and others?

Mr. NUNN. There probably was but not that I had any knowledge of. We had not gotten organized to that extent at that time. Later on we were highly organized and we had all sorts of areas but not at that time.

Mr. WEITZ. My point is this. Now let us return again to the milk producers' situation, even though they had given close to a quarter of a million dollars by September of 1971, by the end of September of 1971, did anyone express any other concern in connection with these news articles other than the fact that they were large contributors? In other words, did anyone relate it back to the milk price-support decision?

Mr. NUNN. Not that I recall.

Mr. WEITZ. During the 1972 campaign or at the outset, was there a concern expressed by anyone in the White House about fundraising being centralized through various sources so as not to permit various people with connections to the same contributors all to solicit them at the same time?

Mr. NUNN. I do not recall any. There was always a problem amongst the committees on that score but generally everyone went ahead and solicited and did not worry about duplication of effort or overlapping.

Mr. WEITZ. What about solicitation for nonreelection efforts, strictly for citizens' expenses, other than that—in other words, White House people or others for their own special projects?

Mr. NUNN. There was no solicitation as far as we were concerned for anything except the reelection effort.

Mr. WEITZ. In fact, did you not receive a memorandum from Mr. Haldeman specifically requesting or prohibiting, rather, solicitation for purposes other than the reelection effort by the authorized and organized reelection fundraising effort?

Mr. NUNN. I do not recall any such memorandum. Mr. Sloan may have received one or someone else, but we never solicited funds except for one purpose and that was for the reelection campaign, which included the Senate and the House and the party and so forth.

Mr. WEITZ. Right, were you aware, however, of fundraising efforts by others for other purposes?

Mr. NUNN. No.

Mr. WEITZ. Other political purposes, I mean.

Mr. NUNN. At a later date, yes; I have read reports and so forth where there was solicitation for other purposes, but not at that time.

Mr. WEITZ. Do you know whether Charles Colson engaged in any such independent solicitation for purposes other than the strictly speaking reelection effort that you were involved in?

Mr. NUNN. I do not specifically know of any. We sometimes would suspect that people were getting involved in the areas that they should not be in, but I never had any proof that they were.

Mr. WEITZ. Did you have an understanding or become aware sometime in 1971 of a separate—shall we say a separate agreement or arrangement between Mr. Colson and the milk producers for funds?

Mr. NUNN. Not that I recall, no. As far as I knew, all milk producers were coming in by way of Marion Harrison's office to us.

Mr. WEITZ. To your committees?

Mr. NUNN. Yes. Now there could have been some funds coming in to Kalmbach that I would not have known anything about perhaps, but all I knew about was what was coming to us.

Mr. WEITZ. And you do not recall discussing this matter or reporting this either to Hugh Sloan or to Gordon Strachan?

Mr. NUNN. I could have discussed it with Hugh. We were always concerned that someone would set themselves up as a solicitor for the committee and would be getting funds and using them for their own personal use. That was a concern even when I was here with the committee. So you constantly guard against that sort of thing. Yes, so that could have been discussed.

Mr. WEITZ. I am not talking now in terms of mishandling of books for personal use but rather solicitation for other political purposes rather than, strictly speaking, the operation at the citizens' committee?

Mr. NUNN. I do not recall any. I do not recall. There could have been. The whole thing is a little bit hazy at this point in time. It has been a long, long time.

Mr. WEITZ. That is all right. Let me read to you something that may refresh your recollection in that connection. In the same memo in September from Strachan to Haldeman he makes the following statement: "It is Nunn and Sloan's opinion that Colson has established a separate agreement with the milk people in order to have cash available."

Does that refresh your recollection of any such arrangement that you became aware of or discussed with either Sloan or Strachan?

Mr. NUNN. We could have been suspicious of Colson. Colson was quite an operator at the White House. I do not remember. It does not ring any bell. I could have discussed it with him.

Mr. WEITZ. I take it you do not remember?

Mr. NUNN. I do not recall it, no.

Mr. WEITZ. Did you ever discuss the matter with Murray Chotiner or Marion Harrison?

Mr. NUNN. No.

Mr. WEITZ. Did you ever discuss some separate agreement or separate fund?

Mr. NUNN. Not that I can recall, no.

Mr. DUNCAN. That memo was the September 11 memo?

Mr. WEITZ. Yes. Did there come a time in 1971, when the milk contributions slowed or terminated or stopped because of some reason?

Mr. NUNN. Well, they stopped. And as to why, I do not know other than the publicity that was being given in the press to it, but the pressure from Strachan concerning committees and so forth just suddenly stopped and the thing just sort of collapsed there at one point in time and then Stans moved in and we began to move in other directions.

And I did not concern myself with milk producers much after September or October, as far as I recall now, until very late in the campaign.

Mr. WEITZ. Was it your understanding that moneys that were supposed to be contributed or that they intended to contribute were not in fact contributed in 1971?

Mr. NUNN. Well, other than if we expected to use a couple of hundred committees, like 200 or 300 committees, then I do not think we would use as large a number of committees for milk producer funds as someone thought we were going to. But, no, I do not recall any discussion of any specific amounts or anything like that.

Mr. WEITZ. But in fact, for example, if someone is asked to contribute \$100,000 and contributes \$100,000, I suppose normally your perception of it would not be that the contribution had stopped? Your perception would be that rather, in fact, it was made.

My question here is: Is there any distinction between that situation and the milk producers' situation where the expectation on someone's part is greater than the amount contributed?

Mr. NUNN. I do not recall. There was no definite expectation, as far as I was concerned, on the milk producers because no one had ever made any commitment to me and I did not know anyone connected with the milk producers at that time, that is the official group that they were dealing with. My contact was Marion Harrison. And the funds stopped coming in really. And I think Kalmbach may have been interested in that to a greater extent than I at that time.

Mr. WEITZ. Was he still involved all through 1971, or did you more or less take over from him at a certain point?

Mr. NUNN. When he took a trip abroad, he at that time asked me to follow up on the committees and getting the funds in, which I did. I continued to maintain my contact with Marion Harrison. At some point in time it seems to me Harrison was relieved as counsel for the milk producers and some other arrangement was made.

Mr. WEITZ. Do you remember the name of Jake Jacobsen?

Mr. NUNN. Yes.

Mr. WEITZ. Do you associate him in late 1971 or early 1972 with the milk producers' situation?

Mr. NUNN. I tell you this. I met Jake Jacobsen at the time that Secretary Connally set up the Democrats for Nixon.

Mr. WEITZ. That would have been later in 1972?

Mr. NUNN. I do not remember when it was. Whatever that date, that was when I met Jake Jacobsen shortly after that setup was underway.

Mr. WEITZ. Now, you testified that at some point in late 1971 the milk producers' contributions stopped.

Mr. NUNN. No; I say in 1971, but there could have been some going over into 1972. My memory is hazy, but whatever the records show. But they stopped at some point in time and nothing was done, nothing happened over a long period of time. Then I made a trip late in the campaign out to San Antonio to try to get milk producers' funds again.

Mr. WEITZ. Well, we will get back to that in a minute but we are still in this earlier period.

Do you recall at any point where Mr. Kalmbach was in touch with someone else, either you or Mr. Kalmbach was in touch with someone else in lieu of Marion Harrison, like perhaps after he was relieved as counsel to the milk producers?

Mr. NUNN. I do not recall. Of course that would not necessarily have been conveyed to me because my area was getting in the funds, establishing the committees.

Mr. WEITZ. Are you aware of any contacts or meetings between Mr. Kalmbach and the milk producers in 1972?

Mr. NUNN. I am aware of them now. I cannot say that I was at that time because I do not recall although I could have been from press reports and so forth. I am aware he was in contact with them from that, yes.

Mr. WEITZ. Have you talked to Mr. Kalmbach about them?

Mr. NUNN. I have not talked to Mr. Kalmbach since—well, since I left the campaign over here as far as I can recall.

Mr. WEITZ. Did you discuss the dairy situation with Mr. Mitchell in 19—well, in the first half of 1972?

Mr. NUNN. Gee, I do not recall because John Mitchell was never interested in the finance end of it. It could have been, but I have no recollection of it.

Mr. WEITZ. What about with Mr. Stans when he came on board, what about either before or after he came on board?

Mr. NUNN. I recall discussing it or mentioning it to Mr. Stans shortly before my trip to San Antonio. I could have talked about it earlier, but I have no recollection of it.

Mr. WEITZ. Were you aware of an investigation underway by the Justice Department into the possible antitrust violations by the milk producers in late 1971 or early 1972?

Mr. NUNN. I read the press reports on it. I was aware of it, yes.

Mr. WEITZ. At that time?

Mr. NUNN. Yes; whatever was in the papers. Now, no one ever discussed it with me that I can recall.

Mr. WEITZ. Was there any discussion in late 1971 or in 1972 about any possible relationship, either adverse or positive or negative, between contributions or solicitations for contributions by the milk producers and the investigation and subsequent civil antitrust suit by the Justice Department?

Mr. NUNN. I do not recall. There could have very well have been.

Mr. WEITZ. Was not that a concern in fact, or was that a subject of concern?

Mr. NUNN. You mean the antitrust suit?

Mr. WEITZ. The antitrust suit and the past contributions and the ongoing solicitations?

Mr. NUNN. Could have been, but not that I recall. I have no recollection.

Mr. WEITZ. Did Mr. Kalmbach ever inform you as to the reason—well, ever explain to you why the contributions stopped?

Mr. NUNN. I do not recall. He could have, but I do not recall. I guess it could have been just as soon as the contributions would stop with the antitrust and so forth, when that would get going, but I do not recall any advice or conversations concerning it.

Mr. WEITZ. Aside from Mr. Kalmbach, did you have any knowledge from whatever source at the time, that is during 1971 and the first half of 1972, of the reason that the contributions stopped?

Mr. NUNN. No; not that I recall.

Mr. WEITZ. Now, I believe in the early interview with us, if my notes are correct, that you indicated that there possibly was some discussion with Mr. Stans before April 7 of the dairy contributions, of the dairy situation.

Mr. NUNN. Before April 7?

Mr. WEITZ. Before April 7, 1972.

Mr. NUNN. There could have been, could have been. I cannot recall just what the discussion was other than the fact that they had contributed. But I do know that before going to San Antonio that I did mention it probably at a meeting.

Mr. WEITZ. Right, I am still trying to stick up to the first half of 1972 for a moment.

Mr. NUNN. No; I do not recall any discussion with Stans, but I say there could very well have been because when Stans came in, he did review everything that had been going on and laid his own plans. I guess it could have come up, that all of the contributors, that everyone that had made a contribution probably would have been discussed with Stans or he would have discussed it certainly with Sloan and probably with me as to the ones I had knowledge of.

Mr. WEITZ. Was there any attempt to solicit or receive another single or series of substantial contributions from the dairy cooperatives or their trusts just prior to April 7?

Mr. NUNN. Not that I know anything about. Now there could very well have been, but I did not make any solicitation of those people at all.

Mr. WEITZ. Was Mr. Kalmbach still in touch with them at that point?

Mr. NUNN. I do not know.

Mr. WEITZ. That is prior to April 7?

Mr. NUNN. I do not know.

Mr. WEITZ. Was there any discussion that you were aware of that indicated that there were such contacts or solicitations prior to April 7?

Mr. NUNN. Not at that time. I just know from what I have read in the papers since then that he was in contact.

Mr. WEITZ. Now between April 7 and the time when you planned and in fact did go out to San Antonio in October 1972, were you aware of any further contacts between the dairy people and the reelection campaign?

Mr. NUNN. No; I was not. I was so busy during this period with my 50 State finance chairmen that I just did not know very much about anything going on in those areas during that period of time.

Mr. WEITZ. How did you come to arrange for and meet with Dr. George Mehren?

Mr. NUNN. Dr. George Mehren?

Mr. WEITZ. That was in October of 1972.

Mr. NUNN. Well, following the convention Secretary Stans became very concerned that we were not going to get together the funds that were necessary for the campaign. The so-called November Group that was doing the advertising and television and so forth out in

New York had rather grandiose plans. And as we progressed and moved along following the convention, funds tightened up again and it seemed the general public assumed that the President was going to be reelected and he did not need the money and we had plenty of money or at least there were a lot of stories out to that effect. And so we got into October and Secretary Stans estimated that we would be about \$10 million short of the funds that were needed for the campaign, based on what the November Group was going to do and other expenses.

So he reviewed with the entire staff the situation and asked everyone to review all prior contacts, any new contacts, anything where we could come up with some additional funds.

And I guess, but I do not recall the exact words of what was said, but I guess I suggested that we should contact the milk producers again because they are very substantial people. And apparently there were no objections to this. And I said "When I am home and since I am part way there, I will go on over to San Antonio and see what can be done."

And so I talked to Mr. Jacobsen and asked him if he would set up an appointment with Dr. Mehren. I did not know Dr. Mehren, but I did know that he was a member of the opposition party and he had been an assistant secretary, I believe under President Johnson. So Mr. Jacobsen said that he would be glad to do so and he called me back and said that I had the appointment. It was on a Saturday morning.

And I flew from Louisville I believe——

Mr. WEITZ. Let me stop you there and we will just take it one piece at a time.

Mr. NUNN. OK.

Mr. WEITZ. Why did you suggest the milk producers? I take it that nothing had happened with them for months and months and you had not been involved?

Mr. NUNN. Nothing had happened for months and months and, of course, the first thing that you do when you are looking for political money, you find out where the money is located.

Mr. WEITZ. Did anyone indicate that they had made a commitment or had represented that they could contribute far more than they, in fact, had already contributed?

Mr. NUNN. Not to me they had not. There probably had been some prior publicity at that time on what they were going to do. I do not recall when that came into being.

But you see, living down in Kentucky and being a farmer and seeing those beautiful shiny trucks going by every morning and the deductions coming off of those farmer's trucks, it is just a fabulous operation. These people can gather funds together in a hurry and it is just a logical place you can go for money. There is no reason why you should not—it did not seem to me at that point in time that we should overlook the milk producers. It was a possibility.

Mr. WEITZ. Who was present at this meeting when the matter was suggested and you made the suggestion?

Mr. NUNN. I have not any idea. It could have been at a morning meeting, just going around the table. You see, Stans had a morning meeting every morning and would take each individual's comments to see what he had in mind. At that time I probably said "Why don't we

check on the milk producers and I will be glad to go out and talk to them." I do not even recall, but I would imagine it was at that time.

Stans was very busy and so in order to get to see him we would usually bring our notes in for the morning meeting. I cannot say for sure that was it.

Mr. WEITZ. And in connection with that meeting, there was no discussion after you made your suggestion, of what amounts you should request from them or how much they had pledged or represented and had not contributed?

Mr. NUNN. No; and I do not think that I requested any specific amount when I was out there either.

Mr. WEITZ. Now, in your earlier interview with us—and again it might have been an error in our notes—but I believe you indicated that you had asked Marion Harrison to set up a meeting through Jake Jacobsen. I take it your best recollection now is that Mr. Harrison was not involved in arranging this meeting in October?

Mr. NUNN. I think maybe I said I might have discussed it with Marion Harrison. I think probably Marion Harrison was the individual that gave me a rundown on George Mehren and that he was a former member of the Johnson administration. Maybe he could have suggested that Jacobsen would be a better man than he.

Mr. WEITZ. But you contacted Jacobsen?

Mr. NUNN. Yes; I did; and I had a very dim recollection of that too until I read in someone's notes—and I guess it was George Mehren's testimony—that Jacobsen had called him. That sort of confirmed it in my mind.

Mr. WEITZ. Well, you were in touch with Jacobsen, were you not, off and on in connection with Democrats for Nixon efforts?

Mr. NUNN. Occasionally, but not very often.

Mr. WEITZ. Did not he at various times talk to you or urge another solicitation to the milk producers?

Mr. NUNN. No; he never did urge it and did not predict one way or the other. All he did say was that "I will set up the appointment."

Mr. WEITZ. Did he accompany you to San Antonio?

Mr. NUNN. No, no.

Mr. WEITZ. You went alone and met with Dr. Mehren?

Mr. NUNN. I went alone.

Mr. WEITZ. This was on October 21 of 1972?

Mr. NUNN. That is what the records show and my expense reports are not available to me so I will accept that date. Yes, it was very late.

Mr. WEITZ. The only purpose for your trip to San Antonio was to meet with Dr. Mehren?

Mr. NUNN. To meet with Dr. Mehren; yes.

Mr. WEITZ. As you had indicated before, there is a milk producing co-op in Kentucky?

Mr. NUNN. That is right.

Mr. WEITZ. Where you live?

Mr. NUNN. Right.

Mr. WEITZ. Why did not you go and meet with them?

Mr. NUNN. Well, because I knew the group in San Antonio sort of controlled what the others did. They generally followed San Antonio. If San Antonio suggested a contribution, why the others usually would go along. And also I did not know anyone in the Louisville co-op either. I suppose if I had known someone personally, I would have gone there.

Mr. WEITZ. You had not met Dr. Mehren before this time either?

Mr. NUNN. No; I had not.

Mr. WEITZ. Could you tell us to the best of your recollection—and I would like you to give us as much detail as possible—what was said, what transpired at that meeting with Dr. Mehren?

Mr. NUNN. Well now, for me to tell you what I said and what he said would be an impossibility. I can tell you in general, based on the usual solicitation, because that too has been quite a while ago.

There are several things I do recall about it. I know it was on a Saturday morning and I went out Friday night and stayed overnight in San Antonio and I got over to Dr. Mehren's office and there was just he there. The place seemed to be closed down. It was in a suburban area I know, and he and I talked alone for some little time. It ended up they delivered me to the airport to get my plane back.

My solicitation of Dr. Mehren was the usual one. I may have shown him the telegram that Secretary Stans had sent to our State chairmen. We used that as one of our lead-ins. So that was to the effect that we expected to be about \$10 million short in funds and I might have said that I came out with the thought that maybe they could give us some additional help and that we were very grateful for what they had done, and just to see what they could do for us.

And I know Dr. Mehren told me that they would not make any further contributions to the Presidential campaign, and he said that also goes for Senator McGovern's campaign.

Mr. WEITZ. Let me stop you just for a moment on that and let us go off the record.

[Discussion held off the record.]

Mr. WEITZ. Let the record show that David Dorsen is present.

I suppose from what you have said, Mr. Nunn, that before you did go to San Antonio you found out how much they had contributed?

Mr. NUNN. I guess that I did. I do not recall.

Mr. WEITZ. Or just as a general matter, you knew?

Mr. NUNN. In general, yes.

Mr. WEITZ. Did you mention any specific figures to Dr. Mehren?

Mr. NUNN. I do not recall that I did. I could very well have done so, but again, as I say, I do not recall what I said and what he said. I do not believe that I did.

Dr. Mehren said that I did not in one place and then he says in another testimony that I did. So he is not a very reliable source as to whether I did or not.

But I do not recall mentioning any specific figure. I do not think he let me get that far along. He cut me off pretty short on this thing of no further contributions to either of the Presidential campaigns.

Mr. WEITZ. Did you make any specific requests or ask for it more specifically than the Presidential campaign for the President, than the reelection campaign for the President, that is, some vehicle such as Democrats for Nixon or the finance committee?

Mr. NUNN. I do not recall that I did. I think that Dr. Mehren pretty much took over and began to explain to me some of his problems. One thing that I do recall and I was impressed by the fact that he had 50 farmers as directors. He was telling me how difficult it was to deal with farmers and I said, "Now, you are talking to a farmer."

And when he was so adamant and so flat-out on that no contributions to Presidential campaigns, then I put on my other hat and began to solicit for the Senate and the House Members.

And I think, as you recall when I was in here the last time, why I mentioned the same subject that we had a list of incumbent Senators and incumbent Congressmen and nonincumbent candidates of both Houses that were always available. So that where we were turned down on a Presidential contribution, we would endeavor to get money for the candidates most in need. And so from time to time I would check with Buehl Berentson and whoever was in charge over on the House side, as to which candidates seemed to be most in need of money. And we were constantly in effort on behalf of Senate and House candidates.

Mr. WEITZ. Specific candidates who were in need?

Mr. NUNN. Specific candidates. We even did this in some instances where they were making—the man was making a contribution to the committee but he was also solicited for the House and Senate. This is part of Secretary Stans' operation and, as part of that, we asked our State finance chairmen and others to do the same.

Mr. WEITZ. Now, you had gone to San Antonio, however, I take it for one reason and that was to try to make up this debt?

Mr. NUNN. Make up the debt that we had, that is right.

Mr. WEITZ. And that was a deficit pursuit at least by Secretary Stans for the President's reelection campaign?

Mr. NUNN. That is right.

Mr. WEITZ. Now, when you made this solicitation on behalf of the congressional committees or this recommendation, now do you remember exactly what you said or how you put it?

Mr. NUNN. I do not recall exactly. I remember what I generally said. I generally talk about the candidates that were in need of funds, how important it was for President Nixon to have a Republican Congress. We stressed this all along. We stressed it was a very important part of our operation. We felt that the polls indicated that the President was going to win big and that we should be able, with somewhat of a landslide vote, we should be able to bring in a Republican Congress, but we wanted to insure this and there were many of the candidates that still needed funds.

Mr. WEITZ. Did you in any way indicate to Dr. Mehren that at least some of the money that might be contributed by his organization to the congressional committees, if they were committees rather than particular candidates, would go for the President?

Mr. NUNN. No, no.

Mr. WEITZ. Or for his reelection?

Mr. NUNN. I probably said to Dr. Mehren, as we did for everyone that didn't want to contribute to Richard Nixon for one reason or another, that we can go over the list of candidates and the contributions to these candidates will be tremendously helpful to us because one of our goals also is to gain a Republican Congress. And we were very pleased, we were almost as well pleased to get a contribution for the Senate and House candidates as we were for the committee itself.

I do recall one other thing about the solicitation for the Senate and the House candidates. The first name that I had on the list and one that I thought would maybe appeal to Dr. Mehren was Senator John

Tower. And of course Senator Tower is a good friend of mine and I think an awful lot of him. And George Mehren almost went through the ceiling. He didn't want to make any to him. He would never do anything to help him.

I continued down the list of the incumbents and then I went to the nonincumbents, and he would maybe have some remark or statement like, you know, "this fellow hasn't been particularly helpful to us."

Mr. WEITZ. He wasn't in unanimous accord with the people you supported?

Mr. NUNN. No, he wasn't, and I didn't expect him to be because he was a member of the opposition party and also had been in the Johnson administration.

Mr. WEITZ. Is there anything else about the meeting that you can recall?

Mr. NUNN. Well, the result of the meeting was that he told me that he either had or he was considering recommending to his board that they make a contribution to the Senate and to the House committees. I don't know whether he told me at that time that it was going to be \$150,000 to each, or whether I got a call telling me that. Again he could recall, and our records should show it, but it seems to me he probably told me at that time, that he was going to make a recommendation to his board that this be done.

Mr. WEITZ. That is that \$150,000 be contributed to each of the two committees?

Mr. NUNN. To each of the two committees, yes. And I told him this would be greatly appreciated and I hoped that he was successful in getting this done. Then he told me something about the Johnson ranch and a trip that he was taking down there. I don't know whether he was going to see President Johnson or not, but he asked me what time my plane was going out and I told him and he said: "Well, I'm going that way and I will be glad to drive you to the airport" which he did.

Mr. WEITZ. Now you had mentioned, you had testified that a number of both incumbents up for reelection and nonincumbents whom you favored and you indicated that Dr. Mehren—

Mr. NUNN. No, not that I favored, that the committee on the Hill.

Mr. WEITZ. Yes, that they needed funds.

Can you explain then why Dr. Mehren either told you then or thereafter that they would contribute substantial funds to the committee for it to distribute to anyone it wanted, including candidates such as Senator Tower, whom Dr. Mehren quite explicitly indicated he did not support?

Mr. NUNN. I don't think we got into any discussions as to why he would contribute to the committee.

The list that I had of individual candidates that needed funds was quite long. Now I don't recall. There could have been some discussion as to some candidates—well, I do recall John Tower and he did not want Tower to receive any funds.

Mr. WEITZ. Did you have any discussion or do you know why he didn't take down the list and contribute to the candidates that he did favor?

Mr. NUNN. No, I do not. I don't think he knew much about the Republican candidates because of his being a member of the opposition party.

Mr. WEITZ. Of course he indicated that he wasn't the only one responsible, I suppose, but wasn't there some discussion about the usefulness, either at that meeting or shortly after, if he called you to notify you of the contribution, wasn't there some discussion of the usefulness of the money for the President?

Mr. NUNN. No, other than that any funds that would be contributed to the Republican Party, to any candidate who was running for election or reelection on the Republican ticket would automatically be helpful to the Presidential campaign.

Mr. WEITZ. In the Congress but not for the reelection of the President himself?

Mr. NUNN. Oh, it would be helpful to the President's re-election for any Congressman or Senator to have received a campaign contribution, and particularly that late in the campaign, because that late in the campaign, the odds were that that money would be used for election day expenses. The hauler that is going to bring in that voter for the Senator or the Congressman that is running on the Republican ticket, well the odds are that he is a Nixon voter, too. So funds coming to Republican Senators and Congressmen at that stage of the campaign would be tremendously helpful to Nixon.

Mr. WEITZ. Did he indicate the way it could be used for the media for the President?

Mr. NUNN. I probably mentioned to him that one of our problems was media money, this almost \$10 million that Stans had wired to all of our State finance chairmen that we had to have was because of this November Group in New York, which had a grandiose plan for a lot of late television and so forth.

Mr. WEITZ. Was there any discussion of how this money contributed to the committees might go to cover some of those expenses?

Mr. NUNN. None of those, no, no, no. I don't think we got into any discussion, particularly as to how Congressmen and Senators might use it other than on election day. That is usually what happens to late money that is coming in. I have been in many campaigns and you get down close to the end and you find that, well, for election day expenses we haven't got any money because we spent it all on TV and other things.

Mr. WEITZ. I believe you know Bob Odell, of course?

Mr. NUNN. Yes, I do.

Mr. WEITZ. What was his position?

Mr. NUNN. Well, Bob Odell was the director of the Republican National Finance Committee. He also assisted and worked with our committee and coordinated with the committee down there.

You see, following the convention at this period we are talking about, Secretary Stans was chairman of Bob Odell's committee as well as chairman of the committee that I was working for.

Mr. WEITZ. Mr. Odell, I take it he is fairly well experienced in political campaigns?

Mr. NUNN. He should be. Well, in finance, yes.

Mr. WEITZ. Especially from the finance side?

Mr. NUNN. Yes.

Mr. WEITZ. Now, Mr. Odell has testified before the committee, in his opinion, that money as late as this in the campaign could not have been used judiciously for a particular Senator's campaign. Can you reconcile his opinion with yours?

Mr. NUNN. Well, Mr. Odell is speaking as a finance man who never ran a campaign in his life and knows nothing about the political side of it. Any campaign operator will tell you that those last few days of getting together on election day expenses for the organizations going out there to bring out your vote is tremendously important, and you are always scratching around at the last minute trying to get those funds together.

Money coming in that late may be difficult to use in the field of the media, yes, because you can't put together the television programs. You can get together election night activities maybe, though.

Anyway, it is tremendously useful.

Mr. WEITZ. How soon after the October 21 meeting with Dr. Mehren did you inform the committees of the contributions?

Mr. NUNN. Well, when I returned, I met with Secretary Stans and told him that my mission had been unsuccessful as far as the Finance Committee To Re-Elect was concerned, but I did feel that I had been successful as far as the committees on the Hill were concerned and I said, "of course, that you never count it until it actually arrives." I didn't bring any funds with me.

And he said, "Well, that is fine." He said, "Contact the two committees and see if they can't make some repayment on the loans that we have advanced."

Mr. WEITZ. What loans were those?

Mr. NUNN. At the time of the Republican National Convention in Miami Beach, Secretary Stans declined—now this is as chairman of the Republican National Committee—declined to take a fair share of the funds from the dinner that was held down there and he gave it to the two Hill committees, and that was first.

Then at later dates he had advanced additional funds to the senatorial committee and to the House committee with the understanding that, if at a later date they came into funds, that they would repay all or part of these advances. This was sort of customary in transferring funds back and forth and I guess Secretary Stans assumed that, if they received these checks, they should be in a position to repay some of the funds that he had advanced.

Mr. WEITZ. I take it that the heads of those committees, the congressional committees, were aware, of course, at the time of the transfers and so forth, that they would be expected to repay, if possible?

Mr. NUNN. Oh, yes. This is more or less an implied understanding on those things that if you do get into a position to repay, you do. Very often in campaigns you come into late moneys and that makes that thing possible.

Mr. WEITZ. And I take it also, that when the transfers that we are going to discuss subsequent to the milk money coming in were made, that it was discussed that these were in fact repayments or in response to those earlier transfers as repayments of loans?

Mr. NUNN. Well, that was pretty obvious. I don't recall the words of what I said and what he said but, as I recall it, I talked to Senator Dominick and to Bob Wilson. That would be the normal thing to do. They were the chairmen of those two committees.

I was hopeful that the funds would come in from San Antonio. And I negotiated with them what they thought they could do toward a partial repayment on the indebtedness.

Mr. WEITZ. Well, what did they decide?

Did you talk with both Dominick and Wilson?

Mr. NUNN. I'm not positive about Wilson. I think that I did. I think that I talked to Dominick, too. There was so much going on and the pressures at that time in the campaign are almost unbelievable when you are sitting there with hundreds of telephone calls coming in and 50 States that you are worrying about, but I am sure I would have talked to the chairmen of the committees.

Mr. WEITZ. When Secretary Stans made this observation that the moneys could be used to repay the loans, didn't you tell them that the milk producers had specifically not wanted to contribute to the President's campaign?

Mr. NUNN. I probably did and they didn't contribute to it. That had no relation to the contribution to the President's campaign. That was not a contribution to the President's campaign.

Mr. WEITZ. Now, if, as we will discuss later, the only way that those moneys could be transferred to the reelection campaign was the availability of the money from the milk producers and that was the contingency upon which you talked with Senator Dominick and Representative Wilson, wouldn't in fact that money then become the source of the repayment to the finance committee?

Mr. NUNN. Not necessarily. They deposited those moneys in their own accounts.

Mr. WEITZ. You mean they didn't endorse them over to the finance committee?

Mr. NUNN. They certainly didn't. If we had wanted that money for the finance committee, what I would have said to those gentlemen, I would have said: "We would like to have this money transferred to us" and I would have asked for the entire amount. There was no splitting up of the milk moneys at all. What we were doing was getting some repayment on the indebtedness.

Now, as to how much the indebtedness was, or what the total repayment was, I don't know, because I did not get into those figures. I did not have access to those figures.

Mr. WEITZ. Well, how did you know the \$150,000 to each committee was sufficient?

Mr. NUNN. Was sufficient?

Mr. WEITZ. To cover the loans.

Mr. NUNN. I didn't know that it was sufficient to cover the loans. I don't know whether it did cover the loans. I don't think it was. I think the loans were much greater than that and I doubt they were ever covered.

Mr. WEITZ. Do you know why the loans weren't reported in any of the reports of any of the committees during that period?

In other words, the reports in that period don't reflect any loans or transfers between the committees.

Mr. NUNN. I don't know. I didn't know that. No, that was out of my area. I had nothing to do with that.

Mr. WEITZ. What was decided with Dominick and Wilson?

Mr. NUNN. I don't recall, but apparently from my efforts to reconstruct the thing and talking with the personnel of the two committees, I called the two committee staff members and told them that I had talked with their respective chairmen and I asked them to make out checks for whatever the amounts of the checks were and to send them to the Republican National Committee.

Mr. WEITZ. Who did you talk with at each committee? Do you recall that?

Mr. NUNN. I talked to Lynda Clancy I know over at the Senate committee and I probably talked to Ed Terrar at the Republican Congressional Campaign Committee.

Mr. WEITZ. Do you know when you first notified them?

Mr. NUNN. Oh, right after I returned from San Antonio.

Mr. WEITZ. Let's see, the 21st was a Saturday?

Mr. NUNN. It must have been probably a Monday or Tuesday.

Mr. WEITZ. Now, if Lynda Clancy recalls that you called either on the 26th or the 27th, but probably the 26th, is that consistent with your recollection?

Mr. NUNN. I have no recollection of it whatsoever except that I recall calling her sometime right after the return. I called everyone shortly thereafter.

Mr. WEITZ. Do you remember what you told Lynda Clancy?

Mr. NUNN. No, I probably told her the amount of the check to draw and send to the Republican National Committee.

Mr. WEITZ. Did you tell her that the milk money was coming in and that out of that money she was to draw the checks?

Mr. NUNN. No, not out of that, no. I probably told her the milk money was coming in and when it arrived, to deposit it into the accounts.

Mr. WEITZ. And you also told her what?

Mr. NUNN. I probably told her I had discussed this with Senator Dominick and over on the other side with Bob Wilson and that this would make it possible for a repayment to our committees, and that we had agreed on whatever a number of dollars was involved there, and to write out the checks and send them over. I don't recall what I said and what they said. But Lynda has the figures and so does the House committee.

Mr. WEITZ. Did you discuss with Miss Clancy how much of the money from the milk producers was going to be kept by the committee, by the senatorial committee?

Mr. NUNN. Not that I recall. I may have. Miss Clancy could have said something about what this was going to do to their bank account or anything of that nature. I don't recall.

Mr. WEITZ. I take it you are not saying that you did not tell her a certain amount would be kept by the committee, but rather you don't recall?

Mr. NUNN. I don't recall I talked about the amount she was to send to the Republican National Committee. As to the exact amount, I don't recall, but I know that I would have told her that, and I would have told Ed Terrar, if he is the man I talked to or whoever I talked to, because this would have been the normal thing to do.

Mr. WEITZ. But just to make it clear, you are not saying you did not tell her a certain amount would be retained by the senatorial committee from the contribution but that rather you do not recall telling her that?

Mr. NUNN. I don't recall telling her that. She may have said this does thus and so to our bank account or something like that. It may have come up in discussion. I can't recall. It has been a long time.

Mr. WEITZ. Did you have a similar conversation with Mr. Ed Terrar or someone on the congressional side?

Mr. NUNN. Terrar, I would think, yes. Ed Terrar would probably be it, because I think he was working in that same capacity over on the House side at that time. I don't believe he is there any longer.

Mr. WEITZ. Let me get this straight. Who was the money supposed to be transferred to from the two committees, from the congressional and the senatorial committees?

Mr. NUNN. The Republican National Finance Committee. You see, Stans was chairman of the Republican National Finance Committee also. He was acting in two capacities at that time. And his advance to these two committees had been made from the Republican National Finance Committee, I believe. Again, I don't know. I don't have records or access to that and I know nothing about the Republican National Finance Committee's affairs since the 1971 budget meeting, which I think was the last one that I attended.

Mr. WEITZ. Did you talk with Bob Odell about these transactions?

Mr. NUNN. Oh, probably so. Bob Odell was sort of a right arm down there. He worked with me at the committee and he was the director of the Republican National Finance Committee. The Republican National Finance Committee supplied the list usually that was used for solicitation. They handled the computer operation. Bob Odell had a big telephone operation going.

Mr. WEITZ. Do you remember what you told him about the moneys he would be receiving?

Mr. NUNN. I don't recall.

Mr. WEITZ. Did you give him any instructions as to what he was supposed to do with the money?

Mr. NUNN. I don't recall, I don't recall. That probably would have been Secretary Stans' area because Secretary Stans was chairman of that committee and I was not a member of the Republican National Finance Committee.

Mr. WEITZ. Therefore, if either you or Mr. Stans issued instructions to Mr. Odell about the transfer of moneys to the finance committee from the moneys received from the two congressional committees, it was not you but rather Mr. Stans?

Mr. NUNN. Probably. I don't know why Odell would take any instructions from me on transferring the funds. These people were working for someone else. Odell would take his instructions from Stans, who was chairman of the committee and certainly not from me. I wasn't even a member of the Republican National Finance Committee.

I could have discussed it with him for some reason. I don't know why.

Mr. WEITZ. Well, you had discussed it with Secretary Stans. I take it, when you returned from San Antonio and he in fact had told you to get in touch with the congressional committees and perhaps see if they could repay the money. Therefore, in dealing with them, you were not members of those committees either but you were acting under Secretary Stans' direction?

Mr. NUNN. That is right and I dealt with the chairmen, as I recall it of those committees because I don't think that Miss Clancy and Ed Terrar would take instructions from me, although they could because it was a repayment of indebtedness that was on the books and was due.

Mr. WEITZ. Do you remember what instructions you gave to Lynda Clancy and, for example, the senatorial committee as to what dates and what amounts to issue?

Mr. NUNN. I don't remember it at all. I wanted to be sure that it was not construed as a division of milk money. I do know that.

When the checks came in, they deposited the checks in the usual manner and then they made the payment on the indebtedness.

Mr. WEITZ. Why were you concerned that it wouldn't be construed that way?

Mr. NUNN. Because it was not that way. That is all.

Mr. DUNCAN. I'm not sure he understood that question.

Mr. WEITZ. Could you read back the last question?

[Whereupon, the reporter read back the previous question and answer.]

Mr. WEITZ. Do you want any further elucidation of my question?

Mr. NUNN. Yes.

Mr. WEITZ. You said that you asked her to deposit the money and make certain disbursements in a way that it would not be construed—

Mr. NUNN. No, not in a way. I told her specifically, I am sure, to make a check out to the Republican National Committee and the date because it was not in any sense of the word a "division" of milk money. It was a repayment of the indebtedness that the two committees had incurred by accepting the loans from Secretary Stans.

In other words, I was carrying out Secretary Stans' instructions.

Mr. WEITZ. And his instructions were based on the fact that, if the milk money did come in, the funds generated from that could be used to repay the loans?

Mr. NUNN. No, not the funds. But this should make it possible—well, to see if this would make it possible for the two committees to make repayments.

Mr. WEITZ. Right, and without that contribution he would not have given you that direction; is that right?

Mr. NUNN. That is right. This was a rather unexpected contribution that we knew they were receiving or should receive late in the campaign and we had reasons to believe that this would swell their bank accounts to the point where it would be possible for them to make some repayment. Now, if these gentlemen had said it doesn't make it possible, or our bank accounts are in the red, that would have been something else. But they were able to make these repayments.

Mr. WEITZ. Now, Mr. Nunn, you said that when you went out to see Dr. Mehren, you made it clear that if he was not interested in contributing to the Presidential campaign, that there were numerous Senators—and you gave him a list or listed a number of people—

Mr. NUNN. Now, let's don't put words in my mouth. I didn't say it in those words.

When we finished our discussion and I had a flat turn-down on the Presidential campaign, then I said to Dr. Mehren—and this was the usual procedure—"You know, it is very, very important that we carry a Republican House and Senate and we have many of those candidates that need help." And then I had a list which I produced. In fact, I have that list with me because it was the same one that I brought in here the last time that you people would not discuss or talk about it.

Then I proceeded to discuss that list or a part of it with Dr. Mehren, and I completely got away from the Presidential campaign. I was dealing only with the Senate and the House candidates and their need for money.

Mr. WEITZ. Could you tell me how those Senators and Congressmen or candidates for those positions benefited from the milk contributions?

Mr. NUNN. Well, I don't know. That was up to the people up here and however they distributed it, and however they handled the money. I don't know whether they gave it to nonincumbents or what.

Mr. WEITZ. What I am asking you is this. In light of Secretary Stans' direction to see whether—if I am paraphrasing this correctly—whether the committees would have money to repay the loans previously made to them, in light of this direction, in light of your discussions with Senator Dominick and Representative Wilson, in light of the subsequent transfers from the senatorial and congressional committees to the Republican Finance Committee, could you tell us how the milk money contributions in October of 1972, made to the Senatorial and Congressional Finance Committees, ultimately benefited Senators and Congressmen or candidates for those positions?

Mr. NUNN. I don't know. I don't know what the committees did with the funds they had on hand. The milk money made it swell their accounts to where we thought it would be possible for them to make some repayments to us. Now, they might have had a lot of other funds on hand.

Mr. WEITZ. Well, if they had, what need would they have for the funds which would form the basis of your solicitation of Dr. Mehren?

In other words, you said to him that these people needed money, and you asked him to contribute.

Mr. NUNN. That is right. They gave me a list of candidates that needed money and both of the committees contributed directly to candidates.

Mr. WEITZ. Did Secretary Stans or either Representative Wilson or Senator Dominick indicate that they couldn't give you the money because they needed money for Senator Tower and others?

Mr. NUNN. No. I don't recall the words, but I do know that in the discussion of a repayment on the indebtedness, that we arrived at a figure and I talked to Lynda Clancy and Ed Terrar evidently, and that was it.

Mr. WEITZ. Did you call Dr. Mehren over the phone afterwards and tell him his contributions had swelled the bank accounts of these committees to the point where they could repay loans?

Mr. NUNN. I don't think I ever talked to Dr. Mehren again after this, no.

Mr. DUNCAN. May I inquire? Do you intend to put the actual amounts transferred from these committees to the Republican National Committee and the amounts transferred from the Republican National Committee to the Finance Committee To Re-Elect in the record because the line of your questioning implies that all of the money that was received by the House and Senate committees was eventually transferred to the Republican National Committee and eventually to the Finance Committee To Re-Elect and that is not the case.

Mr. WEITZ. I would be happy to enter it into the record. I think the record shows the following—if you will take my word for it based on the available records—

Mr. NUNN. Yes; whatever the records show. I don't remember.

Mr. WEITZ. I believe the record shows that on October 30, the senatorial committee transferred \$65,000 to the Republican National Finance Committee.

Let's go off the record until I get the records.

[Discussion off the record.]

Mr. WEITZ. Back on the record.

As I started to say, on October 30, \$65,000 went from the senatorial committee to the Republican Campaign Committee and the following week, that is, October 7 or rather November 7, \$55,000 was transferred from the senatorial committee to the campaign committee. Another transfer is indicated, although it may not be related. And I believe our records do not show it is related, but there was another one on November 20 of \$2,000. That would be a total of \$120,000 plus \$2,000 from the senatorial committee to the Republican Campaign Committee.

On November 1, the congressional committee transferred \$95,000 to the campaign committee. The following week on November 7, \$6,000 was transferred.

Mr. DUNCAN. Are you sure that is related?

Mr. WEITZ. No; I am not sure that is related. On November 7, the date of two of the transfers, the Republican National Committee transferred \$100,000 to the Finance Committee To Re-Elect the President. The following week on November 13, the Republican Campaign Committee transferred \$100,000 to the Finance Committee To Re-Elect the President.

Let me also say that our record is complete. I take it obviously that at each executive session, not all facts are brought out, but that all of these facts are complete and I think it is useful to state in this record that our record is complete as to all of the transfers.

Mr. DUNCAN. I don't think the record here reflects what the total contribution was from the milk producers' committees to the Senate and the congressional committees. Did you say it was \$300,000?

Mr. WEITZ. On October 27, 1972, or at least as of that date, checks on those dates for \$150,000 each were made out to the Senatorial Campaign Committee, the Republican Senatorial Campaign Committee, and the Republican Congressional Campaign Committee.

Mr. DUNCAN. Do your records show those funds were commingled with the funds of those two committees?

Mr. WEITZ. I believe so.

Mr. DUNCAN. So that there was a substantial amount of money even after the payments were made by the Senate and congressional committees to the Republican Campaign Committee that remained in the Senate and the House?

Mr. WEITZ. Right, and there is testimony as to the genesis for that arrangement.

Mr. NUNN. Well, did someone else make contributions? At least when I was at the committee, contributions were always coming in in some amounts. Didn't other people, were not they making contributions to those committees about the same time, too?

Mr. WEITZ. Did you solicit any other contributions that you can recall at that time?

Mr. NUNN. Oh, I solicited—well, not specifically, I can't mention one specifically. But as I said, throughout the entire campaign, and going all of the way back to the very beginning, we solicited funds for the Senate and for the House. That was a part of our operation. This was all of the way through the campaign and I did that more so myself than anyone else because, having come from the Hill and knowing the problems, and then, too, trying to coordinate with the committees up here, I guess I did a little more soliciting for the Senate and the

House than anyone else. And I know that indirectly we were responsible for a lot of money going to Senate and House candidates and to the committee on the Hill right here, to both committees, actually. This wasn't the first time that I had solicited funds for those committees. In fact, I never stopped soliciting from the time I left the committee over here.

Mr. WEITZ. Can you explain why Mr. Odell has testified that to his recollection, there was no mention of any loans or repayments in connection with these transfers?

Mr. NUNN. No; I can't. I don't know. I don't know who talked to Odell.

Mr. WEITZ. He testified under oath before this committee.

Mr. NUNN. No; there would be no reason necessarily to get into that area with Mr. Odell because Odell didn't owe anything. The people who were owing was the Senatorial Campaign Committee and the House Campaign Committee.

Mr. WEITZ. Well, his committee, though, the committee which he was affiliated with, they received the transfers from the senatorial and the congressional committees. If they were repayments, presumably he would know.

Mr. NUNN. They would be to those accounts, yes. I don't recall. I could have talked to Odell, probably did, but I don't recall what was said or anything of that kind. I do know what the intent was and what we were endeavoring to do.

Mr. WEITZ. Off the record here.

[Discussion off the record.]

Mr. WEITZ. Back on the record.

Mr. Sanders?

Mr. SANDERS. At the time you spoke with Dr. Mehren in San Antonio in the fall of 1972, were you aware that he had consulted with former President Johnson about a solicitation made or to be made by you?

Mr. NUNN. No; I was not. I read in the papers since, that he had consulted with him, but even now I don't know whether it was before or after I was out there.

Mr. SANDERS. I was going to ask you that.

Mr. NUNN. I don't know. I don't know but just what I read in the paper. I do know he was going down to the ranch. No, I can't recall whether he said he was going down to specifically see him, but he was going to the ranch that day.

Mr. SANDERS. While you were there he told you he was going to the LBJ ranch?

Mr. NUNN. That is right.

Mr. SANDERS. But he did not tell you why?

Mr. NUNN. No; he didn't at all. He just said "if you are going out to the airport, I will drop you off." He said he was going that way.

Mr. SANDERS. Did he give you any indication that he was seeking some independent counsel as to whether he should honor any solicitations?

Mr. NUNN. No; he didn't. What he talked about was his 50-farmer board of directors.

Mr. SANDERS. You subsequently learned that he had been to see President Johnson only through the news media?

Mr. NUNN. I read it in the news media.

Mr. SANDERS. Do you have any knowledge that in September 1972, that the Republican National Finance Committee transferred \$104,000 to the Republican Campaign Committee?

Oh, I'm sorry, wait a second. [Pause.] Yes; that is correct. To the National Republican Campaign Committee, I mean to the House Campaign Committee?

Mr. NUNN. The Congressional Campaign Committee? No; I have no specific knowledge as to the time and the amount. I do know that they transferred or loaned funds to both committees. As to when, as to the dates and the amounts, that was not available to me. I didn't ask. I probably could have had it, if I had asked for it, but I didn't see those records. But I do know that was done.

Mr. SANDERS. Were you contemporaneously aware of it?

Mr. NUNN. Oh, yes, it started as early as the convention in Miami Beach when the directors of the Senatorial Campaign Committee and the House Campaign Committee—and I'm not sure whether Dominick and Wilson were present or not, but they probably were—and they met with Secretary Stans and told him of their problem, that they needed immediate funds, that they were in need of funds. And Stans at that time conceded the Republican National Committee's share of the dinner money on the spot, and then, apparently, he advanced these other funds to them quite soon afterwards and there was the understanding that their finance situation might improve as time moved along and, if so, they would make these repayments.

And the milk producers' funds, of course, were something that came in late and that apparently they hadn't counted on. We felt that this swelled their bank accounts to the point where they should be able to make those repayments.

Mr. SANDERS. Were you aware that there were several transfers and that the total amount transferred into the House Campaign Committee was \$300,000?

Mr. NUNN. \$300,000? I probably have been made aware since, but not at that time of the exact amounts because I was so busy and wrapped up in other things that I didn't get into those details.

Mr. SANDERS. Did you have an awareness that it was a figure that was that substantial?

Mr. NUNN. Oh, I knew it was very substantial. I knew it was quite a substantial figure. It would have to be in order to be of any particular help to them in the Senate and House races.

Mr. SANDERS. You would presume, would you not, that those funds were not held in escrow but made of use to incumbents and non-incumbent candidates?

Mr. NUNN. Oh, yes, they were made of use to them, I would think almost immediately.

Mr. SANDERS. And Mr. Weitz asked what would be the benefit to any House and Senate candidates from the funds transferred in from CTAPE in October, if the money was then used to repay a loan, well, but there was a transfer in, to begin with, that was of benefit to the House and the Senate?

Mr. NUNN. That is right and the transfer was made early. So at this stage of the campaign now, Mr. Weitz, you mentioned Odell and his view as to the use of the money, and at this stage of the campaign, when Stans was making these loans to the committees, it was useful for television, newspapers or anything else because you were early enough then and you had a little time to plan.

Mr. SANDERS. Is there any doubt in your mind, Mr. Nunn, but that there were truly legitimate transfers into the House Campaign Committee and that the transfers back later on were in repayment of those loans?

Mr. NUNN. No doubt in my mind. Of course that is something that I didn't handle. Secretary Stans was chairman of the Republican National Finance Committee. The only part I played in that is the movement of the funds to the two committees and then to the Republican National Finance Committee.

Mr. SANDERS. You know of no facts which would derogate the legitimacy of the transactions?

Mr. NUNN. Pardon me?

Mr. SANDERS. You knew of no facts which would derogate to the legitimacy of those transactions?

Mr. NUNN. No, no.

Mr. SANDERS. Now the House and Senate Campaign Committees operate as independent entities, do they not?

Mr. NUNN. Yes; they do.

Mr. SANDERS. Now, you have had experience on one of them and indirect experience with the other. Do they not function with some considerable independence over the acquisition and use of their funds?

Mr. NUNN. Yes; they do. On the other hand, the committees are always very cooperative, too, and they do cooperate particularly when the dinner operations are going on.

It was customary to transfer funds back and forth and to give one committee a greater share of the funds than they had originally agreed to at the time of going into it, because their need was greater or you would advance funds during the dinner. At one time, of course, the Republican National Finance Committee financed everything and then it got too much. This thing has been going on constantly, this transferring of funds from one committee to another. There is nothing unusual about it.

Mr. SANDERS. Could any funds be transferred out of the House or Senate Campaign Committees without the genuine approval and authority of the chairmen of those committees?

Mr. NUNN. Well, I know when I was the director of the committee, I would never dream of transferring—well, I couldn't, you just couldn't do it—you just didn't dream of transferring any funds to anyone without the approval of the chairman of the committee.

I think there was a limitation on the amount of a check that would be drawn without approval there at one time. It may have been rescinded since. I don't know. But the bank always was the custodian and the treasurer of the funds.

I never signed a check in my life for the Senatorial Campaign Committee. There were always requisitions that would go down to the bank and they would sign the checks. The treasurer was the president of the bank, as a matter of fact, for a long time. I think they have a new one now.

Mr. SANDERS. Do you know of any circumstances in October or November 1972, which might indicate that the House and Senate Campaign Committees did not have complete prerogative to withhold repayment of the loan to the Republican National Committee if it so desired?

Mr. NUNN. It was completely in their hands. They could very well have told me to go to hell, that "We are sorry but we need all of that money and we will pay your loan 10 years from now." There wasn't anything that we could do about it. It was completely in their hands. We had no authority over them at all.

Mr. SANDERS. Except for what you have learned through the news media, did you have or do you have any knowledge of any commitment on the part of the AMPI or TAPE or CTAPE to provide the reelection effort with a certain amount of funds in payment for an increase in the milk price support?

Mr. NUNN. No, I never had any knowledge of anything of that nature. And of course all that you read in the papers, as to what happened and the timing and so forth, I was with the Senatorial Campaign Committee and knew nothing about the period, which the allegations allege all this supposedly to have taken place.

Mr. SANDERS. Do you have any knowledge that any payments made by AMPI or TAPE or CTAPE or any offers of payment had any relationship to the antitrust suit filed against AMPI?

Mr. NUNN. No.

Mr. SANDERS. At or about the same time as the October-November—well, I guess it was all in October, the 1972 contributions by CTAPE to the House and Senate Republican Campaign Committees, there were similar contributions to the Democratic House and Senate Campaign Committee. Now did you have contemporaneous knowledge of those contributions?

Mr. NUNN. I think Dr. Mehren told me—well, actually I know one thing he did tell me was that he was a member of the opposition party and he had occupied a position in President Johnson's cabinet. And he inferred that in this position they were nonpartisan, that to a great extent they were looking after the interests of the membership and their dairy people and that they did contribute to both sides. And of course I knew that they had made contributions to the Democratic Party. I think that they felt that President Nixon was better for the dairy farmer and, therefore, they supported him. But anyway, at the same time they were supporting Democratic candidates for both House and Senate all around the country.

Mr. SANDERS. At or about the same time, did you learn of the exact amounts of their contributions to the Democratic campaign?

Mr. NUNN. No. I don't think any exact amounts were discussed at all.

Mr. SANDERS. At or about the same time, did you have any knowledge that the contributions by CTAPE to the Democratic campaign committees were to be under the review authority and control of Mr. Mills, Senator Humphrey, and Speaker Albert?

Mr. NUNN. No, I don't believe I had that information.

Mr. SANDERS. Did you learn that at any subsequent time?

Mr. NUNN. Yes, I did.

Mr. SANDERS. When did you learn that?

Mr. NUNN. I don't recall what time. It was late.

Mr. SANDERS. And by what means did you learn that?

Mr. NUNN. I don't remember, but probably through one of the Republican National Committees' operations. I don't recall.

Mr. SANDERS. Did you learn of any exercise of that authority by those men?

Mr. NUNN. No, I did not.

Mr. SANDERS. Do you know why those particular individuals were designated?

Mr. NUNN. No, I do not. Much of what you hear in that area is of course by word of mouth, rumor and speculation and so on.

Mr. SANDERS. Well, before we leave the subject of milk contributions, I would like to make sure that you have every opportunity to offer whatever explanation you would like to, in order to spread it on the record, and also have sufficient opportunity for your attorney to offer any clarification. You can take it now if you wish. Is there anything else you would like to say about it?

Mr. NUNN. I don't know that there is anything further that could be said to clarify it any more. I do know that at this period in time that we were all, and I especially, completely overwhelmed with work and sort of running around like a wild man when you have an election a little more than a week ahead and you are handling 50 State finance chairmen.

The only thing that I could see that might have been confusing would have been a lack of explanation or not enough discussion with the people involved.

I don't see how anyone could gain the impression that it was a division of the milk money, although the milk money evidently did make it possible for the two committees to make a substantial repayment on their loans. I'm of the opinion that had we been told to funnel this milk money to your committee through these channels, that if there was anything of that nature, that we would have asked for the entire amount.

And I am still confused over the problem. I know what our intent was and I know the loans were made and I know that there was intention by both committees, I am sure that, if it was possible, that they would repay part or all of those loans, as has happened in the past, and that this was an opportunity for them to make substantial repayments, which they did.

I guess the thing that created so much confusion is that it was truly milk money that made possible those repayments because, unless those contributions had been received, they couldn't have made them. But I am still unable to see what is wrong with the transaction. Maybe it is. I don't know.

Mr. DUNCAN. There is one thing I would like to clarify and that is the amounts of these transfers. Our records agree pretty much with yours. We didn't have the record of, well, I believe you said November 27, 1972. We didn't have that transfer of \$2,000, which you were not sure was related or was not.

Mr. WEITZ. November 20.

Mr. DUNCAN. November 20?

Mr. WEITZ. November 20, 1972.

Mr. DUNCAN. Well, that would have meant that there was a total of \$202,000 eventually transferred back to the Committee for the Re-Election of the President.

Mr. WEITZ. No, I am sorry. Let me say this. As I say, of all, the \$2,000 I mentioned was not necessarily related. The record does not indicate that, but the \$2,000 on November 20 was from the senatorial committee to the Republican campaign committee. I think we are in

agreement that the amount transferred from the campaign committee and the Republican National Finance Committee to the Finance Committee To Re-Elect the President was a total of \$200,000, that is, two \$100,000 transfers.

Mr. DUNCAN. We have another transfer on November 27, 1972, which again may be related or unrelated, and that is of \$12,000. In any event, it would appear that about \$88,000 more or less remained with the House congressional committees.

Now, I believe Mr. Sanders mentioned that the total advanced in one way or another to the congressional and Senate committees was \$300,000; is that correct?

Mr. SANDERS. That is my understanding.

Mr. DUNCAN. This record does not coincide with our records. Again, we may be talking about what Mr. Stans authorized for transfer to those committees. Mr. Sanders may be referring to what was actually transferred, because our records don't make that distinction.

The records that we were able to develop indicate that Mr. Stans actually authorized the advance of some \$605,000 to the Senate and congressional reelection committees at or about the time of the Republican National Convention in Miami, and that it was against the advances actually made on that commitment that payments were made in late November or during November through the Republican campaign committee and back to the Finance Committee To Re-Elect.

I wonder if you could clarify the record as to what the discrepancy between the \$605,000 actually authorized by Mr. Stans and the \$300,000 figure, which you mentioned, was?

Mr. SANDERS. I can state to you what information I have, which is provided to me by Bob Costa, who is an accountant on our staff, and it may be that he is not completely right. It is not completely clear to me whether his information is based solely on what he was told by Mr. Ed Terrar or whether some record examination is included in it. But he has informed me that on September 27, 1972, the Republican National Finance Committee transferred \$140,000 to the NRCC and that on the same date the Republican campaign committee, another name for the RNC, transferred \$60,000 to the NRCC, and that \$100,000 was transferred on October 9, 1972, from the Republican National Committee to the NRCC. That is a total of \$300,000.

Mr. DUNCAN. Perhaps the discrepancy is one of the original authorization for transfers as opposed to what was actually transferred, but the only records we come up with are those that indicate the original authorization, which was by Mr. Stans, and I understand that other than the statement given, the formal written statement, the prepared statement given by Mr. Stans, he has been unwilling to comment. In other words, he has been unwilling to testify further, in light of his pending trial in New York, further in the matter. I suggest that this ought to be a matter that is clarified.

Mr. WERTZ. I might add that is absolutely correct. I believe we have talked to his attorney but have been unable to talk to Mr. Stans about this.

Mr. NUNN. Well, the only thing that I can figure out is that I must have done a pretty good selling job on the effort that I was making on behalf of these people and overstressed the milk producers' money and made it more important in their minds than it really was.

Mr. WEITZ. Do we want to take a brief recess before we go on?

[A brief recess was taken.]

Mr. WEITZ. Back on the record.

Anything else you would like to add, Mr. Nunn?

Mr. NUNN. Yes, I would. I would like to point out that my authority throughout the entire Presidential campaign was somewhat limited. I had no authority to sign checks, authorize expenditures, or make final decisions in any manner other than details of handling the 50 State organizations. I had access to no cash boxes and I don't recall ever having signed a check as a chairman of any committee.

I believe I may have been chairman of one committee at some point during the campaign.

Mr. WEITZ. Anything else?

Mr. NUNN. My authority with the Republican National Senatorial Committee ended on March 31, 1971 when I left that employment. During my employment with that organization, I signed no checks. All records, all incoming cash and disbursement, were handled by the treasurer who was an employee of the First National Bank in Washington.

Mr. WEITZ. OK.

Mr. NUNN. Anything else?

Mr. DUNCAN. I can't think of anything.

* * * * *

Mr. WEITZ. I have no further questions.

[Whereupon, at 5:15 p.m., the hearing in the above-entitled matter was concluded.]

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FRIDAY, MARCH 22, 1974

U.S. SENATE,
SELECT COMMITTEE ON
PRESIDENTIAL CAMPAIGN ACTIVITIES,
Washington, D.C.

The Select Committee met, pursuant to notice, at 10 a.m., in room G-334, Russell Senate Office Building.

Present: David M. Dorsen, assistant chief counsel; Alan S. Weitz, assistant majority counsel; Donald G. Sanders, deputy minority counsel; Robert Silverstein, assistant minority counsel.

Mr. WEITZ. Mr. Kalmbach, just for the record, would you state your full name, please?

TESTIMONY OF HERBERT WARREN KALMBACH, ACCOMPANIED
BY EDWARD P. MORGAN, COUNSEL

Mr. KALMBACH. My name is Herbert Warren Kalmbach, K-a-l-m-b-a-c-h.

Mr. WEITZ. And your address?

Mr. KALMBACH. My home address is 1056 Santiago, S-a-n-t-i-a-g-o, Drive, Newport Beach, Calif.

Mr. WEITZ. And as we discussed just before we went on the record, our understanding here today is that your statement is under oath as a continuation of your prior testimony before the committee?

Mr. KALMBACH. That is correct.

Mr. WEITZ. Would your counsel please identify himself for the record?

Mr. MORGAN. Edward P. Morgan, law firm of Welch & Morgan, Farragut Building, Washington, D.C.

Mr. WEITZ. Mr. Kalmbach, following the 1968 election did there come a time when you had a responsibility for the surplus funds from that election?

Mr. KALMBACH. Yes.

Mr. WEITZ. What was your role of responsibility?

Mr. KALMBACH. My recollection is that on or about January 14, 1969, Secretary of Commerce-designate, Maurice Stans, asked if I would agree to act as trustee for certain funds that were left over from the 1968 campaign. And, as I remembered, he categorized those funds as primarily from the primary campaign period, and indicated that they would be substantial in amount, and I agreed to undertake that role, that of trustee.

Mr. WEITZ. Were funds actually placed in your physical possession or control, and certain bank accounts for which you were a trustee?

Mr. KALMBACH. Yes.

Mr. WEITZ. Named account?

(7577)

Mr. KALMBACH. Yes, and of course these funds came into my—under my control at a later date, subsequent to that January 14, 1969 meeting with Mr. Stans.

Mr. WEITZ. Now, did there come a time, in 1969, when you were contacted by a representative of the dairy lobby, or dairy industry?

Mr. KALMBACH. Yes, on or about April—the early part of April—as I remember it. I was contacted by telephone by a man by the name of Milton Semer, S-e-m-e-r, who identified himself as an attorney in Washington, D.C., and indicated, as I remember it, that he was calling at the suggestion of John Mitchell.

Mr. WEITZ. Did he say in what connection he was calling you?

Mr. KALMBACH. No, he did not. As I recall that very first telephone conversation, I think I was at the Madison Hotel and he called me from his office, which, as it turned out, is right across the street. And as a result of that conversation we met in the Madison Hotel coffee shop, I think either that day or the next day, for 10 or 15 minutes as I remember it.

And I think it was at that time that he identified himself as an attorney, or the attorney for the milk producers.

Mr. WEITZ. What was the purpose of his contact, did he indicate what he wanted to discuss with you, or what in fact, did you discuss with him?

Mr. KALMBACH. Yes, he indicated, in the coffee shop, that his client, or clients—I don't remember if he was representing more than one of the milk cooperatives or not, but he indicated that his client, or clients, wanted to make a contribution and that he had been referred to me by John Mitchell, who he said was a friend of his.

Mr. WEITZ. Did he indicate anyone else in the White House with whom he had talked, and who might have suggested that he contact you, that you recall at this point?

Mr. KALMBACH. I don't recall it. He might have mentioned Jack Gleason, but my best memory is that he said that he was calling—had called me at the suggestion of John Mitchell.

Mr. WEITZ. Did he discuss in that first conversation, anything with respect to the organization or political activity of his client?

Mr. KALMBACH. I think that he said that—words to the effect that his client, or clients, had been very much involved in the 1968 election, but that they had been on the side, and had been very supportive of Senator Humphrey in that campaign. And now, words to the effect, that they were without friends in the administration and this was the reason they wanted to make a contribution.

Mr. WEITZ. Did Mr. Semer indicate the amount of the contribution, or the range of the contribution?

Mr. KALMBACH. I seem to recall that at that first meeting he indicated \$100,000, but I'm not certain on that—of the early April meeting.

Mr. WEITZ. Did he specify the recipient, or the intended purpose or use of the funds?

Mr. KALMBACH. No, he did not. He simply used the word "contribution", and again, as I say, he told me that he had been referred to me by John Mitchell. And I don't recall that he indicated any use of the funds, other than categorizing the funds as a contribution.

Mr. WEITZ. And was it your understanding that it was at least for the purpose, or in connection with, the matter of counteracting the fact

that they had no friends, so to speak, as he put it, in the administration?

Mr. KALMBACH. Yes.

Mr. WEITZ. Did he say in what form he intended to make the contribution?

Mr. KALMBACH. Again, on this my memory is that he indicated that—and I don't know whether it was at this conversation or a subsequent conversation. We had several conversations, many conversations, in fact, prior to the time that I actually received the funds in August of 1969. And either at this very early time, or subsequently, at some point, it's my memory—and my best memory—that it became clear that they were talking of contributing cash as their contribution.

Now, one of the reasons, as I try to reconstruct this in my mind, and it's of course 5 years old now, is that there were no committees outstanding that could receive those funds that I know of, and it's just my memory that he suggested cash. And that is my best memory now.

Mr. WEITZ. When you took over responsibility as trustee for the surplus funds from the 1968 campaign, or at any time thereafter, in connection with that responsibility, did you have any discussions with either Mr. Haldeman, Mr. Stans, or anyone else in connection with the preferred form of moneys that you would either handle or receive from the outside?

Mr. KALMBACH. Yes. At the outset it was made clear to me that Mr. Haldeman would be the one to whom I would report as far as my duties as trustee for these funds. And Mr. Haldeman made it clear to me in many conversations, that I was to retain the nature of the funds as I received them, insofar as it was possible for me to do so. By that I mean that the cash I received should remain as cash, and there was a checking account that I was—that was established in New York City, some \$570,000, and that was to remain as a checking account until I was ordered to change that, by him.

But it was credited. Cash was to remain cash and the check was to remain in that form.

Mr. WEITZ. What about subsequent moneys that you received or solicited?

Was there ever any—at any time, expressed by either Mr. Stans or Mr. Haldeman, to you—preference for seeking cash, rather than some other form of contribution?

Mr. KALMBACH. I recall at least once, and I think it was more often, that in talking to Mr. Haldeman, he made it clear that if I was offered cash, or if I could obtain cash, I should do so. And the reason for that was clear, because I was disbursing funds from the cash funds at quite a rate, and I think that they were concerned that the funds would be depleted, and they wanted to add to the funds whenever they could.

But I remember that I talked to Mr. Haldeman and he so advised me, at least on one occasion that, if you can get cash get it. And I think there were several other times that he said essentially that same thing.

Mr. WEITZ. Well, given the fact that there were two different sources of money at your disposal, one a checking account and one a cash fund, was the purpose of expending moneys over a period of time, from the cash fund, and the need to replenish it so it would not be depleted,

because of the nature of the expenditures that were being made, by the use of the cash?

MR. KALMBACH. Yes, that is correct, and I never did disburse it all from the checking account from the day that it was established or at the time it was established. And it was established with funds, as I recall it, that came from two so-called nonreporting States. I think they were from Illinois and Delaware. Those two States contributed approximately \$500,000.

And then there was a payment of \$50,000. That was received, as I remember it, in the first quarter of 1969. That was received from a contributor in cash, and then the \$20,000 was the balance of what they call the transition budget that was left over from the Pierre Hotel transition operation. So in the aggregate, that was \$570,000 that was set up in a checking account at the National Bank of North America in New York City under the name of The Public Institute, which is a New York voluntary association.

Now, there were no disbursements from that \$570,000 after it was once set up, until all of those funds were transferred to Mr. Sloan in the first week of February of 1972, when we zeroed out that account and also zeroed out the balance of the cash funds that I still held at that time, which was approximately \$234,000.

MR. WEITZ. But that cash fund was essentially the end balance that you transferred from funds that you had both received and disbursed over a period of 3 years?

MR. KALMBACH. That is correct. The several safe deposit boxes, one at the Chase Bank in New York, and one at the Riggs Bank in Washington, and a box at the Security Pacific National Bank in Newport Beach, Newport Center branch; and the fourth box was at the Crocker Citizens Bank main office in Los Angeles.

And we emptied those four boxes, and the aggregate of those four boxes came to approximately \$234,000, so when you add that \$234,000 and the \$570,000, or however it came up, you came up to approximately \$915,000. I guess it was \$571,000, we recorded in the checking account. So the aggregate amount that I turned over to Mr. Sloan in the first week of February was \$915,000, approximately, of which \$571,000 was out of the checking account and \$234,000 was the balance of the cash.

MR. WEITZ. Let's go off the record for a moment.

[Discussion off the record.]

MR. WEITZ. Back on the record.

Just to clarify the record, would you state what the sum total of the moneys that you transferred to Mr. Sloan in 1972 was?

MR. KALMBACH. The sum total was approximately \$915,000. And, again, as I think about it, that in addition to the \$570,000 in the National Bank of North America account, there was approximately \$111,000 in checking accounts that I had established in Newport Beach, so that the aggregate of those two checking accounts, the \$570,000 plus the \$111,000 plus the \$234,000 in cash should total approximately \$915,000.

MR. WEITZ. Just one more question before we leave this area. From the cash in these various safe deposit boxes during the period from 1969 to 1972, I take it that it was those funds that were used for purposes such as disbursements to Anthony Ulasewicz and also part of

the funds disbursed for the candidacy of Governor Brewer in Alabama in 1970?

Mr. KALMBACH. That is correct.

Mr. WEITZ. Now, returning to the contracts between you and Mr. Semer on behalf of the dairy cooperative in 1969, did you have occasion to meet with Mr. Semer out in California before the delivery of the contribution?

Mr. KALMBACH. Yes, and my memory has been refreshed on that from notes, and I find that I think I met him in early July of 1969, in Newport Beach, Calif., and then I met him on or about August 2, I think, of 1969, in Newport Beach.

Mr. WEITZ. Now, in the conversations and meetings leading up to the actual delivery of the contribution, is there anything else that you can now recall that took place or was discussed, in addition to what you have already mentioned?

Mr. KALMBACH. Well, yes. I think, again from my memory being refreshed, I find that at some point, and I think more than once it was stated to me by Mr. Semer, that his client or clients were talking of contributing in the aggregate, or as a goal figure for 1969 \$250,000. And he gave me a range, as I remember, of from \$100,000 to \$250,000 that they had as their goal to contribute in 1969, by December 31, 1969.

Also, my memory is now refreshed, and it's my recollection, that they made it clear to me that he had three objectives in mind. He, as the attorney for these clients; these objectives were, one, I think 90 percent of parity was a goal. Two was that they would like to have the President address their convention, I think—the convention that was scheduled to be held in Kansas City the next year. And three, that they wanted to have some identity or an audience or contact with the President so that they could meet him. And, of course, that was also included. And they wanted to be able to talk to various people within the White House, meaning Milton Semer and his clients making their case.

Mr. WEITZ. And the range of \$100,000 to \$250,000 was in no way distinguished from the original discussion, in terms of amount, source, use of the money, than the original \$100,000 figure mentioned by Mr. Semer?

Mr. KALMBACH. It was not.

Mr. WEITZ. Do you remember any discussions with Mr. Semer before or at the time of the delivery of the contribution of any alternate method of reporting or receipt of the moneys to committees and so forth?

Mr. KALMBACH. Absolutely not. He transferred the funds to me on or about August 2, and there was no mention of any reporting requirements, or no request for a receipt for funds at all, that I can remember.

Mr. WEITZ. Do you recall any discussion as to the source of the funds?

Mr. KALMBACH. No, I do not.

Mr. WEITZ. What was your understanding of the source of the money?

Mr. KALMBACH. My understanding of the source of the money was from his clients, and beyond that I have no memory at all of him telling me how these funds were, in fact, raised.

Mr. WEITZ. Do you remember any discussion as to the existence of political trusts as adjuncts to the cooperatives?

Mr. KALMBACH. Yes, I do, and I think at some point during these rather—and there were numerous conversations that I had with Mr. Semer, dating from early April through to the time that I received the \$100,000 in cash—that at various points during this time, he gave me background on the way these people, these cooperatives, raised political funds.

Mr. WEITZ. But at no time did he specify, and particularly at the time of the delivery of the money, did he specify the source of the money?

Mr. KALMBACH. No, I have no memory at all that he told me of the source of it, that it was just my understanding that these funds had come from his clients.

Mr. WEITZ. Did you understand whether or not there were more than—whether there were as many as 20 sources for the money?

Mr. KALMBACH. No, I did not understand that. Again, as I say, I don't remember that he particularized as to the source, and it was just my assumption that he obtained these funds from his clients. But I was not aware of how, in fact, they were obtained.

Mr. WEITZ. Now, you've mentioned—but first, before we get to that—before receipt of the money, did you check with, or report to Mr. Haldeman, with respect to the offer of a contribution offered by Mr. Semer?

Mr. KALMBACH. Of course.

Mr. WEITZ. Did you explain to him what you've told us today?

Mr. KALMBACH. I did. I told Mr. Haldeman that I had been approached by Mr. Semer and I know, too, that I talked to—I confirmed with Mr. Mitchell that Mr. Semer was known to him, and I did talk to Mr. Mitchell, I think it was within a day or two after I talked to Mr. Semer, just to make certain that this person was what he said he was. And it's my clear memory that Mr. Haldeman authorized me to receive any contribution that was offered by these people.

Mr. WEITZ. Did you also indicate to Mr. Haldeman, discuss with him, the goals or interests of Mr. Semer's clients?

Mr. KALMBACH. I don't think at the outset these goals or interests were made known to me. But when they were made known to me later in our conversation, I'm certain that I made those known to Mr. Haldeman, inasmuch as he was the one to whom I was reporting as trustee.

Mr. WEITZ. When you said "later," would this have been later in your series of meetings but before or contemporaneous with the delivery of the first contribution?

Mr. KALMBACH. Yes.

Mr. WEITZ. Did you also report to Mr. Haldeman upon receipt of the contribution?

Mr. KALMBACH. Yes, I did, and I'm certain that I told Mr. Haldeman immediately or within a week or so after I received the \$100,000 that I had, in fact, received that money, and again stated to him the objectives that Mr. Semer had given to me.

Mr. WEITZ. What did you do with the money?

Mr. KALMBACH. I put it in a safe deposit box in the Security Pacific National Bank, Newport Center branch, Newport Beach, Calif.

Mr. WEITZ. And it was out of those funds, commingled with others, that was applied to the various purposes, some of the purposes to which you referred to today?

Mr. KALMBACH. That is correct.

Mr. WEITZ. And the surplus from those moneys was transferred together with the amounts in the checking account, to Mr. Sloan in 1972? Is that correct?

Mr. KALMBACH. That is correct.

Mr. WEITZ. Did you report or discuss your contacts with Mr. Semer with anyone else that you can recall in 1969 in the White House, other than Mr. Mitchell, who, of course, was the Attorney General, and Mr. Haldeman?

Mr. KALMBACH. Yes. I think I advised Mr. Flanigan, Mr. Ehrlichman, and Mr. Stans. Of course, Mr. Stans was not in the White House as such, but he was in the administration.

Mr. WEITZ. I should enlarge that question to include anyone in the administration.

Mr. KALMBACH. Yes.

Mr. WEITZ. Were there any reactions or comments or messages that you recall from those gentlemen?

Mr. KALMBACH. No, there were no particular reactions, other than—oh, Mr. Dent would be another man that I would have advised of this. And I think the reactions were simply that I told them, either one or all of them, told them of Mr. Semer's objectives, certainly, as to the objectives that he had, that he wanted to meet with certain of the people within the White House.

And Mr. Gleason, incidentally, would be another one that probably I advised of this.

And it was made clear to me by one or more of these people that meetings would and could be arranged between Mr. Semer and one or more people within the White House.

Mr. WEITZ. Not the President, yet, but at least some aides?

Mr. KALMBACH. Yes. And I don't recall that the President was mentioned.

Mr. WEITZ. By them?

Mr. KALMBACH. By them.

Mr. WEITZ. But you, in fact, mentioned to them the dairy people's interest in meeting with the President?

Mr. KALMBACH. That is correct. And also, of course, their interest in having the President address their convention, I think, the following year in Kansas City, as I remember.

Mr. WEITZ. And the setting of parity at 90 percent?

Mr. KALMBACH. That is correct.

Mr. WEITZ. Do you remember taking any steps within the next several weeks after the receipt of the contribution to, in fact, arrange or assist in the arrangement of a meeting between Mr. Semer and Mr. Dent?

Mr. KALMBACH. Yes, I do.

Mr. WEITZ. How did you go about that?

Mr. KALMBACH. I think I called Mr. Dent. It was subsequent to the time that Mr. Semer gave me the \$100,000, on or about August 2, 1969, and I think I called Mr. Dent, and Mr. Dent agreed to see Mr. Semer.

And I think I also talked to one or more of the others in the White House to set up other appointments for Mr. Semer.

Now, I'm not—my memory is not clear as to what people he met in the administration.

Mr. WEITZ. You were not present?

Mr. KALMBACH. But I was never present at any of those meetings that I remember at all. But I'm certain that the people that he did meet in the administration were—it was probably the result of calls that I made to either Bob Haldeman or John Ehrlichman or Harry Dent or some of the others that I've named.

Mr. WEITZ. Did either you, in your conversations with people in the administration in connection with this contribution and the contract with the dairy people, or did any of those individuals with whom you talked, express any concern about the discussion, both contribution or contributions—substantial contributions—and certain aims or interests that they had in substantive policies and in contacts with the administration?

Mr. KALMBACH. Excuse me. I'm not certain as to your question.

Mr. WEITZ. Did you perceive the dairy people as hoping that their contribution would assist them in gaining, No. 1, access to the White House, meetings with the President, and some substantive policy decision with regard to parity, the setting of parity?

Mr. KALMBACH. I don't know if this is responsive to your question, but it was clear in my own mind, that as a result of this contribution and contributions by, or further contributions by, Mr. Semer and his clients, that meetings would be arranged for Mr. Semer and his clients to meet with certain people within the White House to put forth his case on behalf of his clients.

Now, I don't recall that I had any understanding beyond that as to any substantive results that would be forthcoming. I simply stated to one or more of these people in the White House or in the administration, the objectives that Mr. Semer had made known to me.

[Discussion off the record.]

Mr. WEITZ. I take it, then, that you expressed no concern that further contributions should not be received from the dairy people as a result of their expressed interest to make contributions and seek out an audience for the serious matters that you've outlined?

Mr. KALMBACH. I did not.

Mr. WEITZ. And no one in the White House expressed such a concern?

Mr. KALMBACH. I don't recall.

Mr. WEITZ. To you?

Mr. KALMBACH. No. I don't recall any such concern, and I don't recall that I expressed—or I don't recall that I had any concern.

Mr. WEITZ. Subsequent to the receipt of the contribution from the dairy people in August of 1969, were there any further contacts that you had shortly after arranging for the meeting between Mr. Dent and Mr. Semer? Any further contacts in 1969 with Mr. Semer in connection with additional contributions?

Mr. KALMBACH. I don't recall. I remember that I talked to Mr. Semer—oh, probably three or four times after the August meeting, before the end of the year, and I think there were a couple of conversations in October; and I'm not certain whether those were telephone

conversations or personal meetings when I was in Washington. Oftentimes, I would see him when I was in Washington. I would be at the Madison, and we would have a cup of coffee together, and something like that, and my memory is, I think I called the White House two or three times on Mr. Semer's behalf, attempting to arrange meetings between Mr. Semer and people in the administration. And I don't—I think, as I say, he met with Mr. Dent, I believe. I believe he met with others. I don't remember who they were, but very possibly Mr. Ehrlichman. But I feel relatively certain that anyone who he met with, it was probably the result of my making calls to arrange such meetings.

Mr. WEITZ. Can you shed any light as to why there were no further conversations, or, more importantly, contributions by them up to the \$250,000 range in 1969 that they had mentioned?

Mr. KALMBACH. Well, I think that one of the—as I think about it, one of the reasons that probably there wasn't additional contributions is that I feel, in looking back on that and having my memory refreshed, that Mr. Semer expressed a little dismay to me in late 1969, words to the effect that he wasn't really getting—wasn't meeting with too many of the people, and the response wasn't really what he had hoped for. And I had the feeling that he was a little turned off on all of this, that he had had maybe two or three meetings, or whatever it was, but they weren't as productive as he had hoped. So there was no offer of additional contributions, and I don't remember that I solicited additional amounts.

I think I should add here, that it is my memory that I did not solicit Mr. Semer. Mr. Semer came to me at the suggestion of Mr. Mitchell, and I don't know that Harry Dent and some of these other people knew of these surplus funds that I held. I'm not certain that they knew at that time. I think they became aware of it later, but I'm not certain that they knew about it. But I want to make the point that I did not solicit Mr. Semer.

Mr. WEITZ. But they did understand whether or not you were a trustee of the previous funds from the previous election? You at least, as of August 1969, became custodian, some way, of a contribution from the milk people?

Mr. KALMBACH. I think they all understood that Mr. Semer was representing a contributor. I'm not sure as to—in my own mind—as to whether they understood that he had, in fact, contributed—all of these people had contributed—that he had contributed that year. But certainly, Mr. Haldeman knew about it; Mr. Stans knew about it; Mr. Mitchell knew about it. As to Mr. Flanigan and some of those people, I'm not certain in my own mind.

Mr. WEITZ. I'd like to show you a letter dated January 21, 1974, from Mr. E. C. Heininger to Kenneth Parkinson.

It refers to a request by Associated Milk Producers, Inc., for the return of a \$100,000 contribution delivered to you by Mr. Semer in 1969 on the basis that it was ultimately generated out of corporate funds. And I'd like to ask you whether you have any knowledge of the way in which the funds were repaid out of corporate funds, allegedly in this letter, at the end of 1969?

Mr. KALMBACH. I do not. I have no memory.

Mr. WEITZ. Have you ever seen this letter, or are you familiar with the request made by Mr. Heininger on behalf of AMPI?

Mr. KALMBACH. I have never seen this letter. I think I noticed in the newspapers, something to the effect that there had been such a request made, but I had no knowledge at all. I have no memory at all that I had any understanding that this was corporate funds.

Mr. WEITZ. Did you have an understanding of whether or not the cooperatives, or his clients, were, in fact, corporations?

Mr. KALMBACH. No. It was my understanding that his clients were cooperatives. Of what sort of an entity, I'm not absolutely certain, but groupings of individual dairymen who contributed. I think I remember that they contributed approximately \$100 apiece per year per dairyman, and that they had 40,000 or 50,000 dairymen in this one major cooperative. I think it was AMPI plus several more thousand dairymen, and two or more additional cooperatives.

Mr. WEITZ. I believe the records that we have uncovered, and also some records released by the White House in connection with the President's personal finances, indicate that in July of 1969, \$100,000 was transferred from a personal bank account of the President's in Key Biscayne, to an account for which you were trustee in California.

Mr. KALMBACH. That is correct.

Mr. WEITZ. And those funds were ultimately used as part of the purchase price of this San Clemente residence?

Mr. KALMBACH. That is correct.

Mr. WEITZ. What I want to ask you, is whether any of the money that you received from Mr. Semer on behalf of the dairy people, was used, either for the purchase of San Clemente, or to reimburse the President for the moneys transferred to effectuate the purchase?

Mr. KALMBACH. The answer is no.

Mr. WEITZ. Off the record.

[Discussion off the record.]

Mr. SANDERS. I'd just like to explore with you some thoughts you may have had as to the—that is, at the time of actual receipt of the money from Semer, about what possible uses would be made of the money.

Did you consciously have in mind that the money was to be held for the 1972 Presidential campaign, or what other thoughts did you have in mind about it?

Mr. KALMBACH. I had in mind the thoughts that these funds were being added to trust funds that I then had under my control, and that they would be commingled with those trust funds, and used as I was directed, for political purposes, by Mr. Haldeman.

Now, by the time I received this \$100,000 in early August, I had already made the arrangement to pay Mr. Ulasewicz, again at the direction of Mr. Ehrlichman, I think, Mr. Haldeman. And there had been several payments, I think, by this time of pooling costs; and if I had any thought on that at all, it was just my thought that similar type expenditures would be authorized, and these were all commingled with the balance of my trust fund.

Mr. SANDERS. Did your thoughts—did the 1970 congressional race expenditures enter into your thoughts for this money?

Mr. KALMBACH. I'm not certain if they did. I don't recall that I was told that any of these funds would be disbursed to congressional can-

didates, and I don't recall that I did so understand, or think about that at that time.

Mr. SANDERS. Did you regard the payment of moneys to Ulasewicz as being for political purposes?

Mr. KALMBACH. I understood that from Mr. Ehrlichman particularly, that this was work of a political nature, and investigative work that Mr. Ulasewicz was doing; and I understood Mr. Ulasewicz was reporting to Mr. Caulfield, who in turn was reporting to Mr. Ehrlichman. And I was not aware of the type of assignments that Mr. Ulasewicz had, or the specific assignments, other than that they were political in nature and that they were investigative in nature.

Mr. SANDERS. And did it ever occur to you that any of these expenditures, then, were not for some political use?

Mr. KALMBACH. No. I don't recall any expenditure that I made from my funds, or from the trust funds that were not political in nature.

Mr. MORGAN. That depends on one's definition of political.

Mr. SANDERS. Well, with the predicate of his explanation of the Ulasewicz expenditures—

Mr. MORGAN. I would just, so the record is clear, be sure that we're talking now about the Ulasewicz activities prior to the time which he delivered funds. Ulasewicz—in other words, I want the record clear that you have now been talking to this point with respect to funds that went to Ulasewicz—I mean, who worked with Caulfield.

Mr. WEITZ. Prior to the 1972 election.

Mr. MORGAN. In other words, I don't want this confused with the other situation.

Mr. WEITZ. After the 1972 election?

Mr. MORGAN. Right.

Mr. WEITZ. Yes, I understand.

Mr. KALMBACH. Now, I don't understand whether this is true or not, but I have some memory that Mr. Ulasewicz had some and you know, my memory on this is very vague, as to whether or not Mr. Ulasewicz did some investigative work as to Don Nixon. But I'm not certain on that. Now, whether or not that could be classified as political, I'm not certain. But I think that, just for the full story, I must say that I have a vague memory of that.

Mr. SANDERS. At one point during Alan's questions, you remarked that Semer had explained to you how the dairy co-ops raised their funds, and at another time, that you were told that the farmers checked off up to \$100 a year, and this money was aggregated. Was this explanation to you by Semer before the delivery of the money?

Mr. KALMBACH. I'm not certain. I'm just not certain. I think that it was, but I'm not certain of that, and it could be that I'm confusing myself here with later explanations of how the milk cooperatives were—how these political funds were developed, that I learned in 1970, when I learned that from Marion Harrison and Pat Hillings, that I may be confusing myself there.

But I do have a memory, it seems to me—my best recollection is that Mr. Semer advised me of this, but I could be wrong on that.

Mr. SANDERS. If he did not tell you before the delivery of the funds, did we at least establish that he did not tell you anything contradictory of that?

Mr. KALMBACH. My memory on that is just not too—it's not good. I don't know, really, whether he got into that or not. He indicated to me that he was—I remember now that he indicated to me that he was working on gathering the funds together, but I don't have any specific memory as to how that was, or whether he was talking to me about the \$100 per dairyman during this time. I'm just not certain of that.

Mr. SANDERS. Would you say, however, that you had no thought that this was a corporation, in essence?

Mr. KALMBACH. I would say that I had no thought at all that these were corporate funds that he was gathering.

Mr. SANDERS. And therefore, you could not have made any such explanation to any persons working in the administration?

Mr. KALMBACH. I have absolutely no memory ever, of having any thought that he was getting corporate funds, and certainly never mentioned that, because I had never thought of that. I never would have mentioned that to anybody within the White House.

Mr. SANDERS. Can you explain why you would have mentioned the Semer contact to Flanigan, Peter Flanigan?

Mr. KALMBACH. No, except that I think Peter Flanigan had responsibilities in certain areas where the milk people had some interest. I'm not certain of that, but my memory is that my diaries or my notes indicated that I did talk to Flanigan about Semer at least once, or maybe more times.

Mr. SANDERS. Would it be perhaps because of the imports of dairy products?

Mr. KALMBACH. It might have been. I mean, probably I think it would have been, and I'm going to come up with my very best recollection here. But I think it would probably have been that perhaps Mr. Semer asked to see Mr. Flanigan, and I talked to Mr. Flanigan about meeting Mr. Semer, and whether or not Mr. Semer ever, in fact, did meet with Mr. Flanigan, I don't really know.

Mr. SANDERS. I believe that the record showed that, shortly before you told us about Semer's three objectives, you made some remark to the effect that your recollection had been refreshed by reference to notes.

Mr. KALMBACH. Yes.

Mr. SANDERS. You have some contemporaneously prepared notes of remarks to that effect by Semer?

Mr. KALMBACH. I have notes that I made to myself that are with the Special Prosecutor, and these are notes of 1969 and 1970.

Mr. SANDERS. What was your habit in preparation of such notes?

Mr. KALMBACH. Well, these notes were notes that I had a habit, during that period, of making almost a diary of my activities during this period, and carried it in an 8 by 10 notebook, and beginning about late 1970, I discontinued that practice, and I took all of those notes from 1969-70 and put them together with old notes that I had, pre-1969, and put them away in my house. And it was only—oh, several months ago, whenever it was, that I remembered I was doing my darndest to get every scrap of information that I could possibly get to refresh my memory on what had transpired. I found these notes. I delivered these notes, in total, to the Special Prosecutor's office and these notes are—on these notes is indicated these meetings, these telephone conversations, these objectives, and as I say, all of these notes are in the hands of the Special Prosecutor.

Mr. SANDERS. And usually, they would have been—the notations would have been made very soon after the events occurred?

Mr. KALMBACH. Yes.

Mr. SANDERS. And your recollection is that there is some mention of these three objectives in these notes?

Mr. KALMBACH. Yes, I'm certain of that.

Mr. SANDERS. In the course of your advising the various persons in the White House of Semer's objectives, was anything said to you about any action to be taken with respect to the 90-percent parity objective?

Mr. KALMBACH. No; I don't have any memory of anything being said to me on that score, and I think that my memory of the 90 percent of parity was just one of those three objectives. And I think—and I can't be at all certain here—but I think that I mentioned these objectives to one or more of the people within the administration, these three objectives. And this is really what these people wanted, and particularly Milton Semer, on behalf of his clients.

Now, I don't remember beyond that that I got into the substance of that at all. My sole function was to arrange for these meetings. As I told Mr. Weitz, I don't recall that I was ever at a meeting with Mr. Semer, with his clients, and with anyone in the administration.

Mr. SANDERS. During any of your 1969 contacts with Semer, did he remark to you about the price level for the then-current marketing year?

Mr. KALMBACH. I don't recall that. I think he simply told me of the objectives, and I remember in my notes that those three objectives are stated at the time that he gave me the \$100,000; about August 2. And I remember in my notes, one, two, three; but I don't remember that Mr. Semer really got into substantive discussions about parity and things like that.

I think I'm absolutely not knowledgeable in it, and the only function, as I say—and I'm being repetitive here—I felt that the only function I had was to arrange for Mr. Semer to see people within the administration, to whom he would then talk about these matters.

Mr. SANDERS. Do you recall that he might have mentioned how they proceeded to obtain the price level for milk during the previous year?

Mr. KALMBACH. No, I don't remember that.

Mr. WEITZ. Let's go off the record.

[Discussion off the record.]

Mr. WEITZ. I'd like to turn your attention to 1970. Did there come a time in late 1970—say November—that you met with and discussed with Mr. Haldeman the role or functions you might play in early fundraising for the 1972 campaign?

Mr. KALMBACH. Yes.

Mr. WEITZ. Do you recall when that was?

Mr. KALMBACH. I think it was in mid-November of 1970.

Mr. WEITZ. I think the records reflect that either—on either or both November 19 or November 20, you met with Mr. Haldeman, according to his logs. Is that consistent with your recollection?

Mr. KALMBACH. Yes, it is.

Mr. WEITZ. What was your role to be?

Mr. KALMBACH. My role was to act as the fundraiser, the principal fundraiser for the forthcoming 1972 campaign, and I was to approach

a number of the major prospective contributors between that date, which was in mid-November 1970, and on into 1972, whenever the finance chairman was ultimately appointed. I was authorized by Mr. Haldeman to deduct from my trust funds my out-of-pocket expenses. My time was not to be charged. I was acting as a volunteer, as far as my own time was concerned.

Mr. WEITZ. At about the same time, did you have occasion to meet with representatives of the milk producers?

Mr. KALMBACH. Yes; I did. I think it was probably—and again, my notes tell me this, the same notes that I've discussed earlier today—my notes tell me that I met, I think, with Chuck Colson in October, which is before, of course, my meeting with Bob Haldeman in November. And then my notes also indicate that I probably met with Chuck Colson in December.

Now, when exactly these meetings occurred, I'm not certain. I think there was a meeting in Chuck Colson's office in October of 1970, and I think at that meeting there was Chuck Colson, Harold Nelson, Marion Harrison, perhaps Murray Chotiner, perhaps Pat Hillings, perhaps David Parr.

Mr. WEITZ. Do you recall whether Tom Evans of New York was present?

Mr. KALMBACH. I don't recall if he was present at that meeting. He was present at a subsequent meeting, which I think probably was in December of 1970 at the Madison Hotel, at which time it was myself, Tom Evans, Pat Hillings, I think Marion Harrison, and I think Chuck Colson was at that meeting. And there could have been one or two others at the Madison Hotel meeting.

Now, I recall that at the earlier meeting, which I think was in October, there was a statement to the effect that the milk producers were going to make a major contribution to the forthcoming—2 years hence—Presidential campaign. And I'm not certain that it was at that time that \$2 million was stated as their goal figure, or whether it was stated at the later meeting at the Madison Hotel, or whether it was stated to me by Pat Hillings in just a personal meeting at someplace along the line.

Mr. WEITZ. Could you tell us what the purpose of the first meeting was that you referred to?

Mr. KALMBACH. I think the purpose of the first meeting, which was in Chuck Colson's office, as I remember it—and I could be confused on my dates here—but, as I remember it, the purpose was that my role was not that of a solicitor of this contribution. My role was to help them organize their procedures as to how they were to effect these contributions to the 1972 campaign.

Mr. WEITZ. Was it your understanding, then, that prior to that time, they had either agreed to, or represented that they would, make that contribution independent of any solicitations by you?

Mr. KALMBACH. That was my understanding.

Mr. WEITZ. Do you know who, in fact, did solicit, or did receive the news from them as to their intentions?

Mr. KALMBACH. No; it would be my understanding that probably Marion Harrison, who was the lawyer representing AMPI at that time, and Pat Hillings, who I think was of counsel to that firm, had

been or were in touch rather frequently with Chuck Colson, and it would be my thinking—and I'm just giving you my impressions here—that they indicated to Chuck Colson that this is the general goal figure for the milk producers. But I was advised of this \$2 million goal figure either in Chuck Colson's office in October—and it could have been that early—or maybe before that, or between that day and the end of the year, by Pat Hillings or Marion Harrison or somebody.

And I remember the Madison Hotel meeting, I think, was involved again with the legal mechanics of effecting these contributions. I remember we discussed the fact that the milk producers or the cooperatives had independent reporting requirements, independent of the 1925 Corrupt Practices Act.

And they were asking for my counsel and, I think, Mr. Evans' counsel on how they could best proceed to effect the future contributions.

Mr. WEITZ. I want to give you a few more questions as to the substance of the meeting, as to both meetings. But just to place these in point of time, do you recall any instance when you stayed—you visited and stayed in Washington, D.C., in that time period 1969 through 1972, when you did not stay at the Madison Hotel?

Mr. KALMBACH. No; but there could have been times that I did not. I don't recall.

Mr. WEITZ. Do you know whether Tom Evans—when he came to Washington for that meeting, did he stay overnight, and if so, did he stay at the Madison Hotel?

Mr. KALMBACH. I don't recall that he did. It would have been my memory that he did not, and—but I'm not certain.

Mr. WEITZ. I ask you this because we've had testimony that those—remember that the meeting in the Madison Hotel took place in—after the election in November of 1970. And the records of the Madison Hotel indicate that Messrs. Nelson, Parr, Evans and you were all there on the 18th and 19th of November. Now, that's why I ask the question.

Mr. KALMBACH. I think that with that information, Mr. Weitz, I think that that could well have been the date of that meeting, because that was just about the same time as my memory is telling me. I mean, I was thinking that it was maybe into December, but this same group, Mr. Evans, myself—this would be about the time and that could well have been the time that we had that meeting in the Madison Hotel. And, as I remember, it was probably in Mr. Nelson's room or suite.

Mr. WEITZ. So he did have a room at the time?

Mr. KALMBACH. Well, I think Mr. Nelson. I think you asked me about Mr. Evans, but I think it was in his suite at the Madison, or that would be my best memory. And I think that this squares with what I would remember.

Mr. WEITZ. Let me ask you another question about that meeting.

That happens to fall, if that is the time, essentially contemporaneous with your meeting with Mr. Haldeman in which you discussed meetings or a meeting in which you discussed your role for the 1972 campaign.

Do you recall discussing with Mr. Haldeman in November or December of 1970 your meetings and the result of the meetings with the dairy people?

Mr. KALMBACH. Well, I know that I, of course, was reporting to Mr. Haldeman in this area, the finance area. I reported to him throughout, not only in my role as trustee, but throughout the 1970 program, which was a senatorial campaign program. But I regarded myself as reporting to Mr. Haldeman for that program, and I'm certain that I did report to Mr. Haldeman on my meetings there, in Chuck Colson's office, and in the Madison Hotel meeting. And, in fact, when I was advised of the \$2 million goal figure, I am certain that I reported that to Mr. Haldeman.

Mr. WEITZ. Was that one of the largest, or at that time the largest, outstanding pledge or goal figure that had been mentioned to you in connection with the 1972 campaign?

Mr. KALMBACH. No.

Mr. WEITZ. Was it one of the largest?

Mr. KALMBACH. One of the largest.

Mr. WEITZ. Whose was the largest?

Mr. KALMBACH. Mr. Clement Stone and Mr. John A. Mulcahy. And, to elaborate on that, my memory is that both Mr. Stone and Mr. Mulcahy pledged in mid-November of 1970, pledged—each of them pledged \$1 million for 1971, \$1 million in 1972, and \$1 million after 1972 if there was a deficit in the campaign. So there you had an aggregate of \$6 million pledged, \$2 million of which was contingent on a deficit.

At that same time, Mr. Scaife—at this same general time, Mr. Scaife pledged \$1 million in 1971.

Mr. WEITZ. In connection with your meetings in Mr. Colson's office and then in the Madison Hotel with the dairy people, was there any reference to any goals or interests of the dairy people in any way similar to, or in addition to those mentioned to you by Mr. Semer the previous year?

Mr. KALMBACH. No, I don't remember that, Mr. Weitz. I just don't. It seemed to me that my role and that of Mr. Evans was that of really the legal mechanics and the procedures involved, and I had the impression—and again, I'm giving you impressions in this statement—that Mr. Hillings, Mr. Harrison, in any discussions as to substantive matters were discussing those directly with Mr. Colson and with others. I don't recall that this came up as an item of substantive conversation in these talks.

I think we were concerned about how to set up committees, where to set up committees. I think there was an expressed concern about publicity and how you could set up the committees so that the fact that they were—these people would be contributing to the Nixon campaign in 1972 would not become known to the media and how you could handle that, in light of their independent reporting requirements to the House.

Mr. WEITZ. Now, the independent reporting requirements you referred to, you refer to the organizations themselves, the dairy organizations or trusts—

Mr. KALMBACH. Cooperatives.

Mr. WEITZ. Cooperatives, right. I think the record shows that it refers to the trusts themselves.

Mr. KALMBACH. That's right. The political trusts.

Mr. WEITZ. Now, was there any discussion that you recall at either of the two meetings you refer to in 1970 as to ways to avoid that requirement or avoid that necessity by, for example, having farmers contribute directly to political committees established for the campaign?

Mr. KALMBACH. Well, the concern was how do you avoid the publicity that would come from these people's contributing to Nixon for President committees in 1971, 1972, and having that become known because, of course, as you know, under the Corrupt Practices Act nomination period there was no disclosure required. And the thought, it was made too clear to me and, I think, to Mr. Evans, that there was this concern that these people—the fact that they were contributing and not that it not be known. There was no thought of doing anything improper to do this, but the question was, how do you handle it mechanically as to the effect of this.

And I think—my memory is that there was the thought that they could contribute to a number of campaigns in various States throughout their operating areas, and the money could be held in committees.

Now, those committees, in fact—the fact that they contributed, say, to Good Government Committee in Iowa, that would have to be made known to the Clerk of the House. Now, that's the fact. And then those funds would be held for later use and, perhaps, in the Presidential campaign in 1972.

Mr. WEITZ. Without necessarily disclosing any transfers from the Iowa committee, as an example?

Mr. KALMBACH. That is correct; and without disclosing the fact that this Good Government Committee was, in fact, going to use its funds to support the campaign in Iowa. And I'm using that as an example; and Iowa could well have been a State that was not included here.

But we were trying to develop a procedure that —where they could meet their independent reporting requirements and still not result in a disclosure.

Mr. WEITZ. Who was the principal spokesman for the dairy people at these meetings? Do you recall?

Mr. KALMBACH. I think the principal spokesman—well, first of all, I think Marion Harrison was the principal spokesman and probably the architect of this, of these procedures. And Marion Harrison was the attorney.

Now, he had succeeded Milton Semer. And I thought that the reason he succeeded Milton Semer is that Milton Semer was identified with the Democrats and Harrison was identified with the Republicans. I think Marion Harrison was, in fact, a good friend of Chuck Colson, and probably Chuck Colson was instrumental in, perhaps, his selection by AMPI—Harrison's selection.

And I felt that Chuck Colson had a great deal of antipathy, and he expressed it several times, toward Milton Semer, kind of a personal thing. And he and Chuck Colson and Milton Semer, I think, at one time were in the same law firm. And although I must say that in all of my dealings with Milton Semer I found him to be a fine man.

Mr. WEITZ. What was the result of the meetings that you referred to in 1970?

Mr. KALMBACH. Well, the result was that there was—I think one thing that was decided on, I'm not certain on this, but I think one thing was the thought that the committee—that no one committee should take more than \$2,500 from any one co-op or trust.

Mr. WEITZ. In any one year or ever?

Mr. KALMBACH. Well, I think the thought was—and I don't know if it was tied into any one year, but perhaps ever. You have one committee set up and a trust could contribute \$2,500 to that one committee.

Now, another two or three other trusts could also contribute \$2,500 to that one committee. But I'm not sure that in these discussions whether we were talking only about AMPI or whether we were talking also about the other two or three political trusts.

Mr. WEITZ. That would amount to, by my estimate, of upward of several thousand committees. Was that your understanding? A thousand committees, if I'm correct. No, perhaps approximately 1,000 or 750 committees.

Mr. KALMBACH. No. That isn't too many committees. I recall that there were 338 committees, I think, more or less that were established, that had to be established to receive Mr. Scaife's \$1 million. So it's an interminable amount of paperwork, but it's necessary to meet the gift tax problems, and this is not a scheme to avoid the tax. This is just—this has been pretty well said that a committee set up this way with an independent treasurer and an independent secretary-treasurer and a chairman, under maybe a rather form-written charter would constitute a separate committee for the purposes of the gift tax.

And I know that Tom Evans and I were wondering to ourselves, really, whether there's a gift tax problem when you have a political trust like this. And without going into it at any great length, the thought, I think, was that it would be better to set up independent committees, even at the risk of all of this paperwork than to run any risk of having a gift tax problem.

Mr. WEITZ. Wasn't there also concern about the \$5,000 limitation to any one committee in any one year?

Mr. KALMBACH. That is correct, but it's under the Corrupt Practices Act, and there is a good cause for some concern that you should not exceed \$5,000.

Mr. WEITZ. Now, you mentioned that in the case of some other large pledges that you became aware of in 1970, there was a representation that they would contribute \$1 million in 1971, \$1 million in 1972, at least in the two instances you mentioned. Were there any timetables mentioned with respect to the dairy pledges?

Mr. KALMBACH. No. I felt that the dairy pledge of \$2 million was between the time that I learned of it and the date of the election. I mean, that's what I understood at the time. As we got closer to the election in that turn, that changed.

Mr. WEITZ. Now, in December of 1970, we have both the letter and the evidence with respect to the letter from Pat Hillings to the President, of which you may be aware.*

Mr. KALMBACH. I am aware of that letter.

Mr. WEITZ. I would like to—it has already been introduced into our record. There's no need for you to either identify it or enter it as an exhibit. But I would like to ask you several questions about it.

*See Nelson Exhibit No. 1, Book 15, p. 6701.

In that letter dated December 16, 1970, Mr. Hillings refers to the fact that Tom Evans and Herb Kalmbach were working with the dairy people to set up appropriate channels for AMPI to contribute the \$2 million for your reelection—this is addressed to the President. That would reflect the meetings that you've already discussed?

Mr. KALMBACH. That's thoroughly consistent with what I've testified to here.

Mr. WEITZ. It also refers to \$135,000 that AMPI had contributed to Republican candidates in the 1970 election. And without going into any details, I take it you were also involved in the receipt of those moneys or at least arrangement for those contributions?

Mr. KALMBACH. Yes, I was. I received, as I remember, a pledge of \$100,000 from the dairy industry for that particular program, and my notes and records tell me that the \$110,000 was received by Mr. Gleason, who was the administrator of that 1970 program, as a result of that earlier pledge. And I think \$10,000 of that was, in fact, cash.

Mr. WEITZ. Now, the final sentence I would like to ask you about indicates that AMPI was also funding a special project. Do you have any knowledge—did you have any knowledge at the time, in connection with your contacts with the dairy people, or do you have any knowledge up to the present time, as to what that reference means?

Mr. KALMBACH. No. I have been asked about this. At the time I had absolutely no knowledge of that so-called special project. Within the recent past, I don't know how long ago it was, I was asked about this, and, evidently, this was involved with a \$5,000 payment. This was a \$5,000 payment or amount that was received by Chuck Colson, and I had not known about this.

Mr. WEITZ. Is that speculation or something that you've learned that does connect this special project to moneys received by Mr. Colson in 1971?

Mr. KALMBACH. That's what I understand to be the case. And I could be wrong on it, but that's my understanding.

Mr. WEITZ. Did you have any knowledge in, let's say, around this time, December of 1970, or shortly thereafter, of any particular criticisms the dairy people had of—their arrangements or contacts with Mr. Colson, either in advance of or following the delivery of this letter to the White House?

Mr. KALMBACH. No, I really don't. There was an expressed criticism that was relayed to me somewhat stridently by, I think it might have been Bob Haldeman and Gordon Strachan, Chuck Colson and others, to the effect that the mechanics weren't being set up, these committees were not being established to receive these contributions.

And I recall at one time Mr. Strachan asking me to go over to Chuck Colson to see what I could do to improve that. I think that was what gave rise to my meeting subsequently with Bob Bennett. I know that I did not want to have the responsibility for this area, because I had not; why, almost 95 percent plus of the people I was talking to were not Washington representative types or lobbyists, and I preferred not to deal with lobbyists or people of that type.

And I recall that eventually, and this is just my understanding, that Mr. Bennett, I think, was enrolled in this program.

Mr. WEITZ. To organize the committees?

Mr. KALMBACH. To organize the committees, and, I think, probably without knowing for certain, Mr. Weitz, that Mr. Colson was instrumental in recruiting Mr. Bennett for that assignment.

Mr. WEITZ. Now, we have a series of White House memorandums which are primarily in the period February-March of 1971, and these are primarily communications between Mr. Colson, Mr. Haldeman, and Mr. Strachan, with reference to the very topic you've mentioned; that is, your interest in having some one else handle certain outside fundraising and the enrollment of Bob Bennett in this. Is this the time period that you're talking about right now?

Mr. KALMBACH. Yes, it is.

Mr. WEITZ. Do you remember the first time you met with Bennett, or approximately the time you first met with Bennett?

Mr. KALMBACH. I think it was in the first quarter of 1971, although it could have been immediately, it could have been in the first half of 1971, but I'm not certain on that. But I remember meeting him in the coffee shop of the Statler-Hilton Hotel and just getting a progress report.

And, as I remember, he was setting up the 100 committees at that time, getting independent secretary-treasurers and independent chairmen.

Mr. WEITZ. Now, I would like to show you for your identification a memorandum dated March 18, 1971, from John Dean to Frank DeMarco, Tom Evans, and Herb Kalmbach.

Let me mark this as exhibit 1 and ask you if you recall receiving a copy of that memorandum.

[Whereupon, the document referred to was marked Kalmbach exhibit No. 1, for identification.*]

Mr. KALMBACH. I don't have an independent recollection of receiving this, but I could well have, inasmuch as I'm one of the addressees. It had been my memory, and it is my memory, in my best memory, that Mr. Evans supplied the form, the suggested form of draft charter to, I think, Mr. Bennett, and he could have given it to Mr. Dean and Mr. Dean revised it and sent it on for us to look at. But I don't remember seeing this. But, you know, inasmuch as I'm one of the addressees, it's likely that I did, but I just don't recall it.

Mr. WEITZ. Now, during the period January, February, and March of 1971, we have a fair amount of testimony with respect to the efforts by the dairy lobby to secure an increase in the price level for price supports—milk price supports.

Were you at all familiar—let me take the period from January 1 to March 12, which was when the Secretary of Agriculture issued his first decision not to increase price supports—were you aware, or did you have any contact with anyone in the administration or the dairy people to discuss this matter, their interest in that particular matter, that year?

Mr. KALMBACH. Mr. Weitz, I've been asked about this, and I just don't have any memory of being involved in these discussions at all.

Now, I could have been, and people could have talked to me about it, but I have the feeling—and I'll say this again—because it's my impression that Marion Harrison, Pat Hillings, were very well acquainted with Chuck Colson and Murray Chotiner and other people within the

*See p. 7623.

White House, and I would think that those discussions were ongoing among those people. And I don't remember that I was involved in those discussions, and I don't remember that Mr. Evans was involved.

And we were in the picture to try to be helpful as far as effecting the mechanism and procedures for them to follow in effecting their contribution. Now, I'm not saying that I wasn't talked to, but I don't recall that I was.

Mr. WEITZ. Do you remember any—I'm sorry.

Mr. SANDERS. Before you fully get into 1971, I wonder if I can ask some questions about 1970?

Mr. WEITZ. Fine.

Mr. SANDERS. I'm sorry to interrupt you, Mr. Weitz.

Do you think, Mr. Kalmbach, that you most likely first learned of a \$2 million contribution intention by the dairy co-ops sometime about October 1970?

Mr. KALMBACH. It's very difficult, because I'm relating it to the Pat Hillings letter of December, and it was either—it could have been in October or very possibly in November or December. It's in that period some place that I learned of the \$2 million goal figure on the part of the milk producers, but I just can't be certain of this.

Mr. SANDERS. You also, then, have no specific recollection of the individual who first mentioned it to you?

Mr. KALMBACH. No, I don't. I think it was Pat Hillings, but it could have been Marion Harrison. But it's most likely it was Pat Hillings.

Mr. SANDERS. Were you ever present at any meeting with any dairy co-op officials where the \$2 million contribution intention was mentioned?

Mr. KALMBACH. I don't remember, Mr. Sanders. I remember there were dairy officials present in Chuck Colson's office and present at the Madison Hotel, which, I believe, was either in November or December.

Now, whether or not the \$2 million figure was mentioned at that time or was mentioned in a separate conversation, I'm not certain. I think my best memory, and this is so long ago and so much has happened since that I'm not really certain at all, but I think my best memory would be that in the meeting in Chuck Colson's office, whenever that was, when that was in October, that probably I learned about it then. And I think Harold Nelson and others were present at that meeting, but I'm not at all certain. I'm just giving you my very best recollection here.

Mr. SANDERS. Was it understood by you that any part of the \$2 million to be contributed would come from any corporate assets?

Mr. KALMBACH. No, it was not. I understood that it was to come from the trusts.

Mr. SANDERS. I did not get a clear understanding of your explanation of the mention of the special project in the Hillings letter.

Mr. KALMBACH. Mr. Sanders, my memory is that I did not know about any so-called special project at the time this happened. Subsequent to that time, and it has been within the last—it's been since I've been asked about this and have seen documents, I've been advised that there was such a \$5,000 payment, and I think it was received by Chuck Colson, and that Chuck Colson and John Ehrlichman were involved in this in some way, and I don't know, really, what the money was used for or if it was used. I'm just giving you my best memory of it.

Mr. SANDERS. In or about December of 1970, you had no knowledge of any such special project?

Mr. KALMBACH. I have no knowledge of that special project. Now, my memory tells me there were a number of things that Mr. Colson was doing, placing ads in newspapers and this and that, and I don't know whether there was any funds that were used to pay for those ads. I don't know that, but that was just a general thought.

Mr. SANDERS. Concerning the discussions about the establishment of gift tax committees in 1970, was it intended that the committees to be established for the receipt of contributions by the dairy cooperatives were not to be used for the receipt of contributions by other large contributors?

Mr. KALMBACH. I'm sorry. Please restate your question.

Mr. SANDERS. Were the committees that were to be established for receipt of contributions from the dairy cooperatives to be used only for receipt of those contributions, or were they to be available for the receipt of contributions from other large donors?

Mr. KALMBACH. No. And I've been asked this question, too, and my memory now is I've seen some copies, I think Mr. Dobrovir showed me some copies, copies of some material that they had received from the White House, and as I reviewed it and tried to refresh myself and refresh my recollection, it seemed to me that the reasoning in back of that went this way: One, that these committees should be established in 1971 and should receive \$2,500 per committee from the milk producers, from the trusts, such as TAPE and others. The thought was that no other contributions from individuals should go into those committees, for the reason that these committees would have to be reported to the Clerk of the House, and there might be some disclosure as a result of that, that would not be fair to individuals who had a right under the 1925 act up through the nomination to contribute with absolute anonymity.

So, I think the reasoning was, Mr. Sanders, that the milk money and the milk committees be kept separate so that individuals who might contribute to those same committees, that the whole thing might come out as a result of the independent reporting requirements.

Mr. WEITZ. So the record is clear, Mr. Kalmbach—I believe you referred earlier to the fact that you did not recall any meetings that you attended between the dairy people and any administration official. And just so the record is clear, I take it the meetings between you and some of the dairy representatives—and Mr. Colson would be an exception to that—

Mr. KALMBACH. Yes, I thank you, Mr. Weitz, for clarifying that. I don't regard those meetings as meetings, you know, where they were talking about parity and substantive items. I really regarded those meetings, particularly the one with Mr. Colson in his office, and the meeting in the Madison, as meetings where I was trying to be helpful in their getting themselves set procedurally and legally on the mechanics. And I think that was true of Mr. Evans. And I don't recall that there were discussions in those meetings of their objectives, or parity or this or that.

Mr. WEITZ. In another vein, do you have a familiarity with the public relations firm in Washington, of Wagner & Baroody?

Mr. KALMBACH. I do not. If that is Baroody, who was a Bill Baroody, and who was formerly with the White House—

Mr. WEITZ. I think it's Joseph Baroody.

Mr. KALMBACH. Was this the Baroody that was in the White House? No—then I'm not familiar with him.

Mr. WEITZ. And you don't associate that firm, if there is such a firm, with the milk producers or Mr. Colson, in any way?

Mr. KALMBACH. I don't, Mr. Weitz. I don't have any memory of that.

Mr. WEITZ. Now, going back to 1971, particularly in March of 1971, and the 1971 period, did you attend a Republican fundraising dinner on March 24, 1971, in the Washington Hilton Hotel?

Mr. KALMBACH. I did.

Mr. WEITZ. Did you have any role in fundraising for that dinner?

Mr. KALMBACH. I don't know if I did or not. This was something that would be completely aside from what I was doing. I think I contributed—I bought one ticket. But I don't recall that I helped sell tickets for that dinner. I might have. I don't remember.

Mr. WEITZ. Were you familiar with any contributions by the same dairy trusts to the dinner, or for dinner committees?

Mr. KALMBACH. I don't recall that I was at the time. Subsequently, and particularly in the last year, or whatever it is, that I've been asked about this and have seen documents, I have an understanding that the milk people contributed funds or bought tickets to this dinner and in that way effected a contribution to the campaign in some manner. I'm not certain as to what the mechanics were.

Mr. WEITZ. To the 1972 campaign?

Mr. KALMBACH. That's what I would understand, but I'm not certain that I'm right on this.

Mr. WEITZ. Now, we have a memorandum dated February 2, 1971,* from Mr. Colson to Larry Higby, who I believe was an assistant to Mr. Haldeman?

Mr. KALMBACH. That is right.

Mr. WEITZ. And it refers to an intention of the milk producers to purchase 10 tables to the committee dinner, the national committee dinner, for a total of \$100,000.

Mr. KALMBACH. That is correct.

Mr. WEITZ. Did you have any knowledge of any such intention?

Mr. KALMBACH. I don't know if I did or not. I could well have, but I don't remember now that I did.

Mr. WEITZ. Now, the memo goes on to refer to the fact that this money, if it were, in fact, contributed by the milk producers, would be an offset to moneys which had been committed to be raised by the White House for the committee. That's the substance of the memo, at least.

Mr. KALMBACH. Yes.

Mr. WEITZ. And that Mr. Colson is expressing concern that the money coming up from the milk producers would be clearly attributed to that commitment by the White House, so to speak.

Mr. KALMBACH. Right.

Mr. WEITZ. Did you have any familiarity with the arrangements between the White House and the national committee as to that, or other similar commitments?

*See Strachan exhibit No. 2-C, p. 7476.

Mr. KALMBACH. No; I have a general impression that somebody talked to me about it, but that was kind of a bookkeeping arrangement as far as I was concerned, between the White House and the national committee. And I think that was effected—maybe Lee Nunn would be the one that would be particularly knowledgeable about this as to what the arrangement was.

Now, I don't really have any memory of anything more specific than that, but it would seem to me that if I had heard about this it would be not other than in a casual manner. Beyond that, I don't recall that I was involved in setting up this arrangement, this and that. I just don't recall this.

Mr. WEITZ. The first paragraph of this same memorandum, which I just referred to, which is already a part of our record, the first to a \$150,000 commitment by Mulcahy to the same—to the national committee—did you have any involvement in that?

Mr. KALMBACH. No, I did not. And Mr. Mulcahy gave me a pledge of \$1 million in 1971, \$1 million in 1972, and \$1 million in 1973, if there was a deficit, as I've already testified. But I don't recall that there was an understanding separately with Mr. Mulcahy as to this.

Mr. WEITZ. Now, returning to that period, the dinner, as I say, took place on March 24, and you've testified that you attended that dinner.

Prior to that dinner, or during that dinner, did you have occasion to discuss, either with Mr. Ehrlichman—let's say, Mr. Ehrlichman first, let's say discussed with Mr. Ehrlichman—either the progress of the arrangements for committees, for the milk people, or any other matter relating to the milk producers?

Mr. KALMBACH. Yes. Now, the problem on this is, Mr. Weitz—and I've been asked this question too—I don't recall exactly whether I talked to Mr. Ehrlichman about the progress of this or not, but I do have a recollection that I met with Mr. Nelson and Mr. Chotiner immediately following the dinner.

Mr. WEITZ. Do you know how that meeting came about?

Mr. KALMBACH. Well, and again, I just have to tell you that my memory on it is very hazy. But my best memory is that Mr. Chotiner approached me, and I think it was at the dinner or as we were leaving the dinner, and this was the night of March 24, as I remember, at the Washington Hilton Hotel, and asked me if I would be willing to meet with him and Mr. Nelson at my hotel—at the Madison Hotel—that evening following the dinner. And I said that I would be willing to do so.

Mr. WEITZ. Had anyone else spoken to you about such a meeting, or possible contact, at some time before Mr. Chotiner's discussion?

Mr. KALMBACH. It could well have been that Mr. Ehrlichman spoke to me about it, but I just don't remember it.

Mr. WEITZ. Did you talk to Mr. Colson, or anyone else that you can recall in the administration, in this period of March 1971, in connection with the dairy people?

Mr. KALMBACH. I just—again, I had been doing my darndest to dredge up my memory on this, but I don't recall that I did.

Mr. WEITZ. Now, you've mentioned a number of times that from time to time you've reported, either to discuss matters in connection with contributions or solicitations, with—I think you mentioned Mr. Haldeman, Mr. Dean, and Mr. Colson.

Could you tell us whether—or the circumstances why you believe you discussed milk producers in any connection with Mr. Ehrlichman, during that period in March of 1971?

Mr. KALMBACH. Well, I know—I think I had lunch with Mr. Ehrlichman on March 25.

Mr. WEITZ. Also on March 12, these records indicate.

Mr. KALMBACH. Yes. This would be something that—this would be a reason, on the March 12 meeting, that very possibly Mr. Ehrlichman would advise me that the milk people were talking with the administration about this parity situation. But I don't have an independent recollection of him doing—recollection of him doing so.

However, I do have a recollection that following my meeting with Mr. Chotiner and Mr. Nelson on the 25th—

Mr. WEITZ. The meeting was on the 24th, and then following that, you're saying on the 25th?

Mr. KALMBACH. Didn't I meet with Mr. Ehrlichman on the day following that?

Mr. WEITZ. Right.

Mr. KALMBACH. I think that at that meeting—I think it was on the 25th that I told Mr. Ehrlichman that Mr. Chotiner and Mr. Nelson had reaffirmed their \$2 million pledge to the campaign.

Mr. WEITZ. Let's go, then, back to the night of the 24th.

Mr. KALMBACH. Yes.

Mr. WEITZ. Could you tell us, after the dinner, what happened? Where did you go and how you happened to meet with them?

Mr. KALMBACH. Well, I remember I met them in the lobby of the Madison Hotel around 10 or 10:30, and we then went up to my room and after some preliminary conversation I was informed, I think it was by Mr. Chotiner, that he had been talking to Mr. Ehrlichman and that—it's my best memory that I was informed that there was going to be an announcement on the price support the following day. And in view of that, that Mr. Ehrlichman had asked Mr. Chotiner to talk to me and reaffirm to me that the milk people would reaffirm their pledge of \$2 million to the 1972 campaign.

Mr. WEITZ. You mentioned preliminary conversations. Was there anything substantive, or was it just pleasantries?

Mr. KALMBACH. Just pleasantries.

Mr. WEITZ. You also already—you already knew Mr. Chotiner and already met with Mr. Nelson, prior to that time?

Mr. KALMBACH. Right.

Mr. WEITZ. Was there any reference by anyone at that meeting to Mr. Harrison—Marion Harrison?

Mr. KALMBACH. I don't recall that there was.

Mr. WEITZ. What about Pat Hillings?

Mr. KALMBACH. I don't recall. There could well have been, but I don't have the recollection of it.

Mr. WEITZ. Was there any reference to any bad feelings or any disruption in communications between the Harrison law firm, of which Chotiner was a counsel at that point, and the White House or Mr. Colson?

Mr. KALMBACH. I think there was, as I think about it. I think there was probably a statement of some displeasure at the breakdown in mechanics in setting up committees and the whole organizational approach.

And now, I'm not certain as to this point, but for some reason I have that feeling.

Mr. WEITZ. Did anything go more to the substance of relations between—as a personal matter, for example—between the Harrison law firm and/or Mr. Harrison, personally, and Mr. Colson?

Mr. KALMBACH. No, I don't recall that it did, Mr. Weitz. And I say, I'm doing my very best to remember what, in fact, did happen. But to me the main, and almost sole purpose of that meeting was the reaffirmation of the \$2 million pledge and the fact that they told me that the price-support decision was to be announced the next day and that in view of that fact, and in view of the fact that Mr. Ehrlichman had asked Mr. Chotiner to make sure that I was informed of this reaffirmation, that they were in fact reaffirming the \$2 million pledge to the campaign.

Mr. WEITZ. At that time was there—or shortly thereafter—was there any discussion of any further details with respect to the \$2 million pledge? That is, any breakdown as to timetable of amounts?

Mr. KALMBACH. On that point I think—

Mr. WEITZ. I'm sorry, I believe you were going to answer my question with respect to any details or timetables as to—

Mr. KALMBACH. I have a recollection that at some point I was informed that there was a kind of monthly goal figure of \$90,000 a month to be received by the campaign.

Now, when that actually was made known to me, I don't know, and I've done my darndest to try to recall it, but I can't place it in the time frame.

Mr. WEITZ. Do you place it, for example, or, although you can't place it specifically, do you think that it related to a time period following your meeting on the night of the 24th?

Mr. KALMBACH. I just cannot place it.

Mr. WEITZ. But you have no recollection that at the meeting on the 24th, or during the period of March 1971, for example, the dairy people were in any way delinquent on a monthly commitment if such a commitment was made? For example, in your discussions with either Mr. Chotiner or Mr. Ehrlichman?

Mr. KALMBACH. Very possibly, and what would cause me to think that might well be the case is that I think if you divide \$90,000 into \$2 million, you can find the number of months that are involved. And it could well have been that. And I remember it so well now, that the—Gordon Strachan talking to me about the fact that Marion Harrison and the others were oftentimes, I think—had checks in hand, but there were no committees established to which these checks could be routed.

And it very possibly could be, Mr. Weitz, that this \$90,000 a month quota, or whatever you might call it, that I had learned of that much earlier than March, but I just cannot place it as to any specific date that I learned of it.

Mr. WEITZ. I don't want to jump too much out of turn but we have, on this point, a September 11, 1971, memorandum from Gordon Strachan to Haldeman.*

Now, the first paragraph reads as follows, "Lee Nunn reports that \$282,500 has been realized." Parenthetically, I believe the records in-

*See Strachan exhibit No. 4, p. 7483.

dicating that of the 100 committees established by Mr. Bennett during 1971 had received that amount up to that period of time.

It goes on to state, "This is slightly more than one-half of the amount that should have been delivered on the commitment"—\$90,000 per month in parentheses.

Now, one way of interpreting this memorandum is that \$232,500 is slightly more than half of \$450,000. \$450,000 divided by \$90,000 is 5 months worth on a \$90,000 per month commitment, according to the memorandum.

September 11, 1971, is the date of memorandum. That would relate back, depending on whether the fifth month ends in September or in August to either March or April of 1971.

I guess I'm just asking you again, does that shed any light on what your recollection was as to such a \$90,000 a month commitment—when you first became aware of it?

Mr. KALMBACH. Yes, it's helpful to me. And I think in view of that memorandum from Mr. Strachan, that it's very likely that the \$90,000 a month goal figure was to be from and after the March 25 date. And that I could well have been apprised of it that evening or maybe shortly thereafter.

Mr. WEITZ. At your meeting on the 25th of March, with Mr. Ehrlichman, I believe you testified that you related to him the substance of the previous evening's conversation. Did he further elaborate in any way on the price-support decision and/or its relationship to the contributions in your meeting the previous evening?

Mr. KALMBACH. No, I don't remember that he did that, Mr. Weitz. And I don't remember—it seems to me that that meeting on March 25 was a meeting with Mr. Ehrlichman, Senator Murphy, and Mr. Milbank. And it seems to me that I just informed Mr. Ehrlichman of my—of this message that I had received from Mr. Chotiner the night before.

I think I just mentioned that in a very brief aside to him either immediately before the meeting or immediately after the meeting, and the two of us together only.

Mr. WEITZ. Would it be a fair statement to say that you had no real opportunity to go into any detail with him as to the previous night's conversation?

Mr. KALMBACH. Yes, I think that would be fair and I think all I wanted him to know was the fact that this reaffirmation had, in fact, been made to me. And he just simply, very summarily, acknowledged that statement of mine. And I don't remember that he added anything to it.

Mr. WEITZ. Now, on a May 21, 1971, memorandum, from Strachan to Haldeman, that we have—and that is part of our record—the subject is a "Kalmbach telephone call of May 21," and among other things it refers to the collection of milk money. It states that the responsibility has been shifted entirely to Mr. Nunn, and that there were 76 checks in hand, each for \$2,500, with 26 more available when the committees were established.*

Now, this is in May of 1971. Is that consistent with your recollection as to approximately the timetable in establishment of the committees and receipt of the moneys?

*See Strachan exhibit No. 3, p. 7478.

Mr. KALMBACH. Yes, it is. And this could well be when Mr. Bennett was operating.

Mr. WEITZ. Do you remember any instance in which checks were actually made out and even delivered, but had to be voided because the committees weren't yet ready?

Mr. KALMBACH. No, but I think I was told that there were checks that had been received by Mr. Harrison and that he had to hold them because the committees weren't extant. But I don't remember checks being voided. They could well have been.

Mr. WEITZ. Because you were no longer responsible at that time?

Mr. KALMBACH. Well, I just didn't stay close to the administration of this program. I was in and out. And after Mr. Nunn, who, as I remember it, was the one primarily responsible for the kickoff dinner on March 24, he came over to the campaign, I believe, subsequent to that dinner, and then took over the administration, or took over the responsibility for dealing with these milk people.

Mr. WEITZ. Now, on page 2 of that memorandum, it refers to the fact that the money would be collected in the Bennett committees and that it would be unwise to transfer them into committees receiving moneys from other sources for fear that it would contaminate those other moneys.

Now, that, I suppose, is explained by the reasoning you've given us today, as to separate the milk money from other contributions for fear of disclosure?

Mr. KALMBACH. That is my feeling and that is my feeling as to the explanation for the word "contamination."

Mr. WEITZ. Now, in the committee's hearings last summer with Mr. Dean, there was a memorandum introduced into the public record, dated May 18, which summarizes a meeting between Mr. Dean and Mr. Haldeman—it was agreed by those gentlemen that the milk money would be used to pay the operating expenses of the citizens committee, the predecessors to the Committee To Re-Elect the President.

Yet, in this memorandum, 3 days later, Mr. Strachan reports to Mr. Haldeman that both you and Mr. Nunn suggest that it would be too risky and, therefore, the money from the milk people should not be used to pay those operating expenses.

Do you remember that, and if so, do you recall the reasoning behind that?

Mr. KALMBACH. I'm not sure I remember that, but it could well have been that I was asked about it, or Mr. Nunn was asked about it and I was apprised of it. And I think that probably the reasoning in back of such a statement would be that if checks were written from these committees that had already reported to the Clerk of the House, that there would be the possibility the checks written in support of the then startup campaign in 1971 would be traced back to that committee, and there the media and others would know that this was, in fact, milk money that was being contributed to the campaign. I think that's the reasoning in back of it, and it could well be, Mr. Weitz, that that was a statement that I made, but I just don't remember it.

Mr. WEITZ. Now, we've—you've alluded a number of times today to the problem of disclosure, the fact that certain contributors had the right, as you put it—and I want to speak to you for the time being—not to have their contributions publicized prior to the nomination.

Now, with respect to the milk producers, we've all agreed and you've testified that the understanding was that they were reporting and therefore contributions should be kept separate.

Now, my question is this, with respect to the citizens committee expenses what was the fear, or what was the concern, if the milk producers themselves were reporting to the Clerk of the House, if those contributions were linked to the citizens committee? Was it the size, the timeliness of it, or some other reason?

Mr. KALMBACH. No, the reason is this. I think as I recall it, if the milk people had established, for example, a better Government committee and there had been a \$2,500 contribution by a particular milk trust to that committee, and that \$2,500 sat in the bank account for that particular committee, the Clerk of the House, they would have been to conform with the requirements of the statute or whatever law was pertaining, that it would meet the requirements of the law if the trust would simply report to the Clerk of the House that a \$2,500 payment had been made to this particular committee.

Now, there it would sit and that was the end of it. Now, if, in fact, there was a disbursement of \$2,500 to an advertising group that was known to be doing advertising for the Nixon campaign, and that check was drawn in favor of that advertising group and the reporter found that check or knew about that disbursement, you could then track back and it would become evident that this \$2,500, in fact, was a contribution to the Nixon campaign. I think that was the reasoning, Mr. Weitz.

Mr. WEITZ. Mr. Haldeman agrees with the suggestions set forth that the money be kept separate and not used for such operating expenses, but then he writes—or this is what has been identified as his comment—"What are they going to use the milk money for?" And I suppose my question to you is, do you know what your recommendation was or what was in fact done with the milk money?

Mr. KALMBACH. No, I think the thinking was, Mr. Weitz, that the— that these funds would be held just for later use in the campaign.

Mr. WEITZ. No decision was made?

Mr. KALMBACH. I just don't think any decision was made.

Mr. WEITZ. Now, you've referred to the problem of disclosure via reporters and other means.

Mr. KALMBACH. Yes.

Mr. WEITZ. The September 11 memo that I've already referred to— September 11, 1971, after the reference to the \$90,000 a month commitment—goes on to discuss a concern about a report, an investigative report, by a Minneapolis Star reporter. And it goes on to refer to the fact that the previous day, which would have been September 10, you, Mr. Dean, Mr. Nunn, and Tom Evans discussed this development.

Do you remember that meeting, or do you remember in general terms, in September of 1971, what discussions took place with reference to possible disclosure of the milk contributions?

Mr. KALMBACH. No. I've been asked about this, of course, but very evidently they did discuss this with me. I think there was a concern as to this disclosure and the effects on the forthcoming campaign.

I don't recall that during this period that I had had any particular involvement with the milk people since from and after the time that Mr. Nunn had come upward and had assumed that responsibility. I think it was in May of 1971, and I think I was informed of it just as

a general observation and that it was a matter of some concern just because of the publicity. And I don't know whether there was a concern that this might, in fact, stop the future contributions by the dairy industry.

But I don't have an independent recollection of it, but inasmuch as it is in this memorandum, I could well have been and I'm almost certain that I was advised of it. But I don't remember other than these general observations, anything more about it.

Mr. WEITZ. Now, in that connection, the record shows that after—at least with respect to these multiple committees established—that after September 10, no further contributions were made to the reelection campaign through that medium.

And my question is, do you recall any time when, in fact, it was made known to you that the contributions were being stopped or being slowed down, for whatever purpose?

Mr. KALMBACH. Well, of course I've been asked that question and I don't recall it. I have a memory, of course, now as we get into 1972, that at some point, either November, December, or January, some point in that period, I met with a Mr. Jacobsen. And Mr. Jacobsen had been, or was then at that time for all—I'm not certain—a law partner of Mr. Semer's. And Mr. Jacobsen was a very pleasant and nice person and he made known—and I think this was in a meeting in January of 1972—he made known to me several things. And I recall one meeting in January, and I'm not certain as to the date—I think it was in mid-January, or at some point mid or early January—that a number of points, one was that Mr. Jacobsen had been engaged by, I think, AMPI. And from that I assumed that Mr. Harrison was no longer active as one of the attorneys for AMPI, although I'm not certain of that.

I remember that the main purpose of the meeting, as I recall it, was to advise me that a Mr. George Mehren had been appointed or elected as general manager of AMPI, replacing Mr. Nelson.

That in spite of that change in management, when Mr. Nelson was then to become, I think, a consultant to AMPI rather than general manager, that AMPI would continue to want to be supportive of the President.

I think I had a feeling from these conversations with Mr. Jacobsen and Mr. Nelson, that there was some disarray within the milk groups, or whatever, but I just—as I look back and try to reconstruct this, the main purpose of that meeting was to advise me of Mr. Mehren. I think it was also to advise me, and I think I also reported this to Mr. Strachan, that they would continue to make the contributions to the campaign. And I think they indicated to me, at this meeting—but I could be wrong—I think they indicated to me, at this meeting, that their pledge would be \$1 million, rather than \$2 million. And I had the feeling that the publicity—I think they had been irked, by the way, that these committees had been established in such a manner that there had been publicity. They were very concerned about the publicity, as I was.

But they were reaffirming the fact that they would continue to support the campaign. And, as I say, I think they told me at this meeting that they would contribute \$1 million to the 1972 campaign and then scale it back from the \$2 million that I understood in March of 1971.

Mr. WEITZ. Now, this gets us into 1972, and although I have a number of questions on that meeting and subsequent meetings—Mr. Sanders, do you have questions as to 1971?

Mr. SANDERS. Yes.

This pertains to your March 24 meeting with Nelson and Chotiner. Today, in telling us of this, you made mention of some remark at that meeting about a price announcement to be made the next day.

Mr. KALMBACH. Yes.

Mr. SANDERS. Can you explain that for me?

Mr. KALMBACH. I think as I remember it, that Mr. Chotiner, in telling me of the fact that Mr. Ehrlichman had asked him to advise me or relay to me the fact that they were reaffirming their pledge of \$2 million in contributions to the 1972 campaign, that this was that Mr. Chotiner also indicated, along with Mr. Nelson, an announcement as to the price support or parity problem.

There was to be an announcement the next day and this was, in fact, linked to this reaffirmation of the \$2 million pledge, or that is the way that I so understood it from that conversation.

Mr. SANDERS. Did it appear to you that Nelson knew, before the meeting with you, that there was to be a public announcement the next day, of the price support?

Mr. KALMBACH. My memory would be that I did understand that.

Mr. SANDERS. Did they give you any perception of how they knew there was to be an announcement?

Mr. KALMBACH. No, I just—I'm not certain of that. I know that Mr. Chotiner had said that he had talked to Mr. Ehrlichman, and that Mr. Ehrlichman had asked him to advise me what evidently he had advised Mr. Ehrlichman, that the \$2 million pledge was being reaffirmed.

Mr. SANDERS. You've just now said that the reaffirmation of the \$2 million pledge was linked to this price announcement?

Mr. KALMBACH. That is correct.

Mr. SANDERS. Would you be able to elaborate on the phraseology of Chotiner or Nelson as to how they were linked?

Mr. KALMBACH. No. I think the words were to the effect that Murray Chotiner had indicated that John Ehrlichman had asked him to see me and reaffirm this \$2 million pledge, and I think, as I remember it, he was saying that this was in view of the fact that the announcement was to be made the following day, that he was reaffirming the pledge, and that's the linkage that I recall on it.

Mr. SANDERS. That's all I have.

Mr. WEITZ. Returning to 1972, you've described just a moment ago a meeting that you had with Mr. Jacobsen, you believe in the middle or first part of January 1972?

Mr. KALMBACH. Yes.

Mr. WEITZ. Was Mr. Nelson in attendance at that meeting?

Mr. KALMBACH. Yes. The three of us met together, and I think it was either January 14 or January 7, I am not certain.

Mr. WEITZ. I think we have evidence that on January 14 the three of you met. Was this in California?

Mr. KALMBACH. I'm not certain.

Mr. WEITZ. And that was 2 days following the replacement of Mr. Nelson by Dr. Mehren?

Mr. KALMBACH. Excuse me. Do your records tell you that we met in California?

Mr. WEITZ. Yes.

Mr. KALMBACH. Well, that helps me. It must have been in California.

Mr. WEITZ. Could you tell us how you came to meet with Mr. Jacobsen and Mr. Nelson? Who first contacted you?

Mr. KALMBACH. Just my memory is that Mr. Jacobsen first contacted me, and I don't have a good feeling on when that was, whether—how much earlier than January 14 it was. It could have been in December, or it could have been all the way back into November. But he contacted me and he indicated to me that he represented the, I think it was AMPI, and, further, that Milton Semer had been—I think he told me that the reason, not only that he was the attorney for AMPI, but that he was a law partner or former law partner of Mr. Semer.

And it is also my recollection that, following my conversation with Mr. Jacobsen, the first meeting that I had with him, that I contacted Mr. Mitchell to make certain in my mind that it was all right for me to deal with Mr. Jacobsen, inasmuch as Mr. Semer was then either to be appointed or was or had been appointed the finance chairman for Senator Muskie.

Mr. WEITZ. What was the Attorney General's response?

Mr. KALMBACH. And the Attorney General had no objection at all for me to deal with Mr. Jacobsen.

Mr. WEITZ. And as I understand it, and as reflected in the memos we already discussed, Mr. Nunn had taken over, sometime in the middle of 1971, responsibility for arranging for the mechanics of the milk contributions.

Can you tell us whether there was any particular reason you agreed to or were brought back in to meet with the milk producers in 1972?

Mr. KALMBACH. All I can do is give you my best impression on that. I feel that they were, first of all, this publicity had thrown it all off the track, and I think they wanted to deal with someone that they thought was just looking at it from a standpoint of an attorney representing clients in Washington, that they thought that probably I was the one that they should deal with. And I think Mr. Jacobsen sought me out for that reason, and I think that probably Mr. Semer had told him that I had arranged for Mr. Semer to see several people in the White House or in the administration in 1969, and that Mr. Parr and Mr. Nelson would probably have informed him of our contacts in 1970 and in 1971.

So it seems to me that they had a new lawyer, or a lawyer that I had never known, that was involved before Mr. Jacobsen. He wanted to come back and he wanted to deal with me, and he knew I was a primary fundraiser for the campaign. And I think that's the background to it.

Mr. WEITZ. Now, in a January 18, 1972, memorandum from Strachan to Haldeman, political matters memorandum, item No. 1, refers to the fact that you met with Messrs. Jacobsen and Nelson on January 14 and I take it that would be the meeting that you just described.*

Mr. KALMBACH. That is correct.

*See Strachan exhibit No. 10, p. 7502.

Mr. WEITZ. Now, it goes on to say that Kalmbach would take over this project and he would discuss it with the Attorney General on January 20. Would that be consistent with your recollection of discussing it with Mr. Mitchell after you met with those gentlemen in California?

Mr. KALMBACH. Yes, it would be.

Mr. WEITZ. Now, it goes on to say that Kalmbach informed Colson of the meeting. This is the January 14 meeting, but would not tell Colson who asked him to see Jacobsen.

Then, my question is this: Do you have any recollection as to whether someone, perhaps, in the administration suggested that you meet with Mr. Jacobsen, or that Mr. Jacobsen represented to you that someone had suggested that the two of you meet?

Mr. KALMBACH. My memory on that is that Mr. Jacobsen came to me and just introduced himself to me as, I say, a law partner or former law partner of Mr. Semer. I don't recall that he said he was coming to me as a result of any direction to do so from Mr. Mitchell or anyone, or it's not like my 1969 meeting with Mr. Semer.

I felt that by this time that Mr. Harrison was probably no longer active. They were not dealing with Mr. Colson, I don't think, but I'm not certain of that. But for some reason, and I think it was because of Mr. Semer and Mr. Colson being unfriendly, that I just felt that, inasmuch as Colson had been so much involved in early 1971 and all, that he would be apprised of this, but not told it was Jacobsen, if I remember that memo right.

Is that consistent with that memo?

Mr. WEITZ. Well, it is consistent with that statement, and also the previous sentence does refer to the fact that you were going to talk to the Attorney General because of the relationship between Jacobsen and Semer, and Semer's role in the Muskie campaign.

Was there also—you mentioned an antipathy, as you characterized it, between Mr. Semer, or at least some bad relations between Mr. Semer and Mr. Colson. Did you understand what the relationship was between Mr. Mitchell and Mr. Colson?

Mr. KALMBACH. I think Mr. Mitchell had a great deal of antipathy toward Mr. Colson. I think I remember him at one time characterizing Mr. Colson as a walking time bomb.

Mr. WEITZ. Was it Mr. Mitchell's counseling, or was any of his involvement in this matter—was there any involvement by Mr. Mitchell other than what you've referred to?

And would that have, if so, would that have in any way led to the decision to keep Colson only informed on a limited basis, in addition to the role of Jacobsen?

Mr. KALMBACH. I don't recall that. I don't recall that Mr. Mitchell was instrumental in having Mr. Jacobsen see me, but it could well have been. I just don't recall it.

Also, I want to go back here and say that the antipathy, I think, between Mr. Colson and Mr. Semer was expressed to me by Mr. Colson on Mr. Colson's side, and I don't remember Mr. Semer ever being critical or negative toward Mr. Colson.

Mr. WEITZ. I believe the record shows that on January 24, 1972, about 10 days after your first meeting in January of that month of

that year with the milk people, the *Nader v. Butz* litigation was filed. It challenged the validity of the previous year's establishment of the milk supports.

And we have a February 1, 1972, memorandum from Strachan to Haldeman and, again, a political matters memo* that refers, in part, to the cutting back of the \$2 million commitment to \$1 million, to which you already referred. But it also goes on to say that "you will accept the risk"—"you" being Kalmbach—"will accept the risk of being subpoenaed by the court in connection with the Nader milk suit."

In addition to what you have told us already today, was there anything else that came to your attention, either at that time or later, that bore on the setting of milk price supports in 1971, and any relation with that to subsequent contributions or subsequent activities by the dairy people?

Mr. KALMBACH. No, I don't recall anything further at this time, Mr. Weitz, in addition to what I've testified to.

Mr. WEITZ. What risks did you envision, or what concerns did you have at that point, if you had them?

Mr. KALMBACH. Well, I don't know that I had any real concerns at all. I had been involved in effecting the legal mechanics and procedures, and I don't remember that I was involved in any substantive discussions in the areas in which the *Nader v. Butz* suit would be inquiring, and I didn't feel that if I was deposed that it would be—that it was something that I didn't feel would be particularly harmful. At least I had that feeling.

Mr. WEITZ. Now, 2 days after that memorandum on February 3, the record—we have testimony that you met with Dr. Mehren, Mr. Nelson, and Mr. Jacobsen and several other law partners in Los Angeles.

[A brief recess was taken.]

Mr. WEITZ. Back to the February 3 meeting. I was about to say, before our break, do you recall that meeting with Mr. Nelson, Dr. Mehren, Mr. Jacobsen, and two of your partners?

Mr. KALMBACH. I do.

Mr. WEITZ. Those partners were Frank DeMarco and Bob Olsen?

Mr. KALMBACH. That's correct.

Mr. WEITZ. What was the purpose of that meeting?

Mr. KALMBACH. The purpose of that meeting, as I remember it, was that Mr. Jacobsen had talked to me, I think it was in January, and asked me to meet with Dr. Mehren, who was then the new general manager, to be appointed the general manager of AMPI. And he just wanted me to get acquainted with him. And they flew out, as I remember, from Texas to California, and we met in our Los Angeles office about 11 or 11:30 in the morning on the 3d and after a relatively short time adjourned to the Jonathan Club for lunch. And we said goodbye to them on the street corner, where they left to return to the airport to fly back to Texas.

Mr. WEITZ. Was there a discussion, either in your offices or at lunch, as to contributions?

Mr. KALMBACH. I don't remember too specifically on this. I think I indicated to them at the luncheon table that any contributions would

*See Strachan exhibit No. 11, p. 7503.

be appreciated. And the first time I ever met Dr. Mehren was then, and I made it just plain to them and at some length, because I had never met Dr. Mehren before.

I went into quite a little statement at the outset that you have to understand that there was no quid pro quo involved, because I was, frankly, concerned, and I wanted to be sure that he understood that. And I recited that at that meeting.

Mr. WEITZ. Was there any particular reason for that concern?

Mr. KALMBACH. I didn't know what they wanted to talk about, and I didn't know what might come up later. And by this time there had been the Nader-Butz suit filed. And there had been publicity in September, October. I frankly was not enthused about handling these—this particular contributor group. I had taken it on because I had been asked to do so, but I made it clear, I think, to Gordon Strachan. I think I made it clear to Bob Haldeman, either directly or through Gordon Strachan, that I would prefer not to handle this assignment. It was something I just really would have preferred not to do. But because I liked Jake Jacobsen and because I felt that I would be willing to meet with this man, I agreed to meet him out in Los Angeles.

Mr. WEITZ. Now, our records show that in 1971 there was an ongoing investigation by the Justice Department of the milk producers, and particularly Associated Milk Producers, AMPI, that there was some, in the fall of 1971, some concern expressed by Mr. Colson to Mr. Haldeman about the impact of that investigation on their relationship with the milk producers, possibly some discussion between Mr. Haldeman and Mr. Mitchell on that score also.

Subsequently, I think the record also shows that at some time in late November 1971, Mr. Mitchell rejected a request to have a grand jury impaneled. Ultimately, on February 1, 1972, 2 days before the meeting you just described in Los Angeles, a civil suit was filed against Associated Milk Producers by the Justice Department.

Now, my question is this: Wasn't there some concern, and if it was not expressed by you, at least to you, or awareness, that this increased activity in January and February of contacts or attempted contacts by the milk producers was in some way connected to the antitrust suit?

Mr. KALMBACH. Well, I've been asked questions in this area, and my memory on it is just not too good. I remember that I talked with Mr. Mitchell back and forth through this latter part of January and in early February. This was just shortly before Mr. Stans came aboard as finance chairman. There were a number of things we discussed.

It would be my best memory that at some point in these discussions there was some mention of the fact of the antitrust action being filed, the fact that there was a great deal of displeasure expressed, I think, by some of the milk people. And for some reason, Chicago comes into my mind.

Mr. WEITZ. I think the investigation was run out of the Chicago office.

Mr. KALMBACH. And I think Mr. Mitchell was indicating to me that, although I was dealing with these people, that I ought to understand that they were probably upset.

Now, I don't know whether he indicated to me that he was being talked to by Mr. Colson. It just—I don't have a really good memory

as to these discussions, other than that I was advised, I think by Mr. Mitchell, of these ongoing things.

Mr. WEITZ. In that connection, were you asked either directly or was it your impression that Mr. Mitchell or Mr. Stans, or perhaps even Mr. Haldeman, were asking you to, in a sense, soothe over the wounds of the dairy people and still see if something could be salvaged from your contributions, from the earlier commitment?

Mr. KALMBACH. I think essentially that is right. I think I indicated to Mr. Strachan, as a result of my meeting earlier with Mr. Nelson in Los Angeles, now, as you refresh me with your record, that I indicated to Mr. Strachan that it was a good meeting, in the sense that the milk people were reaffirming their decision to support the campaign, even though there was a cutback from \$2 million pledged to \$1 million.

Now, I ought to go on and indicate, because it is from my memory, now, again it has been refreshed, that Mr. Jacobsen and I worked out a balance of the pledged amount of \$750,000, which I had come upon, as I remember the figures here, that there was approximately \$250,000 that had been contributed up to that time, and that if they were reaffirming the pledge of \$1 million now, or affirming the pledge of \$1 million, modified from \$2 million, that left \$750,000 still to be paid.

Now, I remember that I advised Mr. Stans of that. And I have a memory that I worked out a month-by-month schedule with Mr. Jacobsen, as to the manner in which the milk people would get these contributions over to us. I think that most of those contributions were to be gotten over to us prior to April 7, but some would be gotten over to us after April 7.

Mr. WEITZ. Do you recall at the meeting in February in California any reference either by you or Mr. DeMarco to the schedule which might entail, for example, one-third payment in February, one-third payment in March, one-quarter just prior to April 7, and the remainder after April 7?

Mr. KALMBACH. You mean with Mr. Jacobsen?

Mr. WEITZ. Mr. Jacobsen and/or Dr. Mehren or Mr. Nelson.

Mr. KALMBACH. I don't recall that.

Mr. WEITZ. Is that consistent with your recollection of discussions with Mr. Jacobsen alone?

Mr. KALMBACH. Yes, it is. And perhaps with Mr. Nelson. But I don't have any recollection at all of such a discussion with Dr. Mehren. And, of course, not at all with Mr. Olsen or Mr. DeMarco.

Mr. WEITZ. Who was to be the recipient of those contributions prior to April 7?

Mr. KALMBACH. The various committees, the names of which we would give the milk producers.

Mr. WEITZ. Was there any negative reaction? Was this plan, whether or not its specific amounts, but this general plan of committees to receive additional contributions mentioned in the February 3 meeting?

Mr. KALMBACH. I don't remember that it was.

Mr. WEITZ. And you don't recall Dr. Mehren reacting negatively to the thought of additional committees receiving contributions prior to April 7?

Mr. KALMBACH. I don't recall Dr. Mehren reacting negatively at all. I think there was some discussion about the complexities of campaign

finance and all, but I don't remember that we talked at all about amounts or a timetable or that sort of thing.

Mr. WEITZ. When did these discussions with Mr. Jacobsen, alone, with respect to timetable and so forth, take place?

Mr. KALMBACH. I think they took place in January, but it could have been in February. I'm just not certain on that.

Mr. WEITZ. There's a February 16, 1972, memo from Strachan to Haldeman, political matters memo, that has one short paragraph referring to the milk money. And it says that "Kalmbach is working with the milk people to increase the \$233,000 currently banked to \$1 million by April 7."

And that's the arrangement that you referred to, the approximately \$750,000 remaining balance?

Mr. KALMBACH. Yes, and I think that memo, it may be that he told me about the \$1 million from \$2 million in February instead of January. But my best memory is that it was in January.

Mr. WEITZ. I think that's consistent with the February 1 memo that already cuts it back to \$1 million.

Mr. KALMBACH. That's correct. But as I think about this carefully, it would be my memory that there was some of that \$750,000 that would be contributed after the April 7 date.

Mr. WEITZ. Was there any reference, either in the February 3 meeting or these other meetings, meeting or meetings, with Mr. Jacobsen, to any substantive problems, including the antitrust suit?

Mr. KALMBACH. You mean at this meeting?

Mr. WEITZ. The February 3 meeting or these other meeting or meetings with Mr. Jacobsen to work out the details of the contributions.

Mr. KALMBACH. I just don't remember any. It could well have been that there was a mention of the filing of such a suit, but I just don't have a memory on it.

Mr. WEITZ. But, as you say, you were already aware of that through conversation either with Mr. Stans or Mr. Mitchell?

Mr. KALMBACH. Yes. And I think it would be probably more likely Mr. Mitchell than Mr. Stans.

Mr. WEITZ. The February 1 memo we referred to, which talks about the \$2 million and the \$1 million and the Nader suit—

Mr. KALMBACH. Right.

Mr. WEITZ. It is indicated there that Haldeman was to discuss the matter with the Attorney General, and there's a reference or talking paper for a February 9 meeting. And although there's no meeting in the logs for that date, there is around that time, between Mr. Mitchell and Mr. Haldeman.

Did you ever find out or get any further guidance from either Mr. Haldeman or Mr. Mitchell as to what they wanted you to do with respect to the milk people or any further or specific references you can think of to the antitrust suit?

Mr. KALMBACH. No, I don't remember that, Mr. Weitz. I don't—I didn't have any feeling that I was to, that I was expected to talk to anybody about the antitrust and that sort of thing. My sole dealings with Mr. Jacobsen and with Mr. Nelson was to work out a timetable for this \$750,000 to be received. I know that I, during this period, I was concerned, as I've expressed, about my dealing with the milk

people. I felt that the publicity and all was not worth, frankly, the money to be received, and this led up to a second meeting with Dr. Mehren. And I think I only met with him twice, but I don't remember any other time but the second meeting, the second meeting with Mr. Mehren in mid-March.

Mr. WEITZ. You do recall meeting with him in mid-March 1972?

Mr. KALMBACH. I think it was in mid-March. I'm not certain of that, but that's my best memory, and it could have been later. But my best memory of it is in mid-March.

Mr. WEITZ. Would it have been before April 7?

Mr. KALMBACH. That's my memory. I was not in Washington after April 7 until early May, and then I was in Washington, I think, in early May for one period before I left on a trip. And I thought and wondered to myself if I could have met with Dr. Mehren in early May. But my best memory is that I met with he and Mr. Jacobsen and Mr. Nelson in their suite at the Madison in mid-March.

Mr. WEITZ. Now, I believe the records of the Madison Hotel indicate that the only time in March, and even all of April 1972 when the four of you were all registered at the Madison Hotel was on March 15 and 16, 1972; and I take it that would be consistent with your recollection?

Mr. KALMBACH. Absolutely consistent.

Mr. WEITZ. I think we also have independent evidence that the meeting—independent testimony that the meeting took place on the 16th.

Mr. KALMBACH. That's very helpful, because that's my memory.

Mr. WEITZ. Could you tell us how you came to meet with them on that date?

Mr. KALMBACH. Yes, I can, because when I left, and we said goodbye to each other on February 3 in Los Angeles, I left it with them, and particularly with Mr. Jacobsen, that I would be willing to meet with them again, at their convenience, as a followup to that just-get-acquainted meeting with Mr. Mehren, Dr. Mehren. And it would be my memory that Mr. Jacobsen called me or talked to me—oh, a few days prior, or whatever it was prior, to the March 16 meeting. I think that's the date you said. And I said, fine, that I would meet with them.

Mr. WEITZ. Did he call you long-distance?

Mr. KALMBACH. I don't remember.

Mr. WEITZ. But he was setting up a meeting, rather than by happenstance running into you, and asking you if he could meet with you for a few minutes?

Mr. KALMBACH. That would be my memory, yes.

Mr. WEITZ. Did he—

Mr. KALMBACH. He could have been that casual. It could have been that he ran into me. But my best memory is that he called me—but he could have just seen me someplace and said that we're here in Washington, and let's meet.

Now, I went into that meeting convinced of my own mind that I didn't want to deal with these people any more. And this is consistent with two or three other things that I was doing at this time, where I felt contributions had been offered and, in fact, had been received by the campaign, that we should not deal with particular contributors. Not that these contributors were—anything was wrong with them, but

I felt the publicity for the campaign, the negatives of that far outweighed the actual funds received, and I went into that meeting with two purposes in mind, and I made up my mind I was only going to be there for 5 or 10 minutes. One, that I was going to tell them that, as far as I was concerned, we were not interested in receiving any more funds from AMPI and the people representative of that meeting; and second, that if they felt they had a pledge outstanding to the campaign, that that pledge was, in fact, abrogated. And I did that.

I went in and met with both of those points. At that time, I was the associate finance chairman of the campaign, I felt I had the authority, on my own volition, to abrogate the pledge; and I felt I had authority, on my own volition, to tell them that I would not deal any longer with the milk people.

Mr. WEITZ. We have a copy of an article by Jack Anderson, dated February 29, 1972, and the headline is "Secret Memo Bares Mitchell-ITT Move." I'd like to mark this as exhibit 2.

[Whereupon, the document referred to was marked Kalmbach exhibit No. 2, for identification.*]

Mr. WEITZ. I believe this is the first public article about what has come to be known as the ITT scandal, which led to a number of disclosures that year. Was this one of the principal, or one of the reasons—this disclosure in connection with the ITT matter in late February or March that led to your decision not to accept any further milk contributions?

Mr. KALMBACH. No. I don't remember, Mr. Weitz, that that entered into my thinking. I felt that whatever the ITT—any purpose relative at all to ITT had no relationship, particularly, at all with the milk fund.

Mr. SANDERS. Finally, to see that we're finally getting Jack Anderson into these hearings, even though indirectly—

Mr. WEITZ. What about the antitrust suit that was then pending? Wasn't there, at least in your awareness, from either Mr. Stans or probably Mr. Mitchell, didn't that present—or, perhaps on a less glamorous scale, the same type of problem as the milk producers?

Mr. KALMBACH. Yes, it would have, and I have a particular memory here, Mr. Weitz, of a telephone call on or about April 4 that I made to Dr. Mehren at the request, I think, of Mr. Jacobsen. And when I called him, it was just 3 days before the new law took effect, and 3 days before I left to return to California and resigned as associate finance chairman of the campaign. I recall that Mr. Jacobsen said—asked me to call Dr. Mehren, and it seems to me he was in Texas, or wherever—San Antonio or wherever; and when I called, it's my very best recollection that he indicated to me that concern about the antitrust situation then pending, and indicated to me he would like to have me intercede with someone at the White House on their behalf, at least to indicate their concern or whatever.

Mr. WEITZ. Let's be more specific. They were concerned, and they were expressing their concern?

Mr. KALMBACH. That's correct.

Mr. WEITZ. Did you understand that they were expressing their concern to people in the White House already?

*See p. 7624.

Mr. KALMBACH. I don't remember. I felt that there was just kind of a general tone of frustration after Dr. Mehren's—in Dr. Mehren's voice.

Mr. WEITZ. Hadn't Mr. Mitchell already indicated that they were—the milk people—were concerned about the antitrust suit?

Mr. KALMBACH. Yes.

Mr. WEITZ. So therefore, he was aware?

Mr. KALMBACH. My recollection is that Mr. Mitchell expressed that to me in late January or early February.

Mr. WEITZ. And therefore, at least, he was aware. And I believe, that period you mentioned, he was Attorney General then, that he was aware of their concern or their displeasure?

Mr. KALMBACH. Right.

Mr. WEITZ. What did you understand Mr. Jacobsen actually to be asking you to do?

Mr. KALMBACH. Again, I'm giving you my very best memory on this, but my feeling was that he was asking me to talk to somebody at the White House. I don't remember that he mentioned any particular person's name, but to talk to somebody in the White House on their behalf, as to this antitrust problem. And I also had the understanding, or the feeling at the time, that they were about to make another contribution just prior to April 7.

Mr. WEITZ. To the reelection campaign?

Mr. KALMBACH. Yes; and this was following my very abrupt break-off of conversations with him on March 16, and consistent with that breakoff, my memory is that I advised Dr. Mehren that I would not intercede and would not do anything in this area, and that our discussion, our telephone discussion, terminated rather abruptly.

Mr. WEITZ. Let me, if I might, go through this slowly, so that we can extract the extent of your information on this. Do you recall, in the conversations, where Mr. Jacobsen—I take it he calls you?

Mr. KALMBACH. That's my memory.

Mr. WEITZ. Was there only one call, with both Mr. Jacobsen and Dr. Mehren calling you?

Mr. KALMBACH. I think I placed the call to Dr. Mehren, that Mr. Jacobsen asked me to call Dr. Mehren.

Mr. WEITZ. Let me indicate to you what we have in our records, and maybe we can refresh your recollection this way.

Mr. KALMBACH. Thank you.

Mr. WEITZ. And reconstruct it.

We have records that indicate that on March 31, 1972, there is a call charged to your credit card, or the credit card you were using, that came from the Republican National Committee to Mr. Jacobsen's home telephone; a completed call from Mr. Jacobsen using the credit card that you used for the Republican National Committee. On April 4, that is 4 days later, there are two calls charged to the same credit card, one to Mr. Jacobsen's home telephone again, and the second to Dr. Mehren's home telephone.

Now, my question is, there appears to be three calls. I take it the third call would reflect the call from you to Dr. Mehren on April 4. Is that correct?

Mr. KALMBACH. That would be fair.

Mr. WEITZ. Could you reconstruct them for us? Could you reconstruct what took place prior to that telephone call; that is, particularly, the reason for and the substance of the two telephone calls to Mr. Jacobsen?

Mr. KALMBACH. No; other than it's my memory that I called Mr. Jacobsen, or Mr. Jacobsen and I talked, because he wanted me to talk to Dr. Mehren.

Mr. WEITZ. With regard to the antitrust suit and contributions?

Mr. KALMBACH. I'm not sure if Mr. Jacobsen mentioned the antitrust suit or antitrust matter when we talked.

Mr. WEITZ. But certainly, that was a subject of your conversation with Dr. Mehren?

Mr. KALMBACH. That is my memory.

Mr. WEITZ. And can you tell us, as carefully as you can, whether Doctor—excuse me—Mr. Jacobsen referred, if not to the antitrust suit, then to the interest and contributions prior to April 7, or was his telephone call merely to set up the later call to Dr. Mehren?

Mr. KALMBACH. It would be my memory that Mr. Jacobsen called me, or we talked, and that he was setting up for me to call Dr. Mehren.

Mr. WEITZ. Now, can you tell us, as carefully as you can, what took place in the telephone conversation with Dr. Mehren?

Mr. KALMBACH. Well, my memory on that telephone conversation is that he was—he expressed a great concern about the antitrust matter that was proceeding, and expressed a desire for me to be helpful to him or to AMPI, and I understood—and this is my very best recollection of this—that he wanted me to intercede with someone in the administration.

Mr. WEITZ. In the White House?

Mr. KALMBACH. And I understood it to be in the White House.

Mr. WEITZ. This was Dr. Mehren talking, and not necessarily Mr. Jacobsen?

Mr. KALMBACH. That's correct.

Mr. WEITZ. Did he mention contributions?

Mr. KALMBACH. I don't remember if he did or not, but I had the feeling that he was ready to make a contribution of some size to the campaign, and that he was calling me just before he did it. I had that impression.

Mr. WEITZ. Did you also have the impression that the contributions were to facilitate or encourage you to make the contact to the White House or the administration?

Mr. KALMBACH. Yes, sir; I did.

Mr. WEITZ. Now, we have evidence that on April 4, checks totaling \$150,000; in fact, 30 checks, each in the amount of \$5,000, were drawn by AMPI's political trust, with the name of the recipient committee left blank, and those checks were ultimately voided, we understand, in a day or two following April 4. We also have some evidence, some testimony that as much as \$300,000, by perhaps all three dairy political trusts, were contemplated as contributions prior to April 7, right in that April period.

Do either of those figures, or any of those matters, refresh your recollection as to either the amounts, the mechanics, or anything else that either Mr. Jacobsen or Dr. Mehren discussed with you?

Mr. KALMBACH. I don't remember that we discussed any amounts. The \$150,000 or \$300,000, that doesn't refresh me at all. The fact that checks were voided would be consistent with my conversation with Dr. Mehren, or my recollection of my conversation with Dr. Mehren on April 4.

Mr. WEITZ. It was your understanding or your impression that a substantial contribution was contemplated prior to April 7?

Mr. KALMBACH. Absolutely. Now, whether I gained that understanding or impression from Dr. Mehren or from Mr. Jacobsen, or from both of them, I can't be certain.

Mr. WEITZ. Did either Dr. Mehren or Mr. Jacobsen, in any way, indicate whether they checked with or discussed this contribution just prior to April 7, and called to you and asked for your help with anyone in the White House or the administration?

Mr. KALMBACH. I don't have a memory that they did, or that I had that impression. I wanted to—I had the feeling that there was a great amount of—and I don't know whether I got this from Mr. Jacobsen in that call or not—but I had the impression that there was very mixed emotions among the milk people as to whether that should be contributed at all, or that they should contribute at all to the campaign. And that's just an impression, but a very strong impression, that there was a difference of opinion among the milk people. But this was subsequent to the March 16 meeting that, I think, took place on March 16. And my action in talking to Dr. Mehren on the 4th, and my recollection of it, is consistent with my actions on March 16.

Mr. WEITZ. Either following your March 16 meeting, or the April 4 telephone conversation, did you discuss or in any way report this matter to anyone in the White House or the administration, or such as Mr. Mitchell in the campaign?

Mr. KALMBACH. I don't remember that I did. I went home to California on the 7th of April. I did not come back to Washington until, I think, the first week of May, and then I left on a trip that took me—that was 3 weeks, and I don't recall that I discussed it.

Mr. WEITZ. Mr. Ehrlichman has testified here that at some point, and he is not clear when—although he thought it was much earlier, such as in 1969—he thought that you had reported to him that the milk people, from whom you had received the contribution, were seeking a quid pro quo. And I am paraphrasing, but I think I am being fair in the paraphrasing—they were interested in somehow making overtures regarding a quid pro quo, and because of that, you had cut off contact with them. And I think he mentioned this in connection with Mr. Semer.

Now, let me ask you several questions. First, do you recall any discussions with Mr. Ehrlichman in connection with cutting off milk money because of the possibility, or an overture of a quid pro quo?

Mr. KALMBACH. Yes. This refreshes me, because I remember very clearly at one meeting I had with Mr. Ehrlichman, and certainly not in 1969, absolutely not in 1969. But I remember in 1972, and I think what Mr. Ehrlichman has testified to is consistent with this, that I met with Mr. Ehrlichman, and I told him that I had broken off with the milk people, and he said, that was good judgment.

Mr. WEITZ. And did you mention, in that connection, that it was because of a possibility or an overture for a quid pro quo?

Mr. KALMBACH. No, I don't remember that I did. I just indicated that I was concerned about the publicity on their side, and the publicity on our side, and I don't remember that I mentioned any quid pro quo, but I just told him that I had broken it off.

Mr. WEITZ. You may not have mentioned a quid pro quo, but let me put the question to you this way. This is no longer 1970, where early money or large contributions might be an embarrassment. This is also not a private contributor whose contributions would be totally anonymous, as opposed to some of the individuals.

My question is this: In March or April of 1972, although there was an interest, pre-April 7, even for the milk producers, was your concern with respect to their possible contributions and the appearances created by that any greater than, or caused for any other reason other than just a large contributor prior to April 7, or did it go to some substantive policies, or some other similar reason?

Mr. KALMBACH. Well, it could be this, Mr. Weitz, as I think about it. It could be that I anticipated a request that if they gave additional contributions, that they would come back to me with a request for me to intercede with Justice or with John Ehrlichman, or somebody. And maybe I anticipated a request for a quid pro quo, and that may be the explanation for it. But in my conversation with Mr. Ehrlichman, and I think this is the time I told him I had broken it off, John Ehrlichman said, "Herb, that's good judgment," and that was the end of it. But it would be my memory that I did not—I had not been asked to intercede in any antitrust matter at that time. I seem to have a memory that Dr. Mehren, when I talked to him on April 4, wanted me to intercede.

Mr. WEITZ. It was clear at that time?

Mr. KALMBACH. That's my recollection, and this is consistent with Mr. Ehrlichman's memory, except that Mr. Ehrlichman, if he relates that back to 1969, that is not true; because when I talked to him, and talked to others, about Mr. Semer, at that time there was absolutely no expression on the part of anyone that this is something that should not be done.

Mr. WEITZ. Following April 7, do you recall any further contacts with representatives of the dairy industry?

Mr. KALMBACH. I think I met with a man by the name of Ben Morgan in Los Angeles with Mr. Jacobsen, because Mr. Jacobsen was representing that man, and I just simply said that I'll be glad to meet with you. But it was a social meeting and nothing else.

Mr. WEITZ. No particular solicitation or pledges?

Mr. KALMBACH. No; I don't remember any.

Mr. WEITZ. In your records which you provided to the committee, there is a notation on May 1, 1972: At 11:30 a.m., Jake Jacobsen. Would that have been the meeting with Mr. Morgan and Mr. Jacobsen?

Mr. KALMBACH. It might be, but I'm not certain. Also, Mr. Jacobsen at that time was working, I think, with John Connally, and I had been up to New York, and had obtained a contribution from—now, I don't know if it's this time or at another time, but I'm trying to relate it to that date—from Mr. Watson, Tom Watson of IBM, who is a Democrat. And Tom Watson indicated to me that he would be willing to be prominent in a Democrats for Nixon organization. And I think

I advised both John Connally and, I think, Mr. Jacobsen, although I'm not certain of that, that that may have been that meeting.

Mr. WEITZ. In March of 1972, by the way, in connection particularly with your meeting of March 16 with the dairy people, did they refer to anyone else they had talked to, or attempted to talk to, and I would include in that question Mr. Connally?

Mr. KALMBACH. No. I don't ever remember—

Mr. WEITZ. It was just a brief meeting, in which you basically said your piece?

Mr. KALMBACH. It was 5 or 10 minutes, and then I was gone.

Mr. WEITZ. Now, we have testimony that, at your meeting with Mr. Morgan, which was placed, probably, in May or June—it may very well have been this May 1 meeting. But, in any event—

Mr. MORGAN. Make sure it's Ben Morgan.

Mr. WEITZ. Ben Morgan, of Dairymen, Inc., that at the end of the meeting, you and the other gentlemen went to the airport, and after Mr. Morgan departed, Mr. Jacobsen stayed behind. Do you remember that sequence of events?

Mr. KALMBACH. No.

Mr. WEITZ. Do you recall anything in particular you discussed with Mr. Jacobsen, apart from Mr. Morgan?

Mr. KALMBACH. I do not. I just liked him as a person, and I don't recall that we discussed anything. He was very well aware of the way I felt.

Mr. WEITZ. Did you become aware later that Dairymen, Inc., and the third of the three co-ops, Mid-America Dairymen, made contributions to the Finance Committee To Re-elect the President?

Mr. KALMBACH. No. At a later time, I became aware that contributions were made at election time. But I was not involved in those.

Mr. WEITZ. Did you also become aware, at a later time, that contributions were made by the trusts of those two organizations to Democrats for Nixon?

Mr. KALMBACH. I have no recollection of being aware of that. I knew that Jake Jacobsen was working with John Connally, and I would have assumed that they would have contributed to the Democrats for Nixon program. But I was not aware of that, and did not stay close to that picture.

Mr. WEITZ. Did Jake Jacobsen ever ask you, after this April 4 telephone conversation or this meeting with Morgan, to renew the attempt to have the finance committee or Democrats for Nixon accept contributions from the dairy people from his or from Dr. Mehren's organization?

Mr. KALMBACH. I don't remember that he did.

Mr. WEITZ. Did you become aware that, later on in 1972, Lee Nunn made a solicitation, or met with Dr. Mehren?

Mr. KALMBACH. I became aware of that much subsequent to that.

Mr. WEITZ. You were not aware contemporaneously of either Lee Nunn referring to you, or Jake Jacobsen, or anyone else?

Mr. KALMBACH. I don't remember Lee Nunn talking to me about that, and I learned about that much subsequent to the time. I think he went to Texas. I was so told that he did.

Mr. WEITZ. Did you learn whether or not it was subsequently that he was soliciting or requesting the three-quarters of a million dollars that had not been contributed prior to April 7?

Mr. KALMBACH. I learned of that subsequent to this, and I did not know about this at the time. I have no recollection of knowing about this at that time at all.

Mr. WEITZ. Do you know whether, in fact, the money was contributed?

Mr. KALMBACH. I do not.

Mr. WEITZ. Mr. Sanders?

Mr. SANDERS. Have you ever met John Butterbrodt?

Mr. KALMBACH. I don't recall that I have.

Mr. SANDERS. Or have you ever talked to him by telephone?

Mr. KALMBACH. I don't recall such conversation. I have no recollection of ever meeting or talking to him.

Mr. SANDERS. In your telephone conversation with Dr. Mehren on April 4, can you recall his reaction or reply after you gave him an indication that you would not intercede at the White House?

Mr. KALMBACH. Well, as I said, Mr. Sanders, in my earlier testimony today, I had the feeling that first, he was—it was somewhat of an abrupt termination of our discussions, and one of disappointment and the feeling that we were just breaking off. Now, that is consistent, of course, with my March 16 meeting with Dr. Mehren, Mr. Nelson, and Mr. Jacobsen.

Mr. SANDERS. But do you have any recollection of any remarks by him which would have given you some insight into what he intended to do thereafter?

Mr. KALMBACH. No. I just felt that he was just signing off. I just felt that he was kind of giving up and signing off, and here you people are asking for contributions and you're not willing to help. I'm not saying that this is what he said, but this was the gist of what I got out of that conversation, and it doesn't make sense, or something like that. It just terminated the conversation.

Mr. SANDERS. Did you give him any reason to think that there might be some consideration given to his request?

Mr. KALMBACH. I did not.

Mr. SANDERS. Or that you might even make some inquiry for him?

Mr. KALMBACH. No, sir, I did not, and I have no memory at all of doing so. And my memory of that is consistent with what I did on March 16 at that meeting.

Mr. SANDERS. Between the time that you spoke with Jacobsen, on or about the 4th of April and the time you called Dr. Mehren, did you talk with anyone in the administration? That is—

Mr. KALMBACH. No, I don't recall that I did.

Mr. SANDERS. Did you advise anyone within the administration?

Mr. KALMBACH. I'm sorry, Mr. Sanders. You're talking as to this conversation?

Mr. SANDERS. Yes.

Mr. KALMBACH. I do not recall that I talked to anybody about my conversation with Mr. Jacobsen prior to the meeting on the 4th.

Mr. SANDERS. In your April 4 conversation with Dr. Mehren, did you advise anyone within the administration of your conversation with him?

Mr. KALMBACH. There, I'm confused a little bit, and this is the same question, in a way, that Mr. Weitz asked. I do have a recollection, and it was refreshed by Mr. Weitz, telling me of John Ehrlichman's statement in an earlier deposition. I do have a recollection that I talked to John Ehrlichman and told him that I told the milk people that I'm abrogating whatever pledge they think they have still outstanding, and I was done with it; and that John Ehrlichman said to me, Herb, that's good judgment. And that's my clear recollection.

Now, I do not recall, Mr. Sanders, with any real clarity whether that was after the March 16 meeting, or after the April 4 telephone call. I just can't get a good fix on it.

Mr. SANDERS. Aside from your recollections about the conversation with Ehrlichman, do you have any recollection of talking with anyone else after the conversation with Mehren; that is, anyone within the administration?

Mr. KALMBACH. No, sir, I do not have any recollection of so doing.

Mr. SANDERS. Now, the telephone records as read to you by Mr. Weitz showing charges to your phone credit card account for calls from you to Jacobsen and Mehren on the 4th, just to try to develop some refreshing of your recollection as to why the records show you called Jacobsen when you have told us that you think he called you, could it be that he may have called for you and you were not there, and you were returning his call?

Mr. KALMBACH. That would be my memory. You know, again, this is consistent with what I did on the 16th of March in breaking off with these people. It would be my memory that I called Dr. Mehren at the request of Mr. Jacobsen, and it would also be my memory that I called, if I made a call to Mr. Jacobsen, it was because he—I had received a request to make the call to him.

Mr. SANDERS. No further questions.

Mr. WEITZ. Mr. Kalmbach, thank you.

[Whereupon, at 1:45 p.m., the hearing in the above-entitled matter was recessed.]

KALMBACH EXHIBIT No. 1

March 18, 1971

CONFIDENTIAL - EYES ONLY

MEMORANDUM FOR:

FRANK DEMARCO
TOM EVANS
HERB KALMBACH

FROM:

JOHN DEAN

As per our discussions, I am forwarding a draft charter for the 1701 Pennsylvania Avenue operation and a document that might serve as a model to be used in connection with the Milk Producers Association Committee, et al.

I would suggest you mark up the document if you have suggested changes and return it to me. I will then coordinate with you before a final draft is prepared.

cc: John N. Mitchell

CONFIDENTIAL - EYES ONLY

The Washington Merry-Go-Round

THE WASHINGTON POST Tuesday, Feb. 28, 1972 B11

Secret Memo Bares Mitchell-ITT Move

By Jack Anderson

We now have evidence that the settlement of the Nixon administration's biggest anti-trust case was privately arranged between Attorney General John Mitchell and the top lobbyist for the company involved.

We have this on the word of the lobbyist herself, crusty, capable Dita Beard of the International Telephone and Telegraph Co. She acknowledged the secret deal after we obtained a highly incriminating memo, written by her, from ITT's files.

The memo, which was intended to be destroyed after it was read, not only indicates that the anti-trust case had been fixed but that the fix was a payoff for ITT's pledge of up to \$400,000 for the upcoming Republican convention in San Diego.

Confronted with the memo, Mrs. Beard acknowledged its authenticity. The next night, badly shaken and acting against the wishes of ITT officials who wanted her to leave town, she met with my associate Brit Hume at her home to try to explain the document.

By this time, she said, ITT security officers from company headquarters in New York had put most of her office files through a document shredder to prevent their being subpoenaed after disclosure of the memo.

She said she met with

Mitchell at the Governor's mansion in Kentucky during a dinner reception given by Republican Gov. Louie Nunn last May after the Kentucky Derby.

At the governor's reception, she said, Mitchell took her and Nunn aside and to her astonishment and shock, launched into an hour-long diatribe against her. He criticized her for putting pressure through Congress and the on the Justice Department White House on the anti-trust case.

She said Mitchell confided to her he was sympathetic to ITT but had been prevented until then from helping the company because of the seal of the Justice Department's anti-trust chief, Richard McLaren.

After his harangue, Mrs. Beard said, Mitchell agreed to discuss the anti-trust matters and asked bluntly, "What do you want?" meaning what companies did ITT most want to keep if the anti-trust cases were settled.

"We have to have Hartford Fire because of the economy," Mrs. Beard recalled saying.

She said she also told Mitchell ITT wanted to keep "part of the Grinnell Corporation," a manufacturing concern. She said Mitchell at first replied, "You can't have part of Grinnell," but he subsequently relented.

And, she said, when the Justice Department announced its settlement with ITT on July

31, more than two months later, it conformed to the agreement, she had made with Mitchell.

Mrs. Beard insisted the subject of the GOP convention never came up with Mitchell and was never a factor in the anti-trust matter. But this clearly contradicts her memorandum, which was written about six weeks after the Kentucky Derby dinner.

It is addressed to W. R. (Bud) Merriam, head of ITT's Washington office. It is marked "Personal and Confidential" and its last line asks, "Please destroy this, huh?"

The memo warns Merriam to keep quiet about the ITT cash pledge for the Republican convention. "John Mitchell has certainly kept it on the higher level only," the memo says, "we should be able to do the same . . ."

"I am convinced, because of several conversations with Louise (Gov. Nunn) re Mitchell that our noble commitment has gone a long way toward our negotiations on the merger coming out as Hal (ITT President Harold Genetz) wants them."

"Certainly the President has told Mitchell to see that things are worked out fairly. It is still only McLaren's mickety mouse we are suffering . . ."

"If (a convention commitment) gets too much publicity, you can believe our negotiations with Justice will wind up shot down. Mitchell is de-

nitely helping us, but cannot let it be known."

ITT Replies

ITT issued the following statement yesterday.

"There was no deal of any kind to settle our anti-trust cases. It is unfair to the individuals involved to even suggest such a possibility. Agreement was reached with the Justice Department only after hard negotiations between our outside legal counsel and the then-Assistant Attorney General Richard McLaren and his staff.

"Neither Mrs. Beard nor anyone else except legal counsel was authorized to carry on such negotiations. The June 25, 1971, memorandum attributed to Mrs. Beard was seen for the first time by the ITT official to whom it was addressed when it was brought in by a member of Mr. Anderson's staff last week.

"The San Diego contribution of the Sheraton Hotel was made as a non-partisan joint effort of the San Diego community and was purely in support of a local situation. Sheraton has two hotels in San Diego and a third is under construction which would be completed in time for the convention. There was no tie-in of any kind between this local joint participation and any other aspects of ITT's business."

By Jack Anderson

MONDAY, MARCH 25, 1974

U.S. SENATE,
SELECT COMMITTEE ON
PRESIDENTIAL CAMPAIGN ACTIVITIES,
Washington, D.C.

The Select Committee met, pursuant to notice, at 2:45 p.m. in room G-334, Dirksen Senate Office Building.

Present: Senator Inouye.

Also present: Alan S. Weitz, assistant majority counsel; Donald G. Sanders, deputy minority counsel.

Senator INOUE. Mr. Butterbrodt, raise your right hand.

Do you swear that the testimony you are about to give is the truth, the whole truth, and nothing but the truth?

Mr. BUTTERBRODT. I do.

Senator INOUE. State your name and address.

Mr. BUTTERBRODT. John E. Butterbrodt, 500 North Park Avenue, Fond du Lac, Wis.

[A brief recess was taken.]

Mr. WEITZ. Mr. Butterbrodt, you've identified your address for the record. Would your counsel please identify himself?

Mr. GREEN. Thomas C. Green, the firm of Ginsburg, Feldman & Bress, here in Washington.

Mr. WEITZ. Mr. Butterbrodt, what is your position with respect to AMPI?

TESTIMONY OF JOHN E. BUTTERBRODT, ACCOMPANIED BY
THOMAS C. GREEN, COUNSEL

Mr. BUTTERBRODT. I serve as president of AMPI.

Mr. WEITZ. For the record, AMPI being Associated Milk Producers, Inc.

How long have you held that position?

Mr. BUTTERBRODT. Since November 1, 1969.

Mr. WEITZ. Was that when AMPI was officially formed?

Mr. BUTTERBRODT. Technically, we started operating, or AMPI started operating its fiscal year on October 1, and we held a board meeting on October 31 at which time the co-op I was associated with merged into AMPI, and because some of the co-ops' fiscal year started on October 1, we went back and picked up the month of October as an operating month, but it was after the fact, and we really started physically November 1.

Mr. WEITZ. Was Harold Nelson one of the principal persons responsible for the organization of AMPI?

Mr. BUTTERBRODT. Yes.

(7625)

Mr. WEITZ. Was Dave Parr another?

Mr. BUTTERBRODT. Yes.

Mr. WEITZ. What is your role or your responsibilities in connection with the presidency of AMPI, the presidency of the board?

Mr. BUTTERBRODT. Well, of course, No. 1, I'm a dairy farmer and live on the dairy farm and operate a dairy farm and I still manage that dairy operation. And then serving as president of AMPI, I am responsible of course for board activities, and board agendas.

And second, I would say it's reporting to producers. I make a lot of producer meetings and report to producers as to what's going on in AMPI.

Mr. WEITZ. Producer members of AMPI?

Mr. BUTTERBRODT. Yes.

Mr. WEITZ. As a board member and as president, do you sit on any type of executive committee?

Mr. BUTTERBRODT. Well, we've got an executive board of, say, the 10 officers. We seldom meet. When we do meet, it's usually in conjunction with a corporate board meeting to take up any matters that, you know, we might want to discuss at the time of the board meeting. But basically, the executive board has little authority.

Mr. WEITZ. Who, in practicality, actually under the organization of AMPI, has the day-to-day management responsibilities?

Mr. BUTTERBRODT. The general manager has full control of the business operation and he and he alone has the authority to hire and fire, et cetera.

Mr. WEITZ. What about financial reports? Are those made to the board periodically?

Mr. BUTTERBRODT. Yes.

Mr. WEITZ. And as a member of the board, you've had occasion to review those financial reports when they've been made?

Mr. BUTTERBRODT. Yes.

Mr. WEITZ. Now, the Trust for Agricultural Political Education known as TAPE, was formed in 1969, was it not?

Mr. GREEN. If you know.

Mr. BUTTERBRODT. I'm not sure of the date. It was formed before AMPI was.

Mr. WEITZ. It was in existence when AMPI was formed?

Mr. BUTTERBRODT. Yes.

Mr. WEITZ. Did you become a member of TAPE?

Mr. BUTTERBRODT. By contributions you mean?

Mr. WEITZ. Yes.

Mr. BUTTERBRODT. Not in 1969.

Mr. WEITZ. Before its closing, however, in 1972 or 1973?

Mr. BUTTERBRODT. Yes.

Mr. WEITZ. Did you ever hold any official position, such as on a committee or an executive committee of some sort for TAPE?

Mr. BUTTERBRODT. No.

Mr. WEITZ. Are you a member of the committee for TAPE?

Mr. BUTTERBRODT. Yes.

Mr. WEITZ. That is the successor, so to speak, or similar organization to TAPE?

Mr. BUTTERBRODT. Right.

Mr. WEITZ. Do you hold or have you ever held a position of responsibility in connection with the Committee for TAPE?

Mr. BUTTERBRODT. Yes—isn't that what you just asked?

Mr. WEITZ. I said were you a member—

Mr. GREEN. A contributing member.

Mr. WEITZ. A contributing member?

Mr. BUTTERBRODT. Yes.

Mr. WEITZ. You were a contributing member. Are you also a member of the governing committee for TAPE?

Mr. BUTTERBRODT. Yes.

Mr. WEITZ. Isn't the Committee for TAPE a separate organization from TAPE and there is an executive committee of the Committee for TAPE, or am I incorrect?

Mr. BUTTERBRODT. I think you're incorrect. The Committee for TAPE came about in 1972 with a change in the law, the Federal law, and at that time the trust for TAPE was phased out or went out of existence and the Committee for TAPE was structured according to the Federal law, and that is the only organization in existence today, as far as political.

Mr. WEITZ. So you say Committee for TAPE is an organization which has members that contribute to a fund from which political contributions are made, is that right?

Mr. BUTTERBRODT. Right.

Mr. WEITZ. And do you have an official position in connection with the Committee for TAPE?

Mr. BUTTERBRODT. Yes.

Mr. WEITZ. What is that position?

Mr. BUTTERBRODT. I'm one of the committee members of the TAPE committee.

Mr. WEITZ. Off the record.

[Discussion off the record.]

Mr. WEITZ. I think for convenience we'll refer to the organization Committee for TAPE as CTAPE. And I take it from what you said that you are a member of the four-man administering body for CTAPE; is that correct?

Mr. BUTTERBRODT. Right.

Mr. WEITZ. Who are the other three individuals?

Mr. BUTTERBRODT. Mel Besemer, Preach Griffith, and Dr. Mehren.

Mr. WEITZ. And do the four of you taken together, this administering body, have full responsibility for the collection and disposition of funds of CTAPE?

Mr. BUTTERBRODT. Yes.

Mr. WEITZ. Now, I'd like to direct your attention to 1969. Do you have any knowledge of the delivery of \$100,000 to Herb Kalmbach by Milton Semer in that year?

Mr. BUTTERBRODT. I do from the report, the Ed Wright report, and from a letter that Mr. Heininger wrote to the CRP committee.

Mr. WEITZ. Have you seen a copy of that letter?

Mr. BUTTERBRODT. Yes.

Mr. WEITZ. Before we complete the day's session, I don't have a copy with me, I'd like to include that in the record and I'll show it to you for identification.

Do you have any knowledge of the source of the money that was delivered to—other than those that you just mentioned—the source of money that was delivered to Mr. Kalmbach, other than the Wright report?

Mr. BUTTERBRODT. No.

Mr. WEITZ. Now Stuart Russell was an attorney that was employed by AMPI; is that right?

Mr. BUTTERBRODT. Correct.

Mr. WEITZ. When I say "was employed," he no longer performs any services for AMPI?

Mr. BUTTERBRODT. That's right.

Mr. WEITZ. Before 1972, did you have any knowledge of any payments made to Mr. Russell or any billings by Mr. Russell that were not for services performed—for legal services performed by Mr. Russell for AMPI?

Mr. BUTTERBRODT. Yes.

Mr. WEITZ. And what knowledge did you have?

Mr. BUTTERBRODT. I was informed that additional payments were being made to Mr. Russell to pay other attorneys and other personnel that they did not want to—whose names they did not want to appear on our statement or records.

Mr. WEITZ. Do you know approximately when you came into this knowledge?

Mr. BUTTERBRODT. It would have perhaps been late 1971.

Mr. WEITZ. Who told you?

Mr. BUTTERBRODT. Harold Nelson and Bob Isham reported it to the board after questions were asked if that was the reason for his high billings.

Mr. WEITZ. Was this the explanation given by both of them or only by Mr. Nelson?

Mr. BUTTERBRODT. I think both of them in about—you know, that many words. They both explained it that way.

Mr. WEITZ. Was the whole board present—was it a board meeting?

Mr. BUTTERBRODT. I'm not sure whether it was at a board meeting or a finance committee where it was discussed, but I believe the whole board was in session at the time that the answer was given.

Mr. WEITZ. Hasn't Bob Isham told you something along those lines, but perhaps a slightly different version several months before?

Mr. BUTTERBRODT. No; in fact I met with Bob Isham on at least two occasions separate and apart from, say, a board session where I asked Bob Isham in detail whether there was anything going on that was unethical or illegal or anything that the board should be knowledgeable of and on both occasions Bob Isham said, "No," that everything was above board. Bob Isham was a very honorable individual and highly respected in my book until he left this last summer, and I believed Bob Isham when he told me there was nothing wrong going on in the financial field.

Mr. WEITZ. What led you to ask him the question in the first place?

Mr. BUTTERBRODT. Oh, I think, one, out of responsibility. I perhaps at different times asked different employees what they know about, be it insurance or finances, and Bob Isham didn't show up at one of our board meetings and I was concerned that maybe something was bothering him, so I got in touch with him and asked him if something was bothering him that he didn't show up at a board meeting.

Mr. WEITZ. Now, at this board meeting in late 1971, when Mr. Isham and Mr. Nelson gave the explanation that you've mentioned, did they explain or did you ask what attorneys and other costs were covered by these payments to Mr. Russell and similar attorneys?

Mr. BUTTERBRODT. If the question was asked, the general type answer we would get was that it would be better if we didn't know, for the good of Associated Milk Producers, Inc., if it wasn't known, so the question was never answered.

Mr. WEITZ. Did you have any understanding either at that meeting or otherwise as to what was intended by that answer or what, in fact, was the case?

Mr. BUTTERBRODT. No.

Mr. WEITZ. Now, in 1972, did you have occasion to meet with Dr. Mehren and Mr. Russell to discuss these matters further?

Mr. BUTTERBRODT. Yes.

Mr. WEITZ. What was the occasion of that meeting?

Mr. BUTTERBRODT. Shortly—

Mr. GREEN. Can we identify—you use the whole year there.

Mr. WEITZ. My next question was going to be when.

Mr. GREEN. All right.

Mr. WEITZ. Let me ask you first, do you recall when such a meeting or meetings took place?

Mr. BUTTERBRODT. It would have been shortly after we changed management, within 2 or 3 weeks after we changed management.

Mr. WEITZ. The record shows that that change took place on January 12, 1972. Would it then have been by the end of January 1972?

Mr. BUTTERBRODT. The end of January or the first of February.

Mr. WEITZ. What was the occasion for the meeting?

Mr. BUTTERBRODT. We went through a process of calling in, basically, virtually all the employees that were connected with the home office because we were trying to trim costs. We were cutting out personnel and were trying to cut back personnel, that we did not need, and we had Stu Russell in to discuss with him, No. 1, the need for retaining him and, No. 2, reducing his costs and so forth—was the reason for the meeting.

Mr. WEITZ. Did you also take that opportunity to ask him what attorneys or other persons were receiving payments from him to which Mr. Nelson had alluded?

Mr. BUTTERBRODT. We asked him—of course, the question put was more along the lines of why the high legal fees, and he indicated to us then that he was passing fees or paying out money to other attorneys and personnel and he indicated that this was how Harold Nelson had instructed him to operate. And that's why he did it.

Again, at that point, we said there'd be no more of that, that if somebody was going to work for us the name would appear on the statement and we would not fund anybody through that method.

Mr. WEITZ. And you did not know at that time that some portion of that money or other moneys had gone for political contributions?

Mr. BUTTERBRODT. No; he indicated to us even at that point he—he did not indicate that it was for political activity.

Mr. WEITZ. And you knew nothing to the contrary, is that correct?

Mr. BUTTERBRODT. That's right. When we asked him—and we did ask him about where the funds were going and why—his answer was basically that before—he would not tell us, and Dr. Mehren asked

him the question about what he would do if he got in a courtroom where he had to raise his hand and explain where it went. And Stu's words were something to the effect that he would take the fifth amendment there and he would not tell us where it went.

Mr. WEITZ. Did he explain his reluctance or his refusal to tell you?

Mr. BUTTERBRODT. No; he indicated he had his books coded, that he felt he was doing nothing illegal, and that if he had, say, to prove to somebody where the dollars went, that it did not—you know, he did not get it or benefit from it. But he wouldn't tell us.

Mr. WEITZ. Do you know how much money was involved in these transactions?

Mr. BUTTERBRODT. Only from the Ed Wright report.

Mr. WEITZ. Did Mr. Russell indicate how much money was involved?

Mr. BUTTERBRODT. No.

Mr. WEITZ. Did Mr. Russell also indicate that there was still some money due him as a result of previous transactions to cover his excess taxes?

Mr. BUTTERBRODT. Yes; he indicated that he had a commitment from Harold Nelson that any costs or liabilities to him in regard to paying other employees—and I've since learned, too, that one of the employees was a former NFO employee that was on his payroll, and I guess this is what I gathered even when I first heard about it, that I gathered that that's what it was used for.

Mr. WEITZ. Was that employee Wynn Hollowell?

Mr. BUTTERBRODT. No; I don't believe so. I can't say his name. He came from Wisconsin.

Mr. WEITZ. That's all right.

Didn't you know or have a serious suspicion, that much of the money that went to Russell, went for political purposes when Mr. Nelson was replaced in January of 1972?

Mr. BUTTERBRODT. No. And if I could, you know, elaborate on that, we did have the political fund where dairy farmers were voluntarily putting money into the political fund and I never suspected, and I still don't understand why, if they wanted dollars for political activities they didn't use that fund, because the funds were there to be used and there were dollars there to be used for political activity. I think I felt at the time that there was no reason to use any other funds.

Mr. WEITZ. You indicated that Mr. Russell did ask for additional—did indicate that more money was due him to cover his back taxes. Did he indicate how much?

Mr. BUTTERBRODT. No; not as I recall.

Mr. WEITZ. Was he told to go and find out how much or did he suggest he would do so?

Mr. BUTTERBRODT. I don't think we talked about it at that time. This was, like I indicate, late January or early February, and he just indicated that there was a commitment made and we didn't, I don't believe, get into it any further at that meeting.

Mr. WEITZ. Who made the commitment, or who did he indicate made the commitment to him?

Mr. BUTTERBRODT. Harold Nelson.

Mr. WEITZ. Was there anything else about that meeting that you can recall?

Mr. BUTTERBRODT. No.

Mr. WEITZ. Did you meet with him again?

Mr. BUTTERBRODT. With Stu Russell?

Mr. WEITZ. Yes, sir.

Mr. BUTTERBRODT. I don't believe so.

Mr. WEITZ. In connection with this matter.

Mr. BUTTERBRODT. No.

Mr. WEITZ. Did you discuss the matter any further outside of Mr. Russell's presence with Dr. Mehren?

Mr. BUTTERBRODT. At that time?

Mr. WEITZ. At that time or any time thereafter.

Mr. BUTTERBRODT. Well, thereafter we certainly talked about it.

Mr. WEITZ. What about in the next—let's limit it—through April of 1972, February, March, and April of 1972?

Mr. BUTTERBRODT. At the time that Stu Russell came in and actually received a settlement, Dr. Mehren reported that he, Stu Russell, had been in and they worked out a settlement, and that Stu was paid.

Mr. WEITZ. You were not present at that settlement?

Mr. BUTTERBRODT. No.

Mr. WEITZ. Did he tell you how much was paid to Mr. Russell?

Mr. BUTTERBRODT. I believe he did, yes. I don't recall, but I'm sure he did; because we communicated on a daily basis.

Mr. WEITZ. How much was that?

Mr. BUTTERBRODT. I know now it was \$66,000. I am not sure at that time whether he said \$60,000 or \$66,000, but he indicated a settlement was made.

Mr. WEITZ. Wasn't there, in addition, a note that was forgiven Mr. Russell?

Mr. BUTTERBRODT. From the Ed Wright report, yes.

Mr. WEITZ. You didn't know about it at the time?

Mr. BUTTERBRODT. No.

Mr. WEITZ. Did you know that any note had been made out by Mr. Russell?

Mr. BUTTERBRODT. No.

Mr. WEITZ. Did you know of the \$50,000 payment made to Mr. Russell in April 1971?

Mr. BUTTERBRODT. Yes.

Mr. WEITZ. When did you come to know about that?

Mr. BUTTERBRODT. When the issue came up at the board meeting. It was in the fall of 1971 when the \$50,000 note appeared on our financial records, that there was a note, and a question was asked why are we borrowing money to an attorney, and the answer given was that Stu Russell—

Mr. WEITZ. From an attorney? I believe it was a note from Stu Russell.

Mr. BUTTERBRODT. No. It was the the other way around.

Mr. WEITZ. Are you talking about a payment?

Mr. BUTTERBRODT. Well, it was Stu Russell's note. He borrowed \$50,000 from AMPI.

Mr. WEITZ. I see.

Mr. BUTTERBRODT. And it showed up actually that he owed us \$50,000; and the question was why were we borrowing from an attorney \$50,000, and the answer was that Stu Russell had financial

problems at the time of tax, and so he borrowed \$50,000 and gave a note for it to pay his taxes, and that he would pay it back.

Mr. WEITZ. Nobody indicated that had anything to do—or his taxes that he could not cover had anything to do with his transactions for AMPI?

Mr. BUTTERBRODT. No.

Mr. WEITZ. When Dr. Mehren informed you of the settlement with Mr. Russell in April 1972, did he mention or did you mention anything about the note?

Mr. BUTTERBRODT. No; I don't believe so.

Mr. WEITZ. Whatever happened to the note, do you know?

Mr. BUTTERBRODT. Well, from the Ed Wright report I know it was washed out.

Mr. WEITZ. Was that part of the settlement as you understand it?

Mr. BUTTERBRODT. Yes.

Mr. GREEN. That settlement—his understanding is based on the Wright report. That's what he's testified to earlier.

Mr. WEITZ. All right. Now, you say when Mr. Russell met with you and Dr. Mehren in late January or early February, he refused, or at least declined, to elaborate on the purposes for which the moneys he delivered to certain unknown—unnamed employees or attorneys was used.

Was any further light shed on that matter at the time of the settlement, or at least did Dr. Mehren inform you of any further information he received at that time?

Mr. BUTTERBRODT. No.

Mr. WEITZ. Can you explain why the payment of approximately \$66,000 was made without a further explanation of the transactions for which the liability arose?

Mr. GREEN. Do you mean explanation to him?

Mr. WEITZ. Either explanation to him or to him through Dr. Mehren.

Mr. BUTTERBRODT. Well, the answer being that Dr. Mehren informed me that the figures, you know, were put together by Bob Isham as what we owed; and that he had run it by Heininger—using his language, he ran it by Heininger and Heininger OK'd it. So to me, if Heininger OK'd it and Bob Isham OK'd it and Dr. Mehren was satisfied with it, I didn't question it.

In the first place, that is not part of my obligations to start with.

Mr. SANDERS. I believe you've answered to Alan's questions that when you and Nelson—you and Mehren talked with Russell in February of 1972, he declined to furnish to you the names of persons to whom payments were being made by him.

Was there any discussion between you and Mehren as to withholding further payment from Russell until he made a disclosure of the identities?

Mr. BUTTERBRODT. I don't think we discussed, really, the withholding of the payments. We discussed at great length about cutting him off altogether as a firm that was employed by us.

Mr. SANDERS. Are you saying that to the best of your recollection it did not occur to you, nor did it appear to have occurred to Mehren to insist upon that disclosure as the price for meeting his additional billing?

Mr. BUTTERBRODT. No; I would say that after talking with Mr. Grossman, the lawyer in Chicago, that our advice was, that we were not the FBI. It was not our obligation to investigate to find out whether there was wrongdoing or wasn't. We honored commitments, not only Stu's, but other commitments that were made at that time. And we cut it off, so to speak; anything like that we cut off at that time. And it was not our obligation to investigate the past and see what was done wrong.

Mr. SANDERS. Well, without respect to your obligation to investigate criminal wrongdoing, didn't you feel you had an obligation to your 40,000 members to insure that any substantial funds paid to Russell were for legitimate purposes?

Mr. BUTTERBRODT. Well, no different than we did for Joe Johnson or anybody else in that position.

Mr. SANDERS. But here you had a situation where he wouldn't even tell you who the money was paid to. How could you feel that your 40,000 members were being protected if you don't even know the identity of the recipient of the funds?

Mr. BUTTERBRODT. Well, the dollars went to Stu Russell and—

Mr. GREEN. I think the record should also indicate, if you want to question the witness about it, that Mr. Russell was their attorney with respect to certain legal matters that were pending at the time, and was, in fact, terminated within a relatively short period of time.

Mr. SANDERS. Yes, certainly the record should show that. Nevertheless, the facts are that a substantial sum of money was paid to him at the time of, or soon after his termination. I think the record would show that.

Mr. WEITZ. In that connection, when was Mr. Russell—when did his employment by AMPI terminate?

Mr. BUTTERBRODT. I couldn't tell you exactly.

Mr. WEITZ. Was it within several months after that payment?

Mr. BUTTERBRODT. It seems to me that it would have been the early part of 1973.

Mr. WEITZ. Was it in October of 1973?

Mr. BUTTERBRODT. Let's say 1973. I'm not sure what month.

Mr. WEITZ. I'd like to turn to 1970. Do you have any knowledge of any meetings or contacts between representatives of AMPI in 1970 with Charles Colson?

Mr. BUTTERBRODT. No, sir.

Mr. WEITZ. I'll address the same question with respect to Herb Kalmbach.

Mr. BUTTERBRODT. No, sir.

Mr. WEITZ. Do you have any knowledge of any representations or pledges or commitments of campaign contributions by representatives of AMPI made to Republican fundraisers in 1970?

Mr. BUTTERBRODT. No, sir.

Mr. WEITZ. Do you have any knowledge of efforts by AMPI to secure the attendance of the President at the first annual convention of AMPI in 1970?

Mr. BUTTERBRODT. Yes, sir.

Mr. WEITZ. What efforts were made in that direction?

Mr. BUTTERBRODT. Well, how much effort of what was, you know, made to get him there, I am not aware of. But I know leading up to

that annual meeting in 1970, that Harold Nelson and Dave Parr continually told the board that they thought the President was going to speak at our annual meeting in 1970; and for that reason, that was one of the reasons that we needed something like 10,000 people in our annual meeting in Chicago. And by the same token, there were a lot of people that, you know, indicated he would not come to the annual meeting.

At the time of the annual meeting, when I got to Chicago and got out to the Chicago Stadium, and saw the stadium and how they had it set for the annual meeting, I realized that President Nixon would not speak at that meeting. There wasn't enough security, that kind of thing, the way they had it set up for the meeting; that he was not going to come. And yet, Harold and Dave insisted up to the day before the meeting that he was going to speak, and that's why the very day of the annual meeting, they had to substitute Senator Muskie and get Senator Muskie on a last minute sort of program, to get in and speak to the annual meeting that night.

Mr. WEITZ. I take it at that meeting—we understand that President Nixon called the convention and spoke with Mr. Nelson. Do you have any knowledge of that?

Mr. BUTTERBRODT. I don't know whether Nelson called—you know, who called who. Harold Nelson indicated he talked to President Nixon and that President Nixon indicated there was some program—I'm not sure whether it was imports or what it was—that they were—some proclamation—

Mr. WEITZ. The school lunch?

Mr. BUTTERBRODT. School lunch, that's what it was. Indicated they were going to fund the school lunch program again.

Mr. WEITZ. Did Secretary Hardin speak at the convention?

Mr. BUTTERBRODT. Yes.

Mr. WEITZ. Did he make the announcement with respect to the school lunch program?

Mr. BUTTERBRODT. I believe so.

Mr. WEITZ. Do you have any knowledge of any meetings between Mr. Nelson and Mr. Parr or Mr. Parr with the President in 1970 other than this telephone conversation?

Mr. BUTTERBRODT. Yes; as I recall, and as they reported to me, within perhaps—and I don't know the time, but I'd say within 2 weeks of the 1970 annual meeting, Harold and Dave met with President Nixon at the White House, is the story that I have.

Mr. WEITZ. Did they tell you?

Mr. BUTTERBRODT. I believe both Harold and Dave told me, but I may not have the story, you know, just exact. But they met with President Nixon. He indicated, one, he was sorry he did not come out to our annual meeting. When people told him there would be 10,000 people there, he didn't believe there would be that large a crowd. He indicated he was sorry he had been misinformed or misread the meeting, that he wished he had come to the meeting.

And No. 2, he told them that he'd like to meet with some of the dairy farmer leaders of AMPI, and could they arrange a meeting with some of us to meet with the President.

And three, he indicated that he would be the speaker for our annual meeting in 1971. And as the story goes, Dave told him if he would be the speaker, we would have 40,000 at the annual meeting.

Following that, of course, at least two or maybe three different occasions—that would have been September of 1970 until March of 1971—Harold or Dave notified me and said "We've got a tentative date to meet the President at the White House." We were going to talk to him in November of 1970 and again in December and perhaps January 1971. There were indications to me that they were setting up a meeting and holding certain dates to go to the White House because the President wanted to talk to us. And as we got closer to those meeting dates, they were then canceled, something came up; and again, I don't know if it was management, or say from the President's side that they were canceled. But I was told that they were canceled. And consequently, the meeting on March 23d was set when we went to the White House. And as far as I'm concerned, it was continuation of that conversation that we had in the fall of 1970.

Mr. WEITZ. How much in advance of the March 23d meeting did you receive firm information as to time and place—not place—time and date?

Mr. BUTTERBRODT. I really don't know. I would say 2 weeks perhaps. I really don't know though. It could be 3; it could be 1; but I'm just guessing it would have been a couple of weeks, maybe a little longer.

Mr. WEITZ. Now, 1971, did you take part in the effort to secure a price support increase?

Mr. BUTTERBRODT. Yes.

Mr. WEITZ. What was your role?

Mr. BUTTERBRODT. I came to Washington perhaps on one, maybe two, occasions just with that, you know, respect in mind, where we met and then talked to Congressmen and Senators, the Congressmen and Senators perhaps from Wisconsin that I knew, and encouraged them or asked them to support the bill to increase price support. Perhaps I spent time on the phone talking to co-ops in other parts of the country. And I'm thinking of, oh, Mountain Empire out in Denver—I knew the people, and I talked to their Congressman. But it was maybe 1 to 3 days at the most that I worked on it.

Mr. WEITZ. January through March of 1971?

Mr. BUTTERBRODT. Yes. I don't know if they were working at it during January, because we really, as I recall, didn't put any, you know, real effort—other than the original call, we didn't put really any real effort into it until after Secretary Hardin announced lower supports, when we came out and tried to get the bill introduced. That's as I remember it.

Mr. WEITZ. I take it you had no contacts directly with anyone in the administration and the White House other than the meeting with the President on the 23d?

Mr. BUTTERBRODT. Just so the record is clear, you know, I can get trapped on that one, because as I recall from this morning, in perhaps early March or the end of February, President Nixon had—and perhaps it was February—President Nixon had a program on world development that really had nothing to do with dairying or the milk industry. But he invited farm leaders to the White House to discuss his

rural development program. That isn't really the right technical name of what the program was, but that was the intent—to help develop the rural areas, communities, and cities and so forth.

And I got a telegram or a notice of the meeting at the White House; and I remember this because I called Harold Nelson and I indicated to Harold that I had gotten a notice to go to the White House. I didn't think it really related to dairying, and should I go. And his instructions to me—and right or wrong, I still operate with those instructions or follow that kind of philosophy—that when the White House calls and invites you to the White House, you go, and you don't call up and give excuses and so forth.

And so I did come to Washington, and I was at the White House with that conference. I did meet that time in the Oval Office. It had nothing to do with dairying, but I was there.

Mr. WEITZ. Let me rephrase the question then with respect to the dairy price support program. Did you have any contacts during January, February, or March of 1971 with members of the administration other than the meeting with the President on the 23d?

Mr. BUTTERBRODT. No.

Mr. WEITZ. Do you have any knowledge of any contacts during that same period, by representatives of AMPI and the other dairy cooperatives, with either Mr. Colson or Secretary Connally?

Mr. BUTTERBRODT. No. Maybe I should ask, is Colson an attorney?

Mr. WEITZ. I think at that time he was counsel, a special counsel to the President.

Mr. BUTTERBRODT. The answer would be no.

Mr. WEITZ. Do you know of any contacts with anybody in the administration other than the March 23 meeting?

Mr. BUTTERBRODT. No, other than I'm sure there were contacts in setting up that March 23 meeting.

Mr. WEITZ. With respect to substantive discussions concerning the dairy price support program?

Mr. BUTTERBRODT. No, other than they certainly probably contacted the Secretary of Agriculture.

Mr. WEITZ. Secretary Hardin?

Mr. BUTTERBRODT. Yes.

Mr. WEITZ. How about Under Secretary Campbell?

Mr. BUTTERBRODT. I wouldn't be aware of that.

Mr. WEITZ. What about with respect to political contributions or possible political support for the Presidential campaign. President Nixon's reelection campaign, were there any discussions that you were aware of—not with the administration necessarily, but among the cooperatives or representatives of the dairy farmers in Washington at that time. January, February, or March of 1971? Was there any discussion of contributions that might be made or would be made to the reelection campaign?

Mr. BUTTERBRODT. No.

Mr. WEITZ. Was there any internal discussion in AMPI or TAPE as to who you would support for the reelection campaign?

Mr. BUTTERBRODT. No.

Mr. WEITZ. How soon before the March 23 meeting did you arrive in Washington?

Mr. BUTTERBRODT. I believe I came in the night before; and there again I could be wrong, but I believe I came in the night before.

Mr. WEITZ. The 22?

Mr. BUTTERBRODT. Yes.

Mr. WEITZ. Were you aware of the \$10,000 contribution or four contributions totaling \$10,000 to four Republican committees made by TAPE on March 22, 1971?

Mr. BUTTERBRODT. No, sir. I was aware, of course, that they were going to—that they had bought tickets for the Republican national fund-raising dinner, which was rather a yearly thing and always had been something that we bought tickets for. And I knew they had bought, say, \$10,000 worth of tickets for that, or were going to.

Mr. WEITZ. Do you know how much the other cooperatives' trusts were going to contribute, if anything?

Mr. BUTTERBRODT. No, I don't know.

Mr. WEITZ. For either the dinner or the reelection campaign?

Mr. BUTTERBRODT. No.

Mr. WEITZ. Did you see or meet with Marion Harrison while you were in Washington?

Mr. BUTTERBRODT. I believe we met in his office the morning before we went over to the White House.

Mr. WEITZ. Any other occasion that you can recall?

Mr. BUTTERBRODT. No.

Mr. WEITZ. Did you meet or talk with Murray Chotiner during that same period?

Mr. BUTTERBRODT. I believe so, if he was a part of that law firm. We met across the street, and the names are not familiar with me.

Mr. WEITZ. So you don't actually recall?

Mr. BUTTERBRODT. I think he was there. The name, you know, rings a bell, but—

Mr. WEITZ. How about Pat Hillings, do you know him?

Mr. BUTTERBRODT. No.

Mr. WEITZ. Do you know if he attended the meeting with the President on the 23d?

Mr. BUTTERBRODT. I don't think so, but I don't know.

Mr. WEITZ. Did Mr. Colson attend the meeting?

Mr. BUTTERBRODT. I don't know.

Mr. WEITZ. With the President?

Mr. BUTTERBRODT. I don't know.

Mr. WEITZ. You don't know Mr. Colson?

Mr. BUTTERBRODT. I don't know Mr. Colson.

Mr. WEITZ. How about Jake Jacobsen—do you know him?

Mr. BUTTERBRODT. Yes.

Mr. WEITZ. Was he present, or did you hear any discussion relating to him while you were in Washington?

Mr. BUTTERBRODT. No. I do not think he was here. Really—let's see, that would have been 1971?

Mr. WEITZ. March of 1971.

Mr. BUTTERBRODT. I wouldn't have known Jake at that time, but knowing Jake, you know, from when I did meet him, I'm sure if he was there—he's an individual of rather outstanding appearance and I would have remembered him. So I don't think I had even met Jake Jacobsen or knew him at that time.

Mr. WEITZ. Without regard to whether or not you met him at that time, do you recall any discussion of any contacts between representatives of any dairy co-ops and Secretary Connally, John Connally?

Mr. BUTTERBRODT. No.

Mr. WEITZ. What did you do after the meeting with the President?

Mr. BUTTERBRODT. As I recall, I left—as most of us did when we left the White House, we got out to the street and kind of dispersed in various directions. I grabbed a cab and went back and picked up my suitcase and went back to Wisconsin.

Mr. WEITZ. Was there any reason why you did not come in earlier than the night before the meeting with the President, or any reason that you left immediately after the meeting—if the reason for your being in Washington for a few days in that period, March of 1971, was to push some milk price-support legislation, why didn't you take that opportunity to visit some Congressmen?

Mr. BUTTERBRODT. Well, I had called on, say, my Congressman, and usually, as the case this year, the Wisconsin Congressman, my Congressman and Senators from Wisconsin were on record and would be on record supporting the dairy industry because they come from a dairy State. I'm not a part of, you know, management in the sense that it would be my job, so to speak, to line up others. And as the president or board member, that wouldn't be my responsibility in the first place; and I'd probably not be very effective at it if it were.

So my position—the reason I was at the White House was because of my title and not my capabilities in the political field.

Mr. WEITZ. When did you first learn that the price-support decision was going to be, or would probably be, increased? Did you learn of that before it was publicly announced?

Mr. BUTTERBRODT. No, unless it was just an hour or two. It was about, I'd say, a week to 10 days later. I was at a meeting in Chicago when someone informed me that, you know, support prices were going to be increased; and it was announced to the delegates—I believe we had kind of an annual meeting of that area—and it was announced to the delegates there. But it was made public that day.

Mr. WEITZ. If the record indicates that the decision was made public on March 25, 2 days after the meeting with the President, would that be the day you're talking about?

Mr. BUTTERBRODT. What was the 23d then? A Tuesday?

Mr. WEITZ. Tuesday.

Mr. BUTTERBRODT. It would have been Thursday.

Mr. WEITZ. Thursday, the 25th?

[Mr. Butterbrodt nods in the affirmative.]

Mr. WEITZ. Was that the day of the meeting of the Central America Cooperative Federation?

Mr. BUTTERBRODT. No. I believe that was—1971?

Mr. WEITZ. 1971.

Mr. BUTTERBRODT. I believe we had an annual meeting of that particular region in March out at—I don't know—Arlington Park, Pheasant Run, one of those type places. We had a delegate body at the meeting, so it would have been that Thursday at that particular meeting. I believe I was serving at that time as president of that particular region and was conducting the meeting there, and it was reported at that meeting.

Mr. WEITZ. Do you want to ask questions about 1971 before I go on to 1972?

Mr. SANDERS. This is off the record.

[Discussion off the record.]

Mr. WEITZ. Back on the record.

Actually, let me ask one more question. Did you ever learn of any information from either Mr. Nelson, Mr. Parr, or anyone else connected with AMPI, as to the reason for the increase announced on March 25?

Mr. BUTTERBRODT. Did I learn of the reason?

Mr. WEITZ. Did they shed any light on the decision?

Mr. GREEN. Why the President changed his—

Mr. WEITZ. Increased the supports.

Mr. BUTTERBRODT. Not really. I'd have to say not from them. But when I left the meeting with the President, I was pretty well convinced he was going to change his mind, and that the price supports would be increased.

Mr. WEITZ. So it didn't come to you as much of a surprise when you heard the announcement?

Mr. BUTTERBRODT. No.

Mr. WEITZ. Did they ever indicate to you—Mr. Nelson, Mr. Parr, or any others connected with AMPI—that they had made any commitments or representations with respect to contributions during that period of March 1971?

Mr. BUTTERBRODT. No.

Mr. WEITZ. Whether or not connected to the milk price-support decision?

Mr. BUTTERBRODT. No.

Mr. WEITZ. Apart from March 1971, did you learn of any commitments or representations made in 1971, as to contributions to be made by TAPE for the President's reelection?

Mr. BUTTERBRODT. No.

Mr. WEITZ. When Dr. Mehren became general manager in January 1972, did he ask you whether any commitments were outstanding with respect to political contributions to the President?

Mr. BUTTERBRODT. I don't believe he asked me, no.

Mr. WEITZ. Did you know whether any commitments were then outstanding?

Mr. BUTTERBRODT. To my knowledge there were no commitments outstanding.

Mr. WEITZ. Either outstanding or had been made and satisfied?

Mr. BUTTERBRODT. That's right.

Mr. WEITZ. Do you know why close to \$250,000 had been contributed by the three dairy trusts in 1971 to the President's reelection campaign?

Mr. BUTTERBRODT. Other than that the President did reverse himself or did increase the price support, he did fund the school milk program the year before; we had some favorable decisions from the administration. That's what the fund is for, to help those people that are friendly to the industry. And I saw nothing wrong with contributions going to President Nixon's committee.

Mr. WEITZ. Even before his announced—the Democratic nominee had been named?

Mr. BUTTERBRODT. No. To me, you know, that's what the fund was for. And again, it was a political fund to be used for political activities.

Mr. WEITZ. What political activities were underway in 1971, do you know, for the President?

Mr. BUTTERBRODT. I couldn't tell you, other than to get him elected again, I suppose. I did not, you know, work with the committee or have any input into where the funds went or how, so I just assumed that those people with that responsibility knew where the proper funds should go and how they should be spent.

Mr. WEITZ. Turning your attention to primarily 1972, when were you first apprised of an investigation by the Justice Department of AMPI?

Mr. BUTTERBRODT. I believe it was the end of January when we got word—you're talking about the antitrust suit being filed?

Mr. WEITZ. But it was preceded by an investigation, and I am wondering whether you had any knowledge of the investigation that was conducted by the Antitrust Division of the Justice Department?

Mr. BUTTERBRODT. No, I wasn't aware of any investigation.

Mr. WEITZ. Were you told by anyone else that such an investigation had taken place or was underway?

Mr. BUTTERBRODT. I don't believe so.

Mr. WEITZ. When was your first knowledge of either the impending suit or the suit itself?

Mr. BUTTERBRODT. I believe it was the end of January when there was an indication that Justice was—and I don't understand, you know, the terms and et cetera. But that Justice was charging us, and it seems to me—I don't know whether the consent decree comes first, or just what. But that they were, in fact—had charged us and gave us a consent decree. We had something like 24 hours, or whatever, to sign it, "or else." And Dr. Mehren indicated, after reading it, that he couldn't sign it; it would virtually put us out of business. And so, I guess we got the "or else."

Mr. WEITZ. That is, the suit was filed?

Mr. BUTTERBRODT. Yes.

Mr. WEITZ. Did you have any knowledge of a request by the Justice Department to the Attorney General for approval for the impaneling of a grand jury to investigate criminal violations by AMPI?

Mr. BUTTERBRODT. I do now; I did not know then.

Mr. WEITZ. What is the source of your knowledge?

Mr. BUTTERBRODT. Depositions.

Mr. WEITZ. In the antitrust suit?

Mr. GREEN. We call it a civil suit.

Mr. BUTTERBRODT. There are so many depositions out, I don't know.

Mr. WEITZ. In some litigation. Did you first learn about the possible filing of the antitrust suit from Dr. Mehren?

Mr. BUTTERBRODT. Yes.

Mr. WEITZ. At that time, or afterwards, was there any discussion of political contributions to the President's reelection effort?

Mr. BUTTERBRODT. No.

Mr. WEITZ. None that you were privy to?

Mr. BUTTERBRODT. No.

Mr. WEITZ. Did you have any knowledge of any meetings in early February 1972, between Dr. Mehren and Herb Kalmbach?

Mr. BUTTERBRODT. Yes.

Mr. WEITZ. Could you tell us how you came to that knowledge?

Mr. BUTTERBRODT. I believe Dr. Mehren and I were together—well, again, I think it was that same meeting where we first heard about the suit, which would have been about the 27th or 28th—maybe I shouldn't be that specific on dates, because I'm not, you know, that good with dates. It would have been the end of January when we were together in Chicago. And Dr. Mehren indicated that he had a meeting with Kalmbach, or that he had gotten word that Kalmbach wanted to talk to him. And he asked me if I thought it would be advisable that I go along with him to meet with Kalmbach. And as I recall, my answer would have been or was something to the effect, "There's no point in me going up there to meet with Kalmbach. You know what he wants; he's going to want some dollars, and we're not going to contribute any dollars."

Because, basically, we were on record at that time of not spending any money out of the TAPE Committee—it was TAPE at that time. Because one of the second or third question that was asked by the board of Dr. Mehren, at the time we were hiring Dr. Mehren, was what his position would be in regard to TAPE and expenditures of TAPE. And he committed to the board that we would restructure TAPE and that (1) we wouldn't make any contributions for something like 30 days or until we had it restructured. And then we'd have a committee set up that would actually approve the payments before they were made, under the new management.

And therefore, say, at the end of January, we were under a commitment of Dr. Mehren that we wouldn't spend any money out of TAPE. And I perhaps indicated to the doctor that it didn't pay me to go along and see Kalmbach. But knowing who Kalmbach was, he should go and talk to him and meet with him, and not turn him down, as far as having a session.

Mr. WEITZ. In other words, listen to him. But certainly your understanding was that he wasn't going to commit any funds to him at that point?

Mr. BUTTERBRODT. That's right.

Mr. WEITZ. He wasn't going to turn him down, though, at the meeting, I take it?

Mr. BUTTERBRODT. That's right.

Mr. WEITZ. Not just for the meeting, but at the meeting. He was not necessarily going to refuse to give—

Mr. BUTTERBRODT. He wouldn't refuse, but he wouldn't offer or agree to, either.

Mr. WEITZ. When had you first heard about Herb Kalmbach, first learned who he was?

Mr. BUTTERBRODT. Being a member of the Republican Party, and knowing, you know, President Nixon and having been to the White House, I am sure I knew who Kalmbach was in 1971, sometime in 1971.

Mr. WEITZ. Was it in relation to any of the dairy trust contributions that you knew who he was?

Mr. BUTTERBRODT. No; strictly through political party lines.

Mr. WEITZ. The fact that the antitrust suit was pending or was about to be filed, did that have any bearing on your instructions or recommendations or discussion with Dr. Mehren about how he should handle the meeting with Kalmbach?

Mr. BUTTERBRODT. No; Dr. Mehren made his, you know, statement to the board on January 12, that we would restructure TAPE, and there'd be no expenditures out of it for a period of time until it was restructured. And so the antitrust suit which was filed, say, 2 weeks later had no bearing on his meeting with Kalmbach.

Mr. WEITZ. If you had no concern, or you said it wasn't your responsibility for TAPE in 1971, when close to \$200,000 was spent by TAPE for the President's reelection effort, why did you think it was advisable to change that structure in January of 1972, with respect, now, just to TAPE?

Mr. BUTTERBRODT. Two reasons, really. One, committee members, producer members who served on the former committee that was basically, let's say, a reporting committee of the old trust, or the TAPE—in particular, Glen Schaffer and Gene Tennyson, from Wisconsin, and Glen Schaffer from Indiana—in the year 1971, complained to me, as well as to other board members, that in sitting on that committee that they did not have any input into where the funds were being spent. That they were, say, after the fact, they were told where the dollars went; and they didn't think that was a proper way of handling TAPE. They said they'd rather—they were going out to the producers and explain why they should continue to voluntarily contribute to TAPE—but they'd rather have a program where some producers or someone had input, you know, before the fact.

And then, at the time, say 2 weeks before we changed management and the time we changed management, Bob Isham, who was the trustee of TAPE, indicated that he wanted to get out as trustee of TAPE, that he didn't want to remain the trustee. He indicated that he had enough work and obligations without taking care of the trust for TAPE.

And, because of those two reasons, we indicated to the board, at the time we changed management, that we would change that system and go to a committee that actually approved of those expenditures before the fact; and that we'd set up a new trustee of the TAPE Committee.

Mr. WEITZ. Was it your understanding that Harold Nelson had substantially full responsibility for the decisions with respect to TAPE, prior to that time?

Mr. BUTTERBRODT. Technically, the answer we got was that there was only one trustee, you know, for TAPE, and that was Bob Isham. And Bob Isham could write, you know, whatever checks he deemed necessary or wanted to spend because he was the trustee. But he, on the advice of Harold Nelson and Dave Parr, as well as his own decisions as to where the funds went.

Mr. WEITZ. Getting back to January or early February of 1972, did Dr. Mehren explain to you why he was asked, for what reason he was supposed to meet with Kalmbach? How he came to go to a meeting with Kalmbach?

Mr. BUTTERBRODT. Oh, I believe he indicated something to the effect that Harold Nelson was encouraging him or, you know, persuading

him that he should meet with Kalmbach; that Kalmbach had contacted—Harold was saying he should meet, and that would have been—

Mr. WEITZ. Nelson had met with Kalmbach a couple of weeks before, hadn't he?

Mr. BUTTERBRODT. According to the Ed Wright report, yes.

Mr. WEITZ. You had no knowledge of that at the time?

Mr. BUTTERBRODT. No.

Mr. WEITZ. Dr. Mehren didn't indicate that he knew of that at the time?

Mr. BUTTERBRODT. No; he didn't know of it at the time.

Mr. WEITZ. At the time he talked with you, not at the time of the meeting. At the time he talked with you, did he indicate that he had any knowledge that anyone from AMPI had met with Kalmbach in 1972?

Mr. BUTTERBRODT. No.

Mr. WEITZ. Was there any discussion at that time or thereafter about possible use or benefit that could have been gotten with relation to the antitrust suit for further contributions?

Mr. BUTTERBRODT. No.

Mr. WEITZ. Why not?

Mr. BUTTERBRODT. It wasn't talked about.

Mr. WEITZ. Did he report back to you—did Dr. Mehren report back to you after the meeting with Kalmbach?

Mr. BUTTERBRODT. Yes.

Mr. WEITZ. What did he tell you happened?

Mr. BUTTERBRODT. I believe Dr. Mehren and I were together the next day, and as I recall, he indicated that he had a session with Kalmbach. I don't recall who, you know, was involved there, who was at the meeting, but he said that Kalmbach did indicate that if we wanted to make contributions to the Nixon people or committee, that they would set up State committees in which to fund money through; and as far as our records would show, the money would go to State committees.

Mr. WEITZ. State Republican committees?

Mr. BUTTERBRODT. He didn't really say State Republican, but State committees—maybe he did. You know, we're getting technical on that, but State committees of some sort that they could fund through. And as far as our records, all we had to be concerned with was that it was going to a State committee and it would not matter where it went from there.

Mr. WEITZ. Was that for the purpose, as you understood it, of not to show on the TAPE reports that the ultimate recipient would be the President's campaign?

Mr. BUTTERBRODT. Yes.

Mr. WEITZ. What did you understand to be the purpose for concealing, as it were, the ultimate recipient of the funds?

Mr. BUTTERBRODT. I guess the publicity, as much as anything.

Mr. SANDERS. I'm sorry, I didn't hear you.

Mr. BUTTERBRODT. Publicity.

Mr. WEITZ. Did anyone express the concern that publicity, if I may characterize it, related to contributions to multiple committees and the price support decision of the previous year, did anyone express the con-

cern that publicity now might reflect upon the antitrust suit? Did anyone connect it in that fashion?

Mr. BUTTERBRODT. I don't think so, no. I know the discussions the doctor and I would have had was that it didn't make any difference as far as we were concerned. We were not going to fund, because if we did do any funding, we could only—you know, we couldn't help ourself or better ourself or get anything by funding—that if we did fund, we'd only put the administration in the position that if they did—if we could work out a settlement, it would appear that they were bought off. So we'd be better off not to fund any committees.

Mr. WEITZ. Would that also apply to State committees which would not, by their name or designation, necessarily reflect the fact that they were Presidential campaign committees?

Mr. BUTTERBRODT. Well, the fact that Doc and I had agreed from January 12 down, that we were not going to do anything like that anymore, if we were going to make a contribution it would be direct; we were not going to operate that way. So we wouldn't even have considered, say, that proposal.

Mr. WEITZ. Did you discuss this—was there a reorganization, or at that time was it still just the trust for TAPE?

Mr. BUTTERBRODT. At that time it would have been just the trust for TAPE, and we were not spending any money out of it.

Now, again, I shouldn't say that, because the record might show that we did spend some money out of it; but I don't believe we did.

Mr. WEITZ. Did you discuss these alternatives with Bob Isham, who was still trustee?

Mr. BUTTERBRODT. I don't believe so, and yet I don't know. We could have. I didn't; let's put it that way.

Mr. WEITZ. Did you, subsequently, learn of any further attempts by Mehren, or anyone else connected with TAPE, re AMPI, to make contributions, let's say through April of 1972—February, March and April of 1972—to the President's reelection campaign, or to the Republican Party?

Mr. BUTTERBRODT. Did I what?

Mr. WEITZ. Did you subsequently learn of any attempts to make contributions, on the part of AMPI or TAPE, to make contributions?

Mr. BUTTERBRODT. No.

Mr. WEITZ. Did you learn of any further contacts between Kalmbach and Mehren?

Mr. BUTTERBRODT. Yes.

Mr. WEITZ. What were those?

Mr. BUTTERBRODT. Again, after Dr. Mehren made a trip to Washington—and I believe again we were together, you know, a few days after that—and he indicated that when he was in Washington, he had met with Kalmbach and Kalmbach had indicated to him that he didn't want any funds from the AMPI or our political fund for the President.

Mr. WEITZ. When did this conversation take place? Approximately when? Can you place it by month?

Mr. BUTTERBRODT. No. I would guess March.

Mr. WEITZ. March of 1972?

Mr. BUTTERBRODT. Yes.

Mr. WEITZ. And you spoke with Dr. Mehren several days after he returned from this trip to Washington?

Mr. BUTTERBRODT. I believe the next day or so, but I'm not, you know, positive on that.

Mr. WEITZ. Did he indicate whether Kalmbach had indicated why he didn't want anymore money?

Mr. BUTTERBRODT. No. He indicated that while he was in Washington, he had a session with Kalmbach and Kalmbach indicated that they didn't want any funds—or didn't care for any funds from the milk people.

Mr. WEITZ. Do you know whether anyone else was in Washington with Mehren at the time of the meeting with Kalmbach?

Mr. BUTTERBRODT. I have since learned that Harold Nelson was there.

Mr. WEITZ. How did you learn that?

Mr. BUTTERBRODT. In talking to Dr. Mehren.

Mr. WEITZ. How recently have you talked to Dr. Mehren about this?

Mr. BUTTERBRODT. Friday and Saturday.

Mr. WEITZ. This past Friday and Saturday?

Mr. BUTTERBRODT. Yes.

Mr. WEITZ. Did he tell you anything else about those meetings—meeting, rather?

Mr. BUTTERBRODT. Not that I can recall.

Mr. WEITZ. Did he tell you anyone else he met with while he was in Washington on that trip?

Mr. BUTTERBRODT. Yes, he met with Mr. Connally on that trip.

Mr. WEITZ. What did he tell you about that meeting?

Mr. BUTTERBRODT. I really don't know the details, but he indicated he met with him. He might have told me he met with Connally, you know, back in 1972, but I don't recall it.

Mr. WEITZ. Did Mehren indicate whether or not the antitrust suit was discussed or referred to in any way in his meeting, either with Kalmbach—supposedly in March of 1972—or with Connally?

Mr. BUTTERBRODT. No.

Mr. WEITZ. He didn't indicate one way or the other?

Mr. BUTTERBRODT. No.

Mr. WEITZ. Do you recall where you were on April 4, 1972?

Mr. BUTTERBRODT. Yes.

Mr. WEITZ. Where were you?

Mr. BUTTERBRODT. I was in Twin Cities—Mid-Am's annual meeting.

Mr. WEITZ. Do you recall receiving a telephone call from Dr. Mehren when you were there?

Mr. BUTTERBRODT. I don't recall receiving a call. I know from the record I made two phone calls to San Antonio, so I perhaps talked to Dr. Mehren.

Mr. WEITZ. When you say, San Antonio, do you mean AMPI's home office?

Mr. BUTTERBRODT. Right.

Mr. WEITZ. Both on April 4?

Mr. BUTTERBRODT. Both on April 4, and to the best of my knowledge, in the morning of April 4.

Mr. WEITZ. When you say, to the best of your knowledge, is that your recollection? Or do the phone records indicate the time?

Mr. BUTTERBRODT. Well, the phone records don't indicate the time. I do know from the records at what time I checked out of the hotel. I turned in a car and started flying—

Mr. WEITZ. The charge—the telephone calls were charged to your hotel bill, is that right?

Mr. BUTTERBRODT. To the hotel room. Look under the number from the hotel.

Mr. WEITZ. Do you know why you called the AMPI home office twice that morning, twice that day?

Mr. BUTTERBRODT. No. It's not unusual for me to call the office twice. Maybe I didn't get the person I wanted the first time. I might have had two people to talk to. They've got a poor system of transferring calls in the San Antonio office.

Mr. WEITZ. Do you recall anything about those two calls?

Mr. BUTTERBRODT. No, sir.

Mr. WEITZ. Did you talk to Dr. Mehren twice that day?

Mr. BUTTERBRODT. I don't know if I talked to him at all. I believe I would have if I called twice.

Mr. WEITZ. Do you know whether you talked to Dr. Mehren that day? Whether or not you called him or he called you?

Mr. BUTTERBRODT. I'm not positive, no.

Mr. WEITZ. Didn't Dr. Mehren call you that day and ask your approval or advice with respect to a substantial contribution the next day or so, prior to April 7, to the Republicans?

Mr. BUTTERBRODT. I don't believe so. If he did, I don't recall it. I don't recall that he talked to me about that.

Mr. WEITZ. Have you ever approved a contribution of over \$50,000?

Mr. GREEN. At any time?

Mr. WEITZ. In the last 4 years?

Mr. BUTTERBRODT. Yes.

Mr. WEITZ. Those were what, the two contributions in October 1972?

Mr. BUTTERBRODT. Yes.

Mr. WEITZ. Other than those two times—you recall those, I take it?

Mr. BUTTERBRODT. Yes.

Mr. WEITZ. Those were each of \$150,000?

Mr. BUTTERBRODT. Uh-huh.

Mr. WEITZ. We'll return to that in a minute. You recall those, do you recall any others of that magnitude?

Mr. BUTTERBRODT. No.

Mr. WEITZ. Do you believe that, had you approved or been asked for approval with respect to any contribution of, let's say, over \$100,000, that you would remember it?

Mr. BUTTERBRODT. Yes, because I remember the \$25,000 ones, which was probably the next biggest ones.

Mr. WEITZ. Did you talk to Jake Jacobsen that day, the 4th?

Mr. BUTTERBRODT. No.

Mr. WEITZ. How about on the 31st, March 31? Did you talk to Jake Jacobsen that day?

Mr. BUTTERBRODT. No.

Mr. WEITZ. Do you have any knowledge of a meeting that took place on April 4 in the San Antonio home office which included Dr.

Mehren and Mr. Nelson and which included reference or discussion of possible contributions, substantial contributions to the Republicans, prior to April 7, 1972?

Mr. BUTTERBRODT. Yes, when we got the Ed Wright report, the report shows that there was a meeting there in which Bob Lilly indicated that Dr. Mehren picked up the phone and called me from that meeting that was held that afternoon and that's why I made such an effort to check my records to see where I was, because Bob Lilly indicates that Dr. Mehren picked up the phone and called me. And, if that were a fact, to the best of my records, I was flying in the air over Wisconsin, someplace at that particular time, and so Dr. Mehren would have had to be able to call the airplane in order to talk to me at the time that Bob Lilly indicates.

Mr. WEITZ. Aside from the time Bob Lilly indicated, you don't recall any calls from Dr. Mehren that day?

Mr. BUTTERBRODT. No, sir.

Mr. WEITZ. Quite apart from any particular calls, you recall no discussions of that sort that day?

Mr. BUTTERBRODT. No, sir.

Mr. WEITZ. Did you talk to Gary Hanman about the other \$150,000?

Mr. BUTTERBRODT. No, sir.

Mr. WEITZ. How about \$75 or \$100,000?

Mr. BUTTERBRODT. No, sir.

Mr. WEITZ. Did you talk to members of the other co-ops in 1972? Let's say the first 4 months of 1972, the others being mid-America and—

Mr. BUTTERBRODT. I don't believe so.

Mr. WEITZ. Or to the President's reelection?

Mr. BUTTERBRODT. I don't believe so. Not to my knowledge.

Mr. WEITZ. Are you aware that 50 checks, each for \$5,000, totaling \$150,000, were drawn apparently on April 4, 1972, on the CTAPÉ account and voided sometime the next day or so?

Mr. BUTTERBRODT. No.

Mr. WEITZ. Have you ever discussed that with Dr. Mehren?

Mr. BUTTERBRODT. We discussed 30 checks, but not 50.

Mr. WEITZ. I'm sorry. Thirty checks each in the amount of \$5,000.

Mr. BUTTERBRODT. Yes, I have discussed that with Dr. Mehren.

Mr. WEITZ. Was that just this past weekend?

Mr. BUTTERBRODT. No. I would say it was perhaps either late in 1973 or early 1974, after—I don't know, you, or someone started asking Dr. Mehren about them.

They called me and asked me what I knew about those 30 checks, if I could shed some light on those 30 checks, and I indicated no, I couldn't. And I still can't, you know. If they were reported, if Dr. Mehren—he could have told me about them. If he did, I don't recall. You know, it was insignificant. The money wasn't spent. I can't say that someone didn't tell me about it, but to me it was so insignificant that I don't remember—

Mr. WEITZ. It was insignificant when?

Mr. BUTTERBRODT. All I'm saying is if someone, you know, told me about it at that time on April 4th or 5th, whenever, that it was voided or what, I don't recall it. I have no recollection.

Mr. WEITZ. You said, yourself, at the time of the transition in January of 1972, a policy was established by Dr. Mehren that reorganization would take place and that, at least for the time being—perhaps for 30 days or the time the reorganization would take place—there would be no spending of funds.

In fact, that was your understanding before you went out to see Mr. Kalmbach and yet on April 4, 1972, checks totaling \$150,000 are drawn and, presumably shortly thereafter, voided.

Now, at the time, had someone mentioned to you “we almost contributed \$150,000 to somebody or something?” That wouldn’t be insignificant, I take it?

Mr. GREEN. I think I, for the most part, have not interrupted and have not tried to make any comments on the interrogation. But I don’t know that a question like that serves any useful purpose, because he says he has no recollection. It’s in a philosophical vein and I don’t think it advances anything materially.

Mr. WEITZ. To be more specific, Dr. Mehren has testified, and it’s a matter of record, that he signed those checks that were ultimately voided.

Now on April 5, 1972, did you meet with him in some type of annual—some type of regional meeting of AMPI?

Mr. BUTTERBRODT. We had a board meeting on the 5th. Now I should also point out to you that we had restructured, you know, the committee for TAPE, by April—I believe it was in March, at our March board meeting. We had restructured TAPE and from that point on had a committee of four that had to approve any expenditures, so that \$150,000 or those checks could not go out without approval of at least three people on that committee.

Mr. WEITZ. You were a member of that committee?

Mr. BUTTERBRODT. Yes, and I did meet with—or was at the same meeting. We had a board meeting in Fond du Lac, Wis., on April 5 at which Dr. Mehren came up and spoke to the board, at which time the board approved going to the delegates and asking them for an increase in checkoffs in that region.

And, again, because in my—you know, what affected me at that particular time was again producers and the increase in checkoff, and keeping AMPI alive and financially sound, you know, was more important.

But, by the same token, those checks could not have gone out without getting committee approval. And I don’t believe the committee was asked for approval.

Mr. WEITZ. But the normal course, before they would have gone out, would have been to ask for their approval?

Mr. BUTTERBRODT. That’s right.

Mr. WEITZ. Who is Dwight Morris?

Mr. BUTTERBRODT. Dwight is a dairy farmer in Arkansas; a former secretary of AMPI.

Mr. WEITZ. A secretary to the board?

Mr. BUTTERBRODT. Board secretary, office of secretary.

Mr. WEITZ. Did you have occasion to meet with him in April of 1972?

Mr. BUTTERBRODT. Yes, sir.

Mr. WEITZ. Was that on April 11, 1972?

Mr. BUTTERBRODT. Yes, sir.

Mr. WEITZ. Where was that meeting?

Mr. BUTTERBRODT. In Chicago.

Mr. WEITZ. What was the purpose of the meeting?

Mr. BUTTERBRODT. Well, the purpose was probably threefold. I met with Mr. Grossman, who is a lawyer in Chicago. I went to him for advice on various subjects in 1972. I met with Mr. Grossman that morning at which time he finalized the 9- or 10-page document for me, as to the removal of Dwight Morris and other board members from Arkansas from the board of directors.

Dwight had gotten involved in the formation of Southern Milk Producers in Arkansas. I'd refer to it as a rump group within AMPI and some of us felt—the board felt that he had a conflict of interest and we should remove him from our corporate board. And I went to Mr. Grossman and went over in detail with him that morning, the procedure we had to follow under our AMPI by-laws and the Kansas law—which we were incorporated under the law of the State of Kansas—and how the Kansas law affected the removal of a board member who had a conflict of interest.

I had previously written to Dwight and asked him to resign from the board, and resign as secretary, and I spent the morning with Mr. Grossman getting the detailed document as to what procedure I had to follow to remove Dwight.

The second purpose of the meeting was to ask Dwight for our corporate seal back. Dwight was the secretary involved with a rump group. There were some of us concerned that he would use the corporate seal, not in the best interests of AMPI.

He had chosen not to attend board meetings and for a number of reasons, we needed the seal in the hands of our assistant secretary to conduct business.

And, third, I wanted to talk to Dwight about, was there any possibility of working out our differences with the southern milk group, the rump group.

Mr. WEITZ. I take it you discussed these various matters with him at that meeting?

Mr. BUTTERBRODT. Yes.

Mr. WEITZ. Did you also refer, in any way, to the antitrust suit?

Mr. BUTTERBRODT. No; I don't believe so.

Mr. WEITZ. Did you refer, in any way, to any contacts that Mehren had or your people had had with the administration or Republican fundraisers in 1972?

Mr. BUTTERBRODT. No.

Mr. WEITZ. Did you refer to any political contributions or attempted political contributions?

Mr. BUTTERBRODT. I don't believe so, no.

Mr. WEITZ. In the Wright report there is an account of a telephone conversation between Mr. Heininger and Mr. Dwight Morris, supposedly recounting part of the meeting, the substance of part of the meeting he had with you on April 11.

We have information directly from Mr. Morris, but limiting ourselves for the moment to the account in the Wright report—the account refers to the fact that you related to Mr. Morris an attempt by Mehren—an agreement between Mehren and Kalmbach to contribute—

TAPE to contribute a large amount of money, perhaps \$300,000, to fix the antitrust suit.

I take it that you did not engage in any such discussion with Mr. Morris to that effect on that day?

Mr. BUTTERBRODT. I don't think you're relating the Ed Wright report accurately, to start with.

As I recall, the Ed Wright report and what Dwight Morris said, was that I went to Washington and met with various officials or attempted to, and then he indicated that I went to California and met with Kalmbach and that I related that to him.

Mr. WEITZ. You did not go to California?

Mr. BUTTERBRODT. No.

Mr. WEITZ. And you did not meet with Mr. Kalmbach?

Mr. BUTTERBRODT. No, sir.

Mr. WEITZ. And you did not tell him that Mehren had met with Kalmbach?

Mr. BUTTERBRODT. No, sir.

Mr. WEITZ. Mehren had met with Kalmbach?

Mr. BUTTERBRODT. That's right.

Mr. WEITZ. You did not tell him that attempted contributions or an agreement had been made to make contributions?

Mr. BUTTERBRODT. No, sir, there was no such agreement.

Mr. WEITZ. How do you know that?

Mr. BUTTERBRODT. I talked to Dr. Mehren.

Mr. WEITZ. He told you there wasn't any?

Mr. BUTTERBRODT. That's right.

Mr. WEITZ. You weren't present at any of the meetings with Mr. Kalmbach?

Mr. BUTTERBRODT. No, sir.

Mr. WEITZ. You weren't at any of the meetings with Dr. Mehren in Washington?

Mr. BUTTERBRODT. No, sir.

Mr. GREEN. I'd like you to also ask him if he's been to Washington.

Mr. WEITZ. Ever?

Mr. GREEN. Aside from these meetings.

Mr. WEITZ. I'm sorry?

Mr. GREEN. Aside from the meeting with the President.

As I understand in the Wright report—I haven't got it in front of me, I read it some days ago—but there's some reference, I believe, and I may be imprecise as to Mr. Butterbrodt traipsing around certain agencies or certain areas, and it might be helpful to ask him—it might be helpful to dig it out, to get the actual—

Mr. WEITZ. Let's go off the record a minute.

[Discussion off the record.]

Mr. WEITZ. Mr. Butterbrodt, apparently not in the statement included in the Wright report, but in some other public statements, Mr. Morris has alleged that he believes you told him at that April meeting, that you had been to Washington and visited with a number of agencies, including the FTC and the Justice Department, and such.

Have you ever had occasion to go to any of those agencies or meet with anyone there?

Mr. BUTTERBRODT. No; my records show from January 12 to April 11, I was not in Washington, D.C. And on no occasion have I been to the Justice building or the FTC.

Mr. WEITZ. Dr. Mehren, as you've testified, was in Washington at least once during that period?

Mr. BUTTERBRODT. Yes.

Mr. WEITZ. Do you know where he went?

Mr. BUTTERBRODT. No; I don't.

Mr. WEITZ. Did you understand, either from public testimony or the Wright report, or any other source, of Mr. Morris' allegations that he was necessarily referring to you in the first person, that is, John Butterbrodt, having gone to those places or that representatives of AMPI had done so?

Mr. BUTTERBRODT. His reference was that I went, and I think, in some public statements he's made since, he has changed that to say that when he refers to John Butterbrodt, he's referring to AMPI personnel.

Mr. WEITZ. I don't—and counsel may be very quick to point out—I don't like to engage in speculation, but let me ask you this question.

If you had met with him, or described your activities—I shouldn't say "your" activities, that's the very problem—activities of Dr. Mehren, and you had said "we," would you understand—would that be an explanation for Dwight Morris' assumption that you, personally, John Butterbrodt, had engaged in certain activities?

Mr. GREEN. Don't—

Mr. WEITZ. You don't want him to answer that?

Mr. GREEN. I don't think he should answer that.

Mr. WEITZ. I take it you did not tell him that either AMPI or any of its representatives or in a collective sense "we" had done any of the things he had mentioned; that is, meet with Mr. Kalmbach or go to Washington, or make an agreement to make contributions or related matters?

Mr. BUTTERBRODT. That's right.

Mr. WEITZ. Although some of those facts would have been true; that is, Dr. Mehren having gone to Washington and also having met with Mr. Kalmbach?

Mr. GREEN. If you limit it to that.

Mr. WEITZ. If you had said that, that would have been true. But you say you didn't tell him that or any of the other matters?

Mr. BUTTERBRODT. That is possible, but I don't believe that that issue or subject came up whatsoever.

Mr. WEITZ. I'd like to show you Lilly exhibit 28 * which is a memorandum from Dr. Mehren, plus an attached letter. One or the addressees is yourself, addressees of Dr. Mehren's memorandum. Have you ever seen that memorandum or attached letter?

Mr. BUTTERBRODT. I've seen this, yes.

Mr. WEITZ. It's been marked as an exhibit in Lilly's session, and we need not mark it again. If I may characterize it, the letter refers to a request by the Democratic National Committee for a contribution from TAPE for the purchase of convention booklets at the 1972 convention.

Mr. BUTTERBRODT. For both—

Mr. GREEN. Let me object to the characterization. I don't see the word "contribution."

Mr. WEITZ. For the purchase?

Mr. GREEN. For the purchase.

* See Book 14, p. 6186.

Mr. WEITZ. I believe the cover memorandum from Dr. Mehren refers to the fact that the other national committee wants to do the same. My question is, do you recall any request or discussion in connection with requests by the two national committees for TAPE to purchase convention booklets from the two conventions?

Mr. BUTTERBRODT. Yes, and they're both mentioned in the letter.

Mr. WEITZ. So both the letter and the cover memorandum refer to them?

Mr. BUTTERBRODT. Both the Republicans and the Democrats.

Mr. WEITZ. Do you know whether that matter was ever discussed by the committee, the four of you together?

Mr. BUTTERBRODT. I don't know if we were together when it was discussed, or it was discussed by phone, but the four of us did discuss it; yes.

Mr. WEITZ. Now we have another exhibit, Lilly 29,* which consists of a cover memorandum from Mehren to Bob Lilly and an attached letter which I believe also refers to the same matter. Have you ever seen that memorandum or the attached letter?

Mr. BUTTERBRODT. What was the question?

Mr. WEITZ. Have you ever seen that letter?

Mr. BUTTERBRODT. I don't believe so; no.

Mr. WEITZ. Now the attached memorandum, which has been identified in another executive session, says "Please return to me with demo letter for TAPE group here on 3/30," which would be March 30, and the date of this is March 29, and the letter is dated March 27, 1972.

Now your expense reports, which you submitted to the Associated Milk Producers, Inc., indicated on March 30, 1972, you were in San Antonio for an executive board meeting. Do you recall on that occasion meeting with the TAPE committee to discuss these requests by the Democratic and Republican National Committees?

Mr. BUTTERBRODT. I don't recall, but the records you have in front of you should show that because the minutes of the TAPE committee—if the TAPE committee met, you should have minutes of it.

Mr. WEITZ. Do you know what was done with the requests, whether they were approved or refused?

Mr. BUTTERBRODT. They were refused.

Mr. WEITZ. What was the reason for that?

Mr. BUTTERBRODT. I don't really know, other than I didn't think we were getting our money's worth for \$100,000—I believe it was \$100,000 for each committee, or each party—am I right? For each party \$100,000?

Mr. WEITZ. Yes; I think so.

Mr. BUTTERBRODT. I didn't think we were getting our money's worth for programs, No. 1, and, if my memory serves me right, I believe some of the people, you know—I believe Jake Jacobsen's name was mentioned as working on this project, and I guess I was so gun shy of some of the former people like that, that were involved, that I just couldn't see it. So, for my money, it wasn't a good program.

Mr. WEITZ. I'd like to show you for identification the letter from Mr. Heininger, dated January 21, 1974, to Kenneth Parkinson, attorney for

* See Book 14, p. 6189.

the Committee To Re-Elect the President. I believe that you've said you've seen that letter and I'd like you to identify it, please. Is this a copy of the letter?

Mr. GREEN. Could we go off the record?

Mr. WEITZ. Sure.

[Discussion off the record.]

Mr. WEITZ. Is that a copy of the letter?

Mr. BUTTERBRODT. Yes.

Mr. WEITZ. Let me mark it as exhibit 1 to your session.

[Whereupon, the document referred to was marked Butterbrodt exhibit No. 1, for identification.*]

Mr. WEITZ. Finally, I think you referred to several—two large contributions, each of \$150,000, that you had knowledge of in October of 1972. Would you tell us, did you approve those or have knowledge of those in the course of your activities for the committee for TAPE?

Mr. BUTTERBRODT. Yes, sir.

Mr. WEITZ. Who asked for your approval?

Mr. BUTTERBRODT. I believe we were at a committee meeting of TAPE when it was discussed, about funding those committees.

Mr. WEITZ. Do you know when that meeting took place?

Mr. BUTTERBRODT. It would have been in October of 1972.

Mr. WEITZ. Just so the record is clear, there is a record of an October 11, 1972, meeting at which time the committee for TAPE voted—I believe the records indicate—not to contribute any funds to the Presidential campaign, but to contribute \$25,000 each to the Republican and Democratic congressional campaign committees. Do you recall that meeting and that decision?

Mr. BUTTERBRODT. I recall that meeting, but I don't recall that decision, and I've seen the minutes of that meeting and again, I question whether those minutes are accurate. I don't keep the minutes.

Mr. WEITZ. Who keeps the minutes? Or, who's responsible for compiling them?

Mr. BUTTERBRODT. Bob Lilly keeps the minutes.

Mr. WEITZ. So you're saying that you're not sure that that decision was made, or any such decision—

Mr. BUTTERBRODT. It was made. But I don't know if it was \$25,000 for each committee.

Mr. WEITZ. I'm saying October 11, 1972.

Mr. BUTTERBRODT. My recollection was we had approved funding to those committees, but the dollar amounts—

Mr. WEITZ. What do you mean "the dollar amounts"? Was that left open, or what?

Mr. BUTTERBRODT. The minutes show that we gave \$25,000 to each committee and, No. 1, looking back, I can see no real reason for giving \$25,000 to each committee when what we really talked about was a balancing effect, as far as payments were concerned, and wanted to balance out the payments to the two parties. And we talked about using those four committees as a method of balancing the payments out.

Mr. WEITZ. Just so I understand, were there two committee meetings in October at which this matter was discussed, or just one?

* See p. 7674.

Mr. BUTTERBRODT. I think just one.

Mr. WEITZ. Whenever that took place, it was at that meeting, to the best of your recollection, a discussion and a decision to approximately balance out contributions through those committees that I mentioned, was made?

Mr. BUTTERBRODT. Right. We might have left the dollar amount—you know, Bob Lilly, or somebody, to come up with a dollar amount as to how much it would take to balance out.

But my recollection was that, you know, we talked about balancing out those payments and I believe, if you checked the TAPE records, you would find that after, you know, let's say at the time of the election, or at the end of November, if you checked the record on November 15, you would find that the payments that were made in October, after all those payments were made and we got to this, you know, that point that the Democrats for the year—now I'm talking about local, State, Governor races, everything—the Democrats got as much as the Republicans and that's what I mean by "balancing out," and that was the method or vehicle, to use those four committees to balance out those payments.

Mr. WEITZ. Do you recall whether at that meeting, or in connection with that meeting, anyone mentioned any recent solicitations by Republican fundraisers for the President, such as Lee Nunn?

Mr. BUTTERBRODT. No. As I recall—I mean it would help with the dates, but I thought that Dr Mehren met with Lee Nunn after October 11.

Mr. WEITZ. That's true. So you are fairly certain, then, that the meeting you're talking about, at which this decision was made for substantial contributions to balance out, and your recollection was in excess—or different than necessarily \$25,000 each—was made at a meeting on or around October 11, in advance of the time when Dr. Mehren met with Lee Nunn?

Mr. BUTTERBRODT. Yes.

Mr. WEITZ. Did you have occasion, after that meeting between Mehren and Nunn, to discuss those contributions or any other contributions with him to these committees, these four committees?

Mr. BUTTERBRODT. With Dr. Mehren?

Mr. WEITZ. With Dr. Mehren.

Mr. BUTTERBRODT. I don't recall. I'm sure we talked about it because, again I was in San Antonio the day before Lee Nunn came in to meet with Dr. Mehren. And again Dr. Mehren asked me if I wanted to stay over and meet with Lee Nunn and again I indicated, as I did earlier in the year, that, you know, there's no basic reason for me to spend another night in San Antonio, spent part of my weekend in San Antonio, to meet with Lee Nunn because we were on record as not funding the Nixon people and we told that to Senator McGovern. We had met earlier with Senator McGovern and as I indicated all along, you know, we were on record as not funding—and again, knowing who Lee Nunn was, he wasn't the type of individual that I would have said to Dr. Mehren, "don't meet with him." When he asked my advice, it was "meet with him, don't commit yourself, don't make him sore at us. But, by the same token, if nothing else, tell him that, you know, I'm the fault, I'm the problem, or the committee's the problem, but we are not going to fund." So I did not stay over for

the meeting, and I'm sure that Dr. Mehren informed me that night or the following Monday about the meeting with Lee Nunn.

Mr. WEITZ. Do you remember what he told you about the meeting?

Mr. BUTTERBRODT. I don't really recall. I do recall that Dr. Mehren met on that Saturday with President Johnson, too.

Mr. WEITZ. He told you about that?

Mr. BUTTERBRODT. Yes.

Mr. WEITZ. Do you remember anything about that discussion?

Mr. BUTTERBRODT. I do recall, and maybe—and visiting this weekend on that issue—that I do recall that Dr. Mehren made a statement that President Johnson indicated that by funding those Senate and congressional committees, that a candidate running for President could get some value or good from those contributions. And so we could also be helping both Presidential candidates by funding those committees.

Mr. WEITZ. But you didn't want to help the Presidential candidates?

Mr. BUTTERBRODT. That was not our intent, no.

Mr. WEITZ. Did he ask for your approval in connection with an additional \$150,000, each to the Republican Senatorial and Congressional Campaign Committees?

Mr. BUTTERBRODT. I'm under the impression that that was given earlier, but I could be wrong. Again, the records would show when approval was received for the \$150,000.

There was discussion about—as far as that money going to those committees—that a detailed letter would be written indicating that that was not a commitment, or that we were not tying anybody's hands as to where those dollars could go, but that that committee that received them could, you know, use it for whatever, wherever they wanted to.

Mr. WEITZ. Was it your understanding that if they had a surplus they could transfer it on to the national committee?

Mr. BUTTERBRODT. No, that was not my understanding.

Mr. WEITZ. Just so I am clear, because there are a number of dates and a number of meetings here, do you recall approving, after the meeting between Nunn and Mehren—specifically approving—an additional contribution to the Republican congressional and senatorial committees, \$150,000 each, above and beyond what had been determined previous to the meeting between Mehren and Nunn?

Mr. GREEN. There's been no testimony as to what has been determined, what amount was determined.

Mr. WEITZ. I gather his testimony is that a meeting was held on October 11. It was decided to balance out. And that the amounts were left to Lilly or somebody to figure out. Is that correct?

Mr. BUTTERBRODT. Even at that time we were talking that it would take something like \$210,000 to balance out. That figure has always rung a bell with me, as far as what it would take to balance out. Mel Besemer, you know, he said we should balance it out, and I think Preach Griffith said the same thing.

You see, one of the problems we have had and we've got again with the TAPE fund is, at the end of the year, if you give more money to the Democrats than you do to the Republicans, then all the Republicans are biting on you all the time. And, if you give more to the Democrats than the Republicans, even though you look at 2 years or 3 years and it comes out even, you still get bit every year. And this

last year, I didn't pay enough attention—or the committee didn't pay enough attention—and we put more money in one party than the other, and we got bit hard on it and I maintain—that year, I made a point out of the fact that we want to balance it out.

And again, I haven't looked at the record, but I think that the record would show that we did balance out and that was the purpose of funding those committees, was to balance out.

Mr. WEITZ. And the approval for that was given, in principle, on October 11?

Mr. BUTTERBRODT. On October 11, yes.

Mr. WEITZ. And I'm asking you whether you gave any approval, either in principle or for specific sums, for additional contributions after the Mehren-Nunn meeting on October 21, other than what you had already approved on October 11?

Mr. BUTTERBRODT. I could have, but I don't recall. It would have been all one kind of program, before or after. The Nunn meeting had no significance as to what dollars or where it was going.

Mr. WEITZ. Suppose, if in fact it is the case, the Democratic contributions had already been drawn up before the Nunn-Mehren meeting, and the—in other words, that two \$25,000 checks had each been drawn up for the Democratic congressional and senatorial committees before the 21st—

Mr. GREEN. Let's ask him if he knows that.

Mr. WEITZ. Do you know that?

Mr. BUTTERBRODT. No, I don't.

Mr. WEITZ. When Mehren talked to you, after the meeting on the 21st, you had no knowledge of what had been spent or what hadn't been spent?

Mr. BUTTERBRODT. No, sir.

Mr. WEITZ. Was he asking you for any further approval?

Mr. BUTTERBRODT. I guess maybe I'm confused here, because I thought it was, you know, like \$47,000 and \$60,000 went to the Democratic committees, and not \$25,000, but you're losing me on figures now.

Mr. WEITZ. You're saying that all of this was part of a continuum from October 11, so once you gave the approval in principle on October 11, you can pinpoint or recall no specific approval you gave for any separate contribution other than the one, in principle, you approved on October 11?

Mr. BUTTERBRODT. That's right. But they might have come back and said look, this is what we're going to do. They might have called back and said, these are the figures, now is it OK with these figures? And I would have said yes, because in principle, as long as it was a balancing out effect—now, when I say that I also have to say that at one time in the committee meeting we discussed, you know, giving so much money to the Republicans to balance out, and Mel Besemer, or somebody indicated “well, if you're going to use those national committees, you should give some to the Democrats at the same time.” You know, at that level. Even though—in other words, if my figures were—say we had to give \$210,000 to the Republicans to balance out, and someone said “well, let's give \$90,000 or \$100,000 to the two or four—two Democratic committees,” then we'd have to give, say, another \$100,000 or \$90,000 to the Republican committees. But the dollar amounts, I don't recall exactly what they were—only that we were going to fund

the four committees and whatever we gave a committee, we were going to balance out—so it did balance out at the end. Because we were talking, you know, in a range of \$300,000, or \$350,000, that we were going to spend.

Mr. WEITZ. Overall?

Mr. BUTTERBRODT. Overall.

Mr. WEITZ. To all four committees?

Mr. BUTTERBRODT. Yes.

Mr. WEITZ. Can you explain why \$350,000 was contributed to the two Republican committees and thereby either requiring, according to the principle you've outlined, around \$150,000 to the two Democratic committees?

Mr. BUTTERBRODT. As I indicated, I know Mel Besemer, a Democrat, indicated if we were going to put that kind of money in the Republican—the national level—we should also put some money in the Democrats at that level.

And I believe—I don't know what the minutes would show, but if I recall—we had a letter from a contributor that kind of went along the lines of, you know, we gave this money as producers, we put the money in the fund, and hell, you should use it all; you shouldn't be sitting on it. And we had a lot of members that were asking, you know, are you going to spend the money? We put it in there, are you going to spend it?

And so, there was also discussion about spending the money. In other words, if you've got \$600,000, or \$650,000, we should spend it in the election. And with that in mind, we talked about, you know, spending \$300,000 or \$400,000. And one of the problems we had, we wanted to balance out at the same time.

Mr. SANDERS. I want to go off the record a minute.

[Discussion off the record.]

Mr. SANDERS. Where is your home?

Mr. BUTTERBRODT. It's at Route 1, Burnett, Wis.

Mr. SANDERS. Is that where your dairy farm is located?

Mr. BUTTERBRODT. That's the dairy operation. I live within 150 feet of the barn. I still manage the operation, go down to the barn when I'm home.

Mr. SANDERS. Do you have some business in connection with the office you've identified, aside from the farming business?

Mr. BUTTERBRODT. Yes. I spend on the average of a day to a day and a half a week in the office at Fond du Lac, Wis. The rest of the time I spend at meetings or in travel.

Besides serving as president of AMPI, and again because the president is not a part of management or running the operation, I also serve, for example, on the board of directors of the United Dairy Association. I serve on the board of directors of the American Dairy Association. I serve on the National Dairy Council board. I serve on the national DRINC, which is Dairy Research, Inc., board. While I do not serve on the National Milk Producers Federation board, I am active in their activities through the national organization and so with the other organizations, and connecting responsibilities as well as producers' meetings, I spend a great deal of time traveling and at meetings.

Mr. SANDERS. The office that you go to is connected with papers, and all these other matters?

Mr. BUTTERBRODT. Well, basically, board and other functions, agendas and so forth, plus the fact that all property is, of course, in the name of the corporation. I have to sign for any property we sell, and we do, through the merger we acquired a lot of plants and property and equipment that cannot be sold without my name, so there are legal documents itself, you know, most of the time, that's sizable.

Mr. SANDERS. Are you salaried by AMPI?

Mr. BUTTERBRODT. No.

Mr. SANDERS. You receive only out-of-pocket expenses?

Mr. BUTTERBRODT. No, I receive out-of-pocket expenses as well as in dairy terms that we refer to it as per diem, and the Government looks at per diem as expenses, but in this case, I receive a payment for those days that I actually work or spend on AMPI business or dairy-related business. And, if I spend a half a day, I get a half a day's per diem. And if I spend all day, I get 1 day. And if I spend 24 hours, I still get 1 day.

Mr. SANDERS. Prior to your assumption of the office of president in November 1969, were you a corporate officer of MPI?

Mr. BUTTERBRODT. No. I was not part of MPI.

Mr. SANDERS. Were you part of some group or association which was merged into AMPI?

Mr. BUTTERBRODT. Yes. I was serving as first vice president of Pure Milk Association. Their office was in Chicago and Pure Milk Association merged into AMPI on November 1, 1969.

Mr. SANDERS. How do you spell that?

Mr. WEITZ. "Pure"

Mr. SANDERS. Pure Milk. I do know how to spell "Pure".

Is it correct, then, that for TAPE, as opposed to CTAPE, you had no official position on the administering body?

Mr. BUTTERBRODT. That's right.

Mr. SANDERS. Were you, nevertheless, consulted at times on contributions to be made from that fund?

Mr. BUTTERBRODT. No, sir, never.

Mr. SANDERS. Did you ever make suggestions for disposition of the funds?

Mr. BUTTERBRODT. I doubt it. I might have made, you know, one or two small suggestions, say for a local Congressman or Senator in my area, but I don't recall, you know, that I did.

I did attend both the Democrat and the Republican national fund-raising dinner with tickets purchased out of the TAPE fund, either in 1970 or 1971.

Mr. SANDERS. Did you—and again I'm speaking strictly with regard to TAPE—did you make any suggestions for contributions to be made to Senator Humphrey for his Presidential campaign, regardless of the year?

Mr. BUTTERBRODT. No, of course I think he only ran once.

Mr. SANDERS. What I mean is whether in 1969, 1970 or 1971?

Mr. BUTTERBRODT. No, I don't believe so, although I think since the committee—are you talking about the Committee for TAPE?

Mr. SANDERS. I'm talking about TAPE.

Mr. BUTTERBRODT. I would say—well now you're talking about—

Mr. SANDERS. TAPE, not CTAPE.

Mr. BUTTERBRODT. No, I don't believe so. I don't think I ever put—I wouldn't have to put in a request for Humphrey because he had closer friends on the TAPE committee than me.

Mr. SANDERS. Who is your Congressman?

Mr. BUTTERBRODT. Kastenmeier.

Mr. SANDERS. With respect to CTAPE, have you made any suggestions for the disposition of funds to Senator Humphrey's Presidential campaign in 1972?

Mr. BUTTERBRODT. I wouldn't have. Again, because Mel Besemer, who is also a committee—a member of the committee for TAPE, is from Minnesota and a close friend of Senator Humphrey's would have made that—I might have made the motion, you know, on record, but Mel Besemer would have come in with the recommendation or suggestion.

Mr. SANDERS. Have you, individually, made proposals for contributions from that fund for any other Democratic Presidential candidates?

Mr. BUTTERBRODT. I don't know—I wouldn't have originated, say, a proposal. I carried—or after one of the board members talked to me, I know I requested a contribution for Senator Jackson, you know, at my request. But it didn't originate with me, it came from other board members.

I'm aware of, you know, other contributions, but I don't believe I—there were not, and still are not even today—I don't generate many requests. I did for Bob Kastenmeier. I put in a request for Bob Kastenmeier on my own volition, but other than that, I'm not that close to the political end that I would make a, you know, recommendation or suggestion to the committee. It would come from somebody else. It might come to me then I'd go to the committee with it, not on my own.

Mr. SANDERS. You're aware that Congressman Mills received a \$25,000 contribution from CTAPE?

Mr. BUTTERBRODT. That's right.

Mr. SANDERS. Did you participate in the deliberation on that contribution?

Mr. BUTTERBRODT. Yes.

Mr. SANDERS. Are you knowledgeable as to whether those deliberations appear in the minutes of CTAPE?

Mr. BUTTERBRODT. I'm not aware. I'm sure they must—well, I don't know. I don't think they'd show up in the minutes because I believe that was a telephone conference or a telephone, you know, approval. But the records would show that it was approved by the various committee members—I assume the records will show that.

Mr. SANDERS. Rather than have a formal meeting, it was—

Mr. BUTTERBRODT. I'm not sure when, but I'm aware of the contribution.

Mr. SANDERS. Do you know who generated that request?

Mr. BUTTERBRODT. No. I couldn't say for sure.

Mr. SANDERS. You don't recall who spoke with you about it?

Mr. BUTTERBRODT. No, I really don't. It could have been, you know, anyone of the committee. It could have been Dr. Mehren.

Mr. SANDERS. Could it have been Dave Parr?

Mr. BUTTERBRODT. No, it couldn't have been Dave Parr.

Mr. SANDERS. You say that because you don't have many conversations with him?

Mr. BUTTERBRODT. Two reasons. One, since January 1972 Dave Parr and I rarely speak and when we do we don't speak very friendly to one another, and I believe if Dave Parr had called and asked for it, I would have voted no, so I'm sure it was not Dave Parr because Dave Parr doesn't call me.

Mr. SANDERS. Do you have any recollection of any contemporaneous explanation of why \$25,000 would be allocated to Congressman Mills, from the person who proposed the sum?

Mr. BUTTERBRODT. You're asking me why we gave \$25,000?

Mr. SANDERS. Yes.

Mr. GREEN. For clarification, are you asking why they gave, or why they gave \$25,000?

Mr. SANDERS. I wanted to know, first, if whoever suggested it, the sum, offered any reason to accompany it?

And then I'm going to ask him if—

Mr. BUTTERBRODT. I don't believe anybody—whatever it was, whether it was Dr. Mehren or Preach Griffith, or Bob Lilly that called in regard to this sum—I don't believe whoever it was would have explained to me why, only that Mills at that time was a candidate for a nominee for President, and they would not have had to explain to me, why that amount, or I would not have questioned that amount.

Mr. Mills—Mr. Chairman, as we refer to him—is very knowledgeable in the dairy industry, understands—and it's the purpose, again, of the political funds—the reasons the producers put them in there, is to try and get friends elected to positions, be it Congress, Senate, or President, and if \$25,000 would have helped Congressman Mills to get nominated or to get to the White House, he is a friend of the dairy industry and I recognize him as a friend of the dairy industry and he has voted favorably for the dairy industry and so we would support him and help him in his efforts.

Mr. SANDERS. Was that not a greater sum than was allocated to Senator Humphrey?

Mr. BUTTERBRODT. I believe so, only on the basis that I think that was the largest contribution to any single candidate, and that's why it stands out in my mind.

That's not to say that Senator Humphrey is not a friend of the dairy industry.

Mr. SANDERS. Senator Humphrey doesn't chair a committee that—

Mr. BUTTERBRODT. No, I believe it was more a case at that particular time, at the time of the Democratic National Convention, or the week prior to it, when the \$25,000 commitment was made, Senator Humphrey was not in the running for nomination at that time. And of those people in the running for Democratic nominee, Congressman Mills was a better friend of the industry.

Mr. SANDERS. Are you aware of any support by Chairman Mills for statutorily increasing the milk price level in March of 1971?

Mr. BUTTERBRODT. I'm aware that he was, you know, supporting our position, yes.

Mr. SANDERS. Did you have any personal contact with him in February and March of 1971, for the purpose of discussing the milk price level?

Mr. BUTTERBRODT. I met with Chairman Mills, but I couldn't recall whether it was in February or March of 1971. It was not significant if I did. I might have been in his office and out, or something like that, but no detailed session with him.

Mr. SANDERS. Without regard to the time, would the purpose stand out in your mind, that is, that the meeting was in connection with an increase in the milk price?

Have you ever talked with Congressman Mills about increasing the price support for milk?

Mr. BUTTERBRODT. I don't believe I did, no, and I don't believe I was, you know, in a session with him. I'm sure because people have reported that other people have. Again, there's people a lot closer to Chairman Mills than what I am, and therefore, they would have talked to him about those issues.

Mr. SANDERS. Did other key officials in AMPI report to you in the early months of 1971, any contacts with Congressman Mills concerning the support for milk?

Mr. BUTTERBRODT. Yes, they would have given reports. I think at times they asked Chairman Mills for recommendations as to, you know, what they should do or how they should handle the program to try and reverse, you know, the decision on price support.

Mr. SANDERS. In the early months of 1971, did you learn of any affirmative actions on his part to enhance the prospect of an increase in milk support?

Mr. BUTTERBRODT. I believe he had his name—no, I don't know if he did have his name on one of the bills. In fact, I don't think he did have his name on one, I really don't know. Did he have it on?

Mr. GREEN. If you don't know, you don't know.

Mr. SANDERS. Are you aware of any efforts on his part to persuade members of the administration to support an increase?

Mr. BUTTERBRODT. No, I'm not aware, although he may have, but I'm not aware.

Mr. SANDERS. Was the \$25,000 allocation to him from CTAPE related to his attitude toward the price-support level in 1971 and any efforts on his part?

Mr. BUTTERBRODT. No. That would not have any bearing on it.

Mr. SANDERS. You stated earlier that you regarded Congressman Mills as a friend of the dairy industry. Such a characterization is a composite of his many postures on various laws and regulations affecting the dairy industry, is it not?

Mr. BUTTERBRODT. Yes.

Mr. SANDERS. Including dairy imports?

Mr. BUTTERBRODT. Yes.

Mr. SANDERS. Would it not include the milk price-support level to be fixed each year?

Mr. GREEN. Well, I think the question is starting to get argumentative with the witness because he has indicated that it's on a variety of factors. He has not been asked to define what he means by "friend." It might be more instructive to ask him that, if that's the purpose of the inquiry. But I don't think that—I think he's given his answer basically to the line of questioning.

Go ahead and rephrase it and he'll try to answer it to the best of his ability.

Mr. SANDERS. I guess it boils down to this: Are you saying, Mr. Butterbrodt, that the support of Congressman Mills for an increase in the price level for milk in 1971, does not enter into your characterization of him as a friend of the dairy industry?

Mr. BUTTERBRODT. I'd answer by saying it could, but I'm not aware of what his activities were in 1971, only that they were favorable to the dairy industry.

Really, when I say "a friend of the industry," I recall that there's times that we've talked to him about, you know, what legislation we could look to get passed that would be favorable to the industry.

The farm bill, for example, could we get it passed, how do you get it passed. He'll sit down and tell us, you know, what the prospects are.

I recall that he spoke at the World Dairy Expo meeting of dairy farmers at Madison, Wis., on one occasion so that he has, you know, over the years supported the dairy industry and been a friend to the industry.

Mr. SANDERS. During February and March of 1971, did you have any personal contacts with any Senators or Congressmen concerning the milk price—support of it?

Mr. BUTTERBRODT. I believe I talked to Congressman Kastenmeier, Senator Proxmire, and Nelson; I believe I talked to Congressman Thomson and perhaps one or two other Congressmen. I believe I talked to Congressman Obey, and there might have been a few others from Wisconsin that I talked to at that time.

Mr. SANDERS. Did these Congressmen and Senators take any affirmative actions in response to your contacts?

Mr. BUTTERBRODT. I believe in most cases they were already on record as supporting the bill to increase the amount that the price support should be set at.

Mr. SANDERS. What purpose did your contact serve?

Mr. BUTTERBRODT. I really called on them to, you know, find out if they would or if they had supported, if they had talked to other Congressmen or Senators about supporting it and, you know, what we should do to try to get such a bill passed. And who we ought to talk to, advice perhaps.

Mr. SANDERS. Between 1968 and 1972, did you learn of any decision on the part of the AMPI management to support one or more Democratic candidates for the Presidency?

Mr. BUTTERBRODT. Between when?

Mr. SANDERS. 1968 and 1972.

Mr. BUTTERBRODT. I don't believe so, no. Candidates for President, you say?

Mr. SANDERS. Democratic candidates for the Presidency.

Mr. BUTTERBRODT. No.

Mr. SANDERS. Did you ever learn that it was a determination of the top management to give Senator Muskie as much support as possible?

Mr. BUTTERBRODT. In 1968?

Mr. SANDERS. No, no. I'm talking about between 1968 and 1972, sometime in 1969, 1970 and 1971?

Mr. BUTTERBRODT. No. I don't recall anything about Muskie.

Mr. SANDERS. Or Senator Humphrey?

Mr. BUTTERBRODT. There was no—you know, to my knowledge, there was none, no.

Mr. SANDERS. Did you, at any time, become aware of any AMPI board authority, express authority, for the use of AMPI corporate funds for political candidates?

Mr. BUTTERBRODT. Give me that again?

Mr. SANDERS. Did you ever learn of any AMPI board authorization for the use of AMPI corporate funds to be given to political candidates for their benefit?

Mr. BUTTERBRODT. No.

Mr. SANDERS. There was never any formal action taken by the board to endorse the use of corporate funds for such purposes?

Mr. BUTTERBRODT. No, not that I'm aware of.

Mr. SANDERS. Would you say that there was also never any implicit authority of the board, that is the board never took any action, which would implicitly authorize the management to use corporate funds for political candidates?

Mr. BUTTERBRODT. No.

Mr. SANDERS. So that any expenditures by any officials of AMPI of corporate funds, for the benefit of the political candidates, would be totally unauthorized by the board?

Mr. BUTTERBRODT. That's right.

Mr. SANDERS. Aside from the recent request of Mr. Heininger to Mr. Parkinson, are you aware of any demands for reimbursement of any other political contributions?

Mr. BUTTERBRODT. No, I don't think so.

Mr. SANDERS. Has the board instructed its attorneys or management to seek reimbursement of any other—

Mr. BUTTERBRODT. The board appointed a committee at the last board meeting after receiving the Ed Wright report—a committee of four people, one of which I serve, to talk to our inhouse counsel and legal firms, that are presently employed by AMPI, to recommend to the corporate board at the next meeting as to possibilities, feasibilities of recovery of funds.

Mr. SANDERS. Until you read the Wright report, were you aware of AMPI corporate payments to Valentine, Sherman?

Mr. BUTTERBRODT. I believe the name Valentine, Sherman showed up on our financial statement, but I was not aware of what they were for, where they were going, until I saw the Ed Wright report.

Mr. SANDERS. Until reading the Wright report, you had no knowledge that any payments to Valentine, Sherman were for the use or benefit of the Presidential campaign of Senator Humphrey?

Mr. BUTTERBRODT. No.

Mr. GREEN. I don't know that that characterization is absolutely correct as to what benefit—I think it's academic.

Mr. WEITZ. That's the question. If it's inaccurate and the witness knows nothing about it—I mean says he doesn't know anything about that question, then the record is complete, I think.

I'm not saying I dispute the characterization.

Mr. SANDERS. According to the Wright report, in October of 1971 there was a cooperative rally in Ames, Iowa, and the report goes on to explain that AMPI, with corporate funds, paid much of the expense of that event and that Congressman Mills addressed a rally there. Were you present at that event?

Mr. BUTTERBRODT. No, sir.

Mr. SANDERS. Did you know in advance of the event to be held?

Mr. BUTTERBRODT. Yes, sir.

Mr. SANDERS. Was it discussed at a board meeting?

Mr. BUTTERBRODT. No, sir.

Mr. SANDERS. How did you learn of it?

Mr. BUTTERBRODT. I learned by phone call and I'm not sure just where the first call—I believe Kieffer Howard—I guess if I backed up I'd say I was attending a meeting when one of the executive board members asked me what the executive board was being called to a meeting for, and I said I was unaware that a meeting was called. And they indicated that they were told to be at a meeting, and I said I didn't know anything about it or what it was for. And then through subsequent phone calls, Kieffer Howard called and indicated that he had instructions or wanted to get the executive board of AMPI together, and I told him I didn't see why or for what, you know, purpose. And he indicated that they were talking about having a rally in Iowa that would be bigger than what our annual meeting was. And the purpose of the meeting was to expound on the cheap-food policy that the administration was on. And knowing that we were having financial problems and costs were excessive, I indicated that I didn't think we should have—get involved in that kind of a rally.

And consequently, Dave Parr called me and indicated that we should have, you know, a rally in Iowa of farmers, not only dairy farmers but all farmers, to expound on the cheap food policy.

Again, I objected to any conference or meeting of that kind or magnitude. And we got into a very heated telephone conversation over it, to the point that I told Dave I would not call, you know, a meeting of the executive board. In fact, we were supposed to meet here in Washington to invite Congressman Mills to speak at that rally, one of the speakers, and meet with the Iowa co-op people about setting this rally up.

And again, I objected to the meeting and I told him that I would not call the executive board together until I talked to Harold Nelson, which, in those days, if I talked to Harold once a month—between board meetings is all I've ever talked to Harold. I didn't hear from Harold Nelson and we were scheduled to leave for Washington like on—I don't know what date, but let's assume it was a Thursday, that the executive board was to go out on Thursday to have a meeting the following day with Congressman Mills. And I of course indicated to some of the executive board members that I wasn't going to call the meeting and they weren't to go.

So on the morning of this particular day they called me from Minnesota and said, "Look, if we're going out there I have to leave by noon in order to get out to Washington tonight, if we're going to have the meeting tomorrow." And so I called one of the girls who takes care of setting up meetings and so forth, and told her to notify the executive board that I was going to have the meeting in Chicago that night. And so she called some of the various board members and as soon as she called Dwight Morris, Dwight got Dave Parr, and they're very close friends, and indicated that I was calling the executive board into Chicago that night. And within an hour or two

Harold Nelson did call me and indicated why I called the meeting in Chicago and I said I was going to have a Chicago meeting to decide whether we were going to go to Washington.

And we did have the executive board meeting in Chicago that night at which time Harold and Dave, after first meeting with me, explained to the executive board, and I agreed in our meeting with them, I believe it's strictly up to the executive board if they voted in favor of going to Washington and asking Mills to speak, and so on, why, I'd go along with it.

And so they explained to the executive board the reason for me having a meeting in Iowa on the cheap food policy and the board voted in favor of it. They indicated it would be a small gathering. And they came out here and we met with the Iowa co-op people, Mid-Am, DI, Dairymen Inc., were represented here in Washington. We did meet with Chairman Mills. The invitation was extended to him to be the principal speaker with the understanding that it would be nonpartisan, Republican and Democrats alike would be there. And the primary intent given to the board people was that we had to expound on the cheap-food policy of the present administration and get that story told to the consumers.

And that was the reason or philosophy used to sell it to the various board members. And they went ahead and had the rally. I was opposed to it from the start. I always had been opposed to it. But in my position, if the board or executive board votes for a program, I go along with it and put it on, or do not put obstacles in the road.

Mr. SANDERS. Were you opposed to it solely on the basis of the cost to AMPI?

Mr. BUTTERBRODT. Yes; we had just come off an annual meeting of 40,000 people in September. This was—I don't know if I've got my dates right—1971. What year was the rally?

Mr. SANDERS. October 1971.

Mr. BUTTERBRODT. It was a cost factor.

Mr. SANDERS. Have you noticed in the Wright report the mention that Congressman Mills called Mr. Pepper in Iowa and offered to speak at the rally?

Mr. BUTTERBRODT. I don't recall that from reading the Ed Wright report.

Mr. SANDERS. It's so stated in the Wright report and I'm just wondering if you knew of that at the time?

Mr. BUTTERBRODT. No, I didn't. I thought we came to Washington—as least we presented a formal request. We met here in Washington, kind of a group, there was the Iowa co-op, Mid-America, DI, ourselves. It was a joint venture, not any one group, and again the theme was the cheap-food policy.

Mr. SANDERS. But your executive meeting was after the annual meeting?

Mr. BUTTERBRODT. Yes; I'm sure it was. It was the night before—yes, I'm sure it was. I think it was.

Mr. SANDERS. Was it at or about the same time?

Mr. BUTTERBRODT. It could have been a month later—it would have had to have been shortly after our annual meeting.

Mr. SANDERS. Shortly after the annual meeting?

Mr. BUTTERBRODT. It would have had to have been.

Mr. SANDERS. Did you ever discern that Parr's motive in wanting to hold the event in Ames was to advance the Presidential candidacy of Congressman Mills?

Mr. BUTTERBRODT. I don't know if that was really his ulterior motive. While it might have been a part of his motive, Dave was also interested—and I say this with a dislike for Dave Parr—Dave also had a, you know, motive for betterment of the dairy farmer as well as all farmers. And Dave was very energetic and spent a great deal of time and effort for the good of farmers.

And so, even in my dislike for Dave Parr today, as it was then, we were never what I would say, good friends—I hold Dave very high in his efforts to improve the farmer, dairy farmer and other farmers' situations and income.

Mr. SANDERS. After the Ames rally, was it reported to you that it had served its intended purpose?

Mr. BUTTERBRODT. I don't believe so. I don't know if, for the record, it's known that Wilbur Mills left the Ames, Iowa meeting and came up to Madison, Wis., where the World Dairy Expo was in session, and he spoke at that conference. I was in attendance at that conference.

And so he spoke at both of them that particular day, both interests being farmers. But I don't believe anybody said, you know, any real intent.

There was a further movement to try and hold more sessions like that, not with Chairman Mills as the speaker, but rallies of producers. Again, I objected on the grounds of financial costs, the burden to the organization.

Mr. SANDERS. One might reasonably, I think, conclude from the Wright report that it states or infers that the purpose of the Ames rally was to enhance the Presidential candidacy of Congressman Mills. Did you ever assess it in that way?

Mr. BUTTERBRODT. I don't believe so, no. It was a nonpartisan meeting. I believe there were Republican Senators there, too. And while there was no question, I suppose anytime you have a conference or rally, somebody could benefit personally from it. But that, I don't believe was ever, you know, put out as the reason or means. That isn't why they had the session or proposed the session.

Mr. SANDERS. Prior to the issuance—or the board's receipt of the Wright report, had you ever heard of the firm of Lennen and Newell in New York?

Mr. BUTTERBRODT. No, I don't recall, even since the Ed Wright report.

Mr. SANDERS. It's in there.

Mr. BUTTERBRODT. I've only read the Ed Wright report once, and that's when we went through it at the board meeting. I have not had a chance to go back through it to digest what's in it. But the name does not ring a bell even now.

Mr. SANDERS. Aside from the name of the firm, were you ever, prior to the issuance of the report, aware that AMPI had delivered funds to a New York advertising agency for the benefit of an account of the Humphrey campaign with that firm?

Mr. BUTTERBRODT. No.

Mr. SANDERS. Before the board's receipt of the Wright report, had you known of a firm in Memphis named Walker Associates?

Mr. BUTTERBRODT. No, sir.

Mr. SANDERS. Or Deloss Walker?

Mr. BUTTERBRODT. No.

Mr. SANDERS. And similarly, had you known of a Mr. Warren Bass in Little Rock?

Mr. BUTTERBRODT. No, sir.

Mr. SANDERS. Had you known before the issuance of the report, that Joe Johnson, while still on the AMPI payroll, worked for the Presidential campaign of Congressman Mills?

Mr. BUTTERBRODT. Yes, sir.

Mr. SANDERS. Did you know that Betty Clements did so?

Mr. BUTTERBRODT. No.

Mr. SANDERS. Or Terry Shea?

Mr. BUTTERBRODT. No.

Mr. SANDERS. What is it you know about Joe Johnson's activity in behalf of Congressman Mills?

Mr. BUTTERBRODT. Joe Johnson was one of the few employees of AMPI at the time we changed management in January 1972, that called and asked to have an appointment with Dr. Mehren and myself. He came in one afternoon and indicated to us that he was basically a front man, that he was spending virtually all his time as an employee on the campaign activities of Chairman Mills. He indicated in that capacity he had expenses in travel, expenses in setting up meetings, holding meetings, that he covered on his expense account.

He indicated that he had apartments here in Washington that were leased by him, that he put on his expense account and was reimbursed by AMPI.

Dr. Mehren asked him—questioned somewhat to the effect, "Joe, do you know that this is illegal, to be doing it—involved in this kind of activity?"

His answer was somewhat to the effect, "Yes, that's exactly why I came in and asked to talk to you and John, because you've publicly declared you're going to run a clean ship, an aboveboard type of operation, and I do not want to go to the end of the month and find that I have commitments on my expense account that you will not honor."

We did not go into detail as in the Ed Wright report, you know, other employees that he knew about or was covering for, but indicated to him that he'd have to take a vacation starting the next day, take a week's vacation, at which time he'd have to make up his mind whether he wanted to go to work for AMPI on legitimate business, or whether he wanted to remain with the Mills campaign. He'd have to either take a 6-months leave of absence or work out some other arrangement, leave AMPI to go to work for Mills on a full-time basis.

I recall—remember very vividly that just before the meeting broke up, Joe turned to me and said, "John, my expense accounts are quite sizable because of the apartments and other travel relations, and will you honor—what about my expenses to this point?"

And again—of course, I put this in the same category with Stu Russell, it was a commitment by former management telling him this is how they operated, this is what they did. I said, "Joe, we will honor your expense account, what you have to this point. I will not have an employee get caught with expenses that someone else committed you to. And so we will honor your expense account this month, but there will be no more of it."

Again, we related this to Mr. Grossman, what we knew of the Joe Johnson activities and asked the question, "Do we have an obligation to report—investigate further, et cetera." And our advice again was that it was not our obligation to investigate or report what we had, but to run a clean ship and make sure that it didn't happen again.

And so, while there was a great deal of concern about the Stu Russell matter, I put the Joe Johnson action in the same category and said it was a commitment of former management. We were not aware of it until after we changed management and after we found out about it, we cut it out and there was no more of that. But we did honor those commitments made by former managements, even if there was a question of legality.

Mr. SANDERS. Did Johnson give you an understanding of the period of time for which he had been working for Congressman Mills?

Mr. BUTTERBRODT. No. I don't recall that he did. At that particular time, as I recall, he was basically full time for Mills. I don't know if he had other activities—you know, AMPI activities or not.

Mr. SANDERS. In your terminology, he said he was a front man. Is that a word that he used or is this an interpretation?

Mr. BUTTERBRODT. That's my word.

Mr. SANDERS. Do you mean advance man?

Mr. BUTTERBRODT. He, as I understood—and again, we did not go into detail as to exactly what he was doing other than he was spending his time for Mills' campaign, but I viewed it as the type of individual that went out and set up meetings, arranged to have a place for the Congressman to speak, get a room, talk to the party, in that area, et cetera.

Mr. SANDERS. Did he say who at AMPI had authorized him to do this?

Mr. BUTTERBRODT. Again, I couldn't be sure today. At that point I would have assumed it was Harold Nelson. Now whether he indicated that or whether it was—it's a strong feeling that it would have to be Harold Nelson, because Harold Nelson was the general manager.

Mr. SANDERS. Was Joe Johnson responsible directly to Nelson? He was the north Texas division manager, was he not, at that time?

Mr. BUTTERBRODT. I don't know what his real title—position was—but in fact, all employees report and are obligated directly to the general manager. They may report to someone else. But their obligation is really to the general manager.

Mr. SANDERS. At that point in time, to your knowledge, did Dave Parr have any control over responsibilities to be performed by Johnson?

Mr. BUTTERBRODT. He could have, but again, I am not sure under Harold Nelson or who had control over who or reported to who.

Mr. SANDERS. Did Johnson give you any understanding as to whether any officials in the Mills campaign were aware of AMPI's payments of the salaries and expenses?

Mr. BUTTERBRODT. I don't know if Joe Johnson, you know, told us who was aware or what. I really don't know other than I do know he eventually—I believe, and the record should show—but to my knowledge he took a 6-months leave of absence from AMPI, and then did not renew it, but went full time to work for Chairman Mills.

Mr. GREEN. Can I inquire off the record how long you fellows are going to go?

[Discussion off the record.]

Mr. SANDERS. When you were given this explanation by Joe Johnson, you were with Dr. Mehren?

Mr. BUTTERBRODT. Yes, sir.

Mr. SANDERS. Was this in the AMPI offices?

Mr. BUTTERBRODT. Yes, sir.

Mr. SANDERS. And it was very soon after Dr. Mehren became general manager?

Mr. BUTTERBRODT. Yes, sir.

Mr. SANDERS. Were you ever given a report as to the total amount—the total cost of Johnson's expenses and salaries?

Mr. BUTTERBRODT. No, sir. Not until the Ed Wright report.

Mr. SANDERS. In 1970, Bob Lilly made two deliveries of funds to the Humphrey campaign. One was a \$10,000 check and one later in the year was \$12,500 cash, which went to Jack Chestnut, his campaign manager. Were you contemporaneously aware of either of those campaign contributions?

Mr. BUTTERBRODT. No, sir.

Mr. SANDERS. Did you thereafter learn of them before the issuance of the Wright report?

Mr. BUTTERBRODT. No, sir.

Mr. SANDERS. In the Wright report there is mention of, in November of 1968, a \$31,000 check cashed by Joe Nigrelle for Harold Nelson. Were you contemporaneously aware of that transaction?

Mr. BUTTERBRODT. No, sir.

Mr. SANDERS. Do you, even to this day, know what happened to those funds?

Mr. BUTTERBRODT. No, sir.

Mr. SANDERS. Have you asked for any investigation of that?

Mr. BUTTERBRODT. No, sir. Our committee has only met once and we have not got into it.

Mr. SANDERS. In 1971, according to Lilly, he delivered \$5,000 to Norma Kirk in Little Rock, which money then went to Parr for the Mills campaign, and this money was generated by a loan Lilly made and was repaid by means of moneys received from conduit attorneys. Were you contemporaneously aware of that?

Mr. BUTTERBRODT. No, sir.

Mr. SANDERS. When did you first learn of it?

Mr. BUTTERBRODT. Is it in the Ed Wright report?

Mr. SANDERS. Yes.

Mr. BUTTERBRODT. I'm not familiar with it even now. That would be the first I'd know about it. I'm not aware of it right now even.

Mr. SANDERS. Other than payments from TAPE or CTAPE, have you ever authorized any funds to be given to the 1972 Presidential campaign of Senator Humphrey?

Mr. BUTTERBRODT. No.

Mr. SANDERS. Or to Congressman Mills?

Mr. BUTTERBRODT. No.

Mr. SANDERS. Or to Senator Muskie?

Mr. BUTTERBRODT. No.

Mr. SANDERS. Have you approved any such contributions after the fact?

Mr. BUTTERBRODT. No.

Mr. SANDERS. Or do you have knowledge of any to those three men or to their campaigns, rather, aside from any that you've read in the Wright report or what I have mentioned to you today?

Mr. BUTTERBRODT. No, sir.

Mr. SANDERS. In October of 1972, contributions were made to the Democratic House and Senate campaign committees as well as to the Republican committees. Do you recall—excuse me. You've already testified that there was a meeting in early October where it was decided that there would be a balancing of contributions. Was that for the year, did you say, or for what period of time?

Mr. BUTTERBRODT. For the year. TAPE operates on a calendar year, the idea being that because after election there would be very few contributions and the idea being that we would balance at the time or before the election period, so that it would balance at the end of December.

Mr. SANDERS. Do you have any recollection of any discussion at the committee meeting in October for the earmarking of any funds to be given to the Democratic House and Senate committees?

Mr. BUTTERBRODT. No.

Mr. SANDERS. To your knowledge, was there any earmarking?

Mr. BUTTERBRODT. Not that I recall, and yet I believe, in the conversation this last weekend, Dr. Mehren mentioned that there was a \$2,500 earmark, or they talk about \$2,500 going to somebody, but I don't recall who or why.

Mr. SANDERS. Do you recall any discussion in the committee meeting of control to be exercised over the disposition of those funds by any Congressmen or Senators, other than those who operated the committees?

Mr. BUTTERBRODT. I believe Mel Besemer indicated something about that money going to the Democratic committees, that someone ought to talk to Humphrey or Mills about having them talk to the committee about where it could be best used or how it could be best used.

Mr. SANDERS. Was any action taken on that suggestion?

Mr. BUTTERBRODT. I really don't know.

Mr. SANDERS. Was Lilly present at that meeting?

Mr. BUTTERBRODT. I believe so. The records should show. That was a TAPE committee meeting and I believe he would have been there, but I'm not positive.

Mr. SANDERS. Who would you logically expect to be the one to follow through on any suggestions made by members of the committee?

Mr. BUTTERBRODT. Bob Lilly.

Mr. SANDERS. During the committee meeting, do you have any recollection of a discussion that funds given to the Democratic House and Senate committees would pass through for the benefit of either the Democratic National Committee or the Democratic Presidential candidate?

Mr. BUTTERBRODT. No, I don't think there was any discussion like that.

Mr. SANDERS. Did you subsequently learn of any passthrough intention?

Mr. BUTTERBRODT. No.

Mr. SANDERS. Or that any passthrough occurred?

Mr. BUTTERBRODT. No.

Mr. SANDERS. Was there any discussion at the meeting of any money passing through the Republican House or Senate committees for the benefit of the Republican National Committee or the reelection of the President?

Mr. BUTTERBRODT. No.

Mr. SANDERS. Did you subsequently learn of any?

Mr. BUTTERBRODT. No.

Mr. SANDERS. Are you personally acquainted with Senator Humphrey?

Mr. BUTTERBRODT. Yes.

Mr. SANDERS. Are you personally acquainted with Jack Chestnut?

Mr. BUTTERBRODT. No.

Mr. SANDERS. Have you ever met him?

Mr. BUTTERBRODT. I don't believe so.

Mr. SANDERS. Have you ever talked with him?

Mr. BUTTERBRODT. I don't believe so.

Mr. SANDERS. Have you ever visited at Senator Humphrey's home in Waverly?

Mr. BUTTERBRODT. No.

Mr. SANDERS. Or at the—what is it—Macalester College when he was in residence there?

Mr. BUTTERBRODT. No.

Mr. SANDERS. Were you ever informed by Mehren or Nelson or Parr that they had visited at any of Senator Humphrey's homes?

Mr. BUTTERBRODT. No.

Mr. SANDERS. Did Senator Humphrey, during the Presidential campaign, make any solicitation of you for a contribution from TAPE or CTAPE?

Mr. BUTTERBRODT. No.

Mr. SANDERS. Or any of his Presidential officials?

Mr. BUTTERBRODT. No.

Mr. SANDERS. Were you advised by anyone else in the AMPI organization that the Humphrey campaign had made any solicitation?

Mr. BUTTERBRODT. I'm sure, again, that Mel Besemer from Minnesota, at various times, you know, asked for funds or has brought up the subject of money for Humphrey, and I'm aware that the committee at various occasions—we approved—I as part of the committee approved funds for Humphrey.

Mr. SANDERS. With respect to TAPE, was it your understanding—let me put it this way. Who had practical authority to authorize disbursements from TAPE?

Mr. BUTTERBRODT. Bob Isham.

Mr. SANDERS. Isham signed the checks. Do you think that Isham had the authority to make the decisions as to who would be the payee on the check?

Mr. BUTTERBRODT. That was the impression given to the board at various times on the questioning that TAPE was a trust, there was only one trustee. Bob Isham had the final decision as to who got money and who didn't get money, or who he wrote the checks to, but that Harold Nelson and Dave Parr, if they made recommendations, he would honor them or pay those.

There's no question Bob Isham worked for Harold Nelson, and so any time Harold Nelson went and asked for a check, he would have issued it.

Mr. SANDERS. Did you conceive that anyone besides Nelson or Parr—let me put it this way: That Isham would have acceded to a request for funds from anyone besides Nelson or Parr?

Mr. BUTTERBRODT. I believe, yes, if I or any regional president, or maybe any corporate board member asked Isham for funds, if Isham thought it was, say, a good cause or proper, he would have wrote the check.

Mr. SANDERS. Do you think he would not have checked with Harold Nelson?

Mr. BUTTERBRODT. I don't believe so, no.

Mr. SANDERS. Regardless of the amount?

Mr. BUTTERBRODT. There was a limit on amounts. I don't think—

Mr. SANDERS. What was the limit?

Mr. BUTTERBRODT. \$5,000.

Mr. SANDERS. Do you mean for a sum in excess of \$5,000, he would have checked with Nelson? There could be no expenditure—

Mr. BUTTERBRODT. As I understand the law, there could be no expenditure over \$5,000 to any one candidate.

Mr. SANDERS. That is unless it's broken down into various committees.

Mr. GREEN. Are you asking for a legal conclusion or what?

Mr. SANDERS. No, I'm asking for his understanding.

Mr. BUTTERBRODT. My understanding was \$5,000 to any one candidate, period.

Mr. SANDERS. Thank you.

I have no further questions.

Mr. WEITZ. Mr. Butterbrodt, in the Wright report that we referred to a number of times today, on page 152, there is a recitation, a summary of an interview between Mr. Wright's firm and yourself with respect to the Dwight Morris conversation, and the last paragraph on page 152 begins with the following sentence: "Mr. Butterbrodt said he recalled the visit with Mr. Morris and acknowledged that there was no doubt a discussion of possible milk contributions for Republican causes as being 'hot' in view of the publicity that had broken on the ITT contributions."

And it goes on to say that you denied having ever traveled to California or Washington and met with Mr. Kalmbach.

With respect to the sentence I just read, would you tell us whether that's a fair summary of what you told Mr. Wright's firm?

Mr. BUTTERBRODT. No. In regard to the Ed Wright report on that issue, you would have to understand that I called Ed Wright at his home on a Sunday afternoon and, after a conference on other issues, Mr. Wright said to me, "John, this will perhaps save me a phone call tomorrow to you." And he said, he indicated that one of his partners, Gus Walton, had talked to Dwight Morris.

Mr. Wright indicated to me that he did not have Dwight Morris' statement or the facts of what he said in front of him at the time. And he said, "I can only go from memory, from what I know about the Dwight Morris statement."

And he indicated to me that Dwight had indicated I was to Washington and that I had been to California. And then he indicated that, he asked if it were possible that I talked to Dwight Morris about contributions.

And my answer to him was, "Yes, it was possible I might have talked to him. I don't recall that I did."

And because he did not have Dwight Morris' statement there, or I did not know what he really had said or charged, my answer to him, kind of in a laughing way, is, I don't know how he can say that, because I wasn't to Washington and I wasn't to California. I've never met Kalmbach. So how could somebody be saying I was there, that I met with these people and dealt with them, and then talk about a fixed contribution or amount.

And so the answer there is partially two reasons. One, Mr. Wright did not tell me the exact substance of what Dwight was saying. He was operating from memory at his home on Sunday afternoon. I didn't know exactly what the charge was that I was really answering him at the time. But to my recollection, I did not talk to Dwight Morris about contributions, those issues.

Mr. WEITZ. You're saying that Mr. Wright's, or his firm's summary of their conversation with you to the extent that you, according to them, acknowledged that there was no doubt a discussion of milk contributions for Republican causes, and they were "hot" in view of the ITT publicity, you're saying that some or all of that is incorrect?

Mr. BUTTERBRODT. I'm saying that part of it—

Mr. WEITZ. I'm just asking about that part. As I indicated, they do go on to say that you clearly denied meeting with Kalmbach or traveling to California.

Mr. BUTTERBRODT. I don't believe that's quite correct. He apparently asked me about, you know, the contributions, did I talk to Dwight Morris about it, and my answer was, again, that I possibly could have talked to him, I possibly could have said that, but I don't recall.

Mr. WEITZ. So, in other words, the statement that there was no doubt a discussion of possible milk contributions for Republican causes was discussed, that would be inaccurate?

Mr. BUTTERBRODT. Right.

Mr. WEITZ. And could you explain why in their summary—in their report they say that you explained that there was no doubt a discussion of such contributions as being "hot" in view of the ITT publicity? Could you explain that?

Mr. BUTTERBRODT. Again, Ed Wright was working from memory and as he recalled over the phone, he mentioned that Dwight indicated something to the effect that we had discussed the contributions and the fact that they were "hot" because of ITT. Those are kind of his words to me over the phone.

And I indicated to him it's possible, but I don't recall talking to Dwight Morris about it, that issue or those issues in that context.

Mr. WEITZ. But it is possible? I mean, that's your testimony today also?

Mr. BUTTERBRODT. That's right. It's possible, but I don't recall talking to Dwight Morris about it at all.

Mr. WEITZ. Mr. Sanders?

Mr. SANDERS. No, thank you.

Mr. WEITZ. I have no further questions.

Thank you, Mr. Butterbrodt.

[Whereupon, at 6:35 p.m., the hearing in the above-entitled matter was adjourned.]

BUTTERBRODT EXHIBIT No. 1

MAYER, BROWN & PLATT

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CHICAGO, ILLINOIS 60604

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350 94 76
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202-785-4443
CABLE LEMAYDC

January 21, 1974

Kenneth Parkinson, Esq.
1828 L Street, N.W.
Washington, D.C. 20036

Dear Mr. Parkinson:

This confirms our telephone conversation of January 15, 1974 with respect to a political contribution in the amount of \$100,000 to the Committee to Re-Elect the President, your client, from the corporate funds of our client, Associated Milk Producers, Inc. (AMPI). You reported that the Committee does not recognize any legal obligation to return corporate funds or other illegal contributions, but that it has taken the ethical position that it does not wish to retain any contributions made in violation of law. We do not intend to argue the merits of the Committee's legal obligation at this time. However, we do appreciate the good faith expressed by the Committee in its policy of returning contributions which originated from illegal sources. We also understand from you that Committee consideration for refunds is based on the facts of each case.

AMPI is a milk marketing cooperative incorporated under the laws of Kansas, with approximately 40,000 dairy farmer-members located in 14 states in the midwest from Minnesota through Texas. In early 1969 the Trust for Agricultural Political Education (TAPE) was established to permit farmer-members of AMPI to make contributions for political purposes as permitted under 18 U.S.C.A. § 610. TAPE in 1971 did make substantial lawful contributions to a number of committees which may have found their way to the Committee to Re-Elect and we have no problem with what appear to be lawful contributions. However, there is at least one exception, a

contribution in the amount of \$5,000 given to the People United for Good Government. We understand that this money ultimately wound up in the hands of the Ellsberg burglars, but we have no information at this time which links this in any way to the Committee to Re-Elect.

The rather complicated factual recitation which follows establishes an unlawful contribution from AMPI funds and, accordingly, we would like the Committee to return the \$100,000 to AMPI on a voluntary basis.

On August 1, 1969 Mr. Bob A. Lilly, an employee of AMPI, obtained \$100,000 in cash from the Citizens National Bank in Austin, Texas. Mr. Jake Jacobsen, active in Democrats for Nixon, was the dominant figure in that bank. Mr. Lilly delivered the \$100,000 to Mr. Milton Semer, a law partner of Mr. Jacobsen, at the Dallas airport. Mr. Semer in turn delivered the \$100,000 to Mr. Herbert W. Kalmbach in Los Angeles. According to the recent White House White Paper press release of January 8, 1974:

"In August of 1969, an attorney for AMPI delivered to Mr. Herbert Kalmbach the sum of \$100,000. Mr. Kalmbach deposited the funds in a Trustee account he maintained at the Security Pacific National Bank in Newport Beach, California. The account contained political contributions remaining from the 1968 election campaign."

From the attached excerpt from the Watergate Senate investigation, pp. 1229 and 1230, it appears that these funds, including the \$100,000 delivered to Mr. Kalmbach, ultimately found their way to the Committee to Re-Elect the President. Notice the reference to paying expenses of 1701. You should be able to readily determine this from Committee to Re-Elect records or Mr. Kalmbach.

The original \$100,000 was charged to a TAPE bank account. It appears that Mr. Robert O. Isham, the former Controller of AMPI, became aware of the requirements of the

Note.--The above referred-to excerpt has been previously printed in Book 3 as Exhibit 34-26 and is not reprinted herewith.

then existing 18 U.S.C.A. § 608 which limited contributions to \$5,000 and if \$100,000 were to be reported, it would be a clear violation of the statute. However, the money had already been delivered.

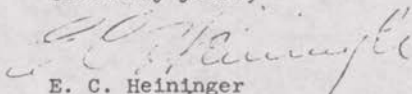
Harold S. Nelson, the former General Manager and Mr. Isham, the former Controller of AMPI, implemented a plan to pay back the \$100,000 out of corporate funds in an attempt to avoid the problem. The first step was to have Mr. Lilly borrow under his own name \$100,000 from the Citizens National Bank, which he did on December 17, 1969. The proceeds were used to replace the \$100,000 taken from TAPE funds which had been given to Mr. Kalmbach in August of 1969. Lawyers and public relation consultants retained by AMPI were asked to remit amounts to Mr. Lilly and these amounts were used by Mr. Lilly to repay the December 17, 1969 loan to the Citizens National Bank. Arrangements were made to increase the fees that were billed to AMPI to cover funds which were transmitted to Mr. Lilly. In addition, AMPI made commitments and additional amounts were paid to take care of the income tax consequences of the added income to at least one of the attorneys involved. By the end of 1971 the \$100,000 Lilly loan had been repaid and what started out to be a TAPE contribution was converted to a contribution out of corporate funds.

This has been rather fully explored in the depositions of Mr. Stuart H. Russell, one of the attorneys, which was taken in United States v. AMPI and related cases, and Mr. Jacobsen, whose deposition was taken in Nader v. Butz. Mr. Lilly and Mr. Isham have been granted immunity by both the Watergate Grand Jury and the Senate Committee and also will confirm the facts set forth above. Mr. Nelson was replaced as General Manager of AMPI as of January 12, 1972. The new General Manager, Dr. George L. Mehren, was not involved in these transactions, nor was the Board of AMPI informed of them.

If you require more information, let us know. Needless to say, both the Committee to Re-Elect and AMPI have sufficient

litigation and other problems in these troubled times without adding another one. I hope the Committee will find its way clear to refund the \$100,000 quickly. Please let me know when we may expect an answer to our request.

Sincerely yours,


E. C. Heininger

ECH/dt
Enclosure

cc: Ralph E. Hartman, Esq.
Edward L. Wright, Esq.
Dr. George L. Mehren
Alan Weitz, Esq.
Jon Sale, Esq.
Don Graham, Esq.
Edward C. Rustigan, Esq.
Robert Uvick, Esq.
Mr. John Butterbrodt

TUESDAY, MARCH 26, 1974

U.S. SENATE,
SELECT COMMITTEE ON
PRESIDENTIAL CAMPAIGN ACTIVITIES,
Washington, D.C.

The Select Committee met, pursuant to notice, at 10:20 a.m., in room G-334, Dirksen Senate Office Building.

Present: Senator Inouye.

Also present: Alan S. Weitz and W. Dennis Summers, assistant majority counsels; Donald G. Sanders, deputy minority counsel; and Gordon Freedman, research assistant.

Senator INOUE. Raise your right hand.

Do you swear to tell the truth, the whole truth, and nothing but the truth, so help you God?

Mr. HARRISON. I do.

Senator INOUE. Give your name and address.

Mr. HARRISON. Marion Edwyn Harrison, 1701 Pennsylvania Avenue NW., Washington, D.C.

Mr. SUMMERS. Before I begin to question you, I would like to state from the outset that Mr. Harrison is appearing before the committee under a committee subpoena, which is an ongoing subpoena.

Mr. Harrison, when you were testifying before the committee in your first appearance, you stated that your law firm was retained by Associated Milk Producers for a period of time running between January 1, 1972, and June 30, 1972. Is that substantially correct?

TESTIMONY OF MARION E. HARRISON

Mr. HARRISON. January 1, 1970, to June 30, 1972—2½ years.

Mr. SUMMERS. I see. And your firm was on a retainer of \$3,000 per month, is that correct?

Mr. HARRISON. The last time I was here, I presented the actual statements we sent out which state the amounts we billed and the amounts we were paid. I can't call to mind the precise figures without looking at those statements.

Mr. SUMMERS. But the retainer arrangement was \$3,000 per month with additional billings according to the work that was done, is that right?

Mr. HARRISON. Not exactly; \$3,000 was not the exact figure. If you have those bills—it's an odd figure. It's close to it, but that's not the precise figure.

Mr. SUMMERS. But you were on retainer. That's the point. Your firm was on retainer, though?

Mr. HARRISON. Yes, sir.

Mr. SUMMERS. Would you please explain to us the nature of your law firm's representation of Associated Milk Producers?

Mr. HARRISON. Washington counsel for Associated Milk Producers, Inc.

Mr. SUMMERS. What was the nature of the legal work that you performed for the cooperative?

Mr. HARRISON. Professional advice involving any area of the law on which we were asked for advice.

Mr. SUMMERS. In what areas were you asked for advice?

Mr. HARRISON. A large spectrum of the problems affecting the dairy co-ops, including but not limited to, import and export matters before the Agriculture Department and the Tariff Commission and the White House, parity matters, legislation short of actually lobbying for anything; to some extent problems involving Federal milk marketing orders; to a limited quantitative extent, matters involving the legal limitations upon TAPE, which was the—speaking somewhat loosely—a political trust fund controlled by AMPI.

Mr. SUMMERS. Any other matters?

Mr. HARRISON. There probably were some others but I would think that most of them would come within the scope of the broad categories I just enumerated.

Mr. SUMMERS. Did you represent AMPI on any matters relating to antitrust suits by either civil or government—either civil or government suits?

Mr. HARRISON. Not really. On one occasion I was asked to look into an antitrust matter which I did.

Mr. SUMMERS. And what was that matter?

Mr. HARRISON. A lawsuit was filed early in 1972 by the Justice Department against AMPI. That was the matter.

Mr. SUMMERS. Who asked you to look into that?

Mr. HARRISON. Stuart Russell.

Mr. SUMMERS. And what did he ask you to do?

Mr. HARRISON. He telephoned me on or about the day the lawsuit was filed, which was somewhere in the neighborhood of February 1, 1972, and told me in substance—not necessarily these words—that Justice had filed a lawsuit, specifically a civil antitrust suit, against AMPI; that he had just gotten word of it from the Chicago office of the Antitrust Division of the Justice Department; that he had had no advance notice of it; that contrary to the usual modus operandi involving antitrust suits—which I can tell you from my own experience in administrative law involves most suits in which the Government is the plaintiff—there had been no overt investigation of AMPI and no discussions with AMPI counsel, so to speak, it had just come out of the blue. And that the Justice Department, contrary to its usual practice, was allowing AMPI a brief period of time, which I think was 48 hours—at any rate it was a very short period of time—to consent to a proposed consent decree or the lawsuit would actually be filed, and was not allowing AMPI its own copy of the proposed complaint in the lawsuit, but was limiting it to coming to the Chicago office and reading the complaint there.

And as I interpreted Stuart Russell's remarks, he was most alarmed at the dramatic and unusual and, as he characterized it to me, unprecedented manner in which the lawsuit was filed and his query was

to me—again these are my words now, not necessarily his words—why was AMPI being singled out for this type of treatment and what, if anything, could be done about it?

Mr. SUMMERS. Was your conversation with Mr. Russell the first time you had learned of the Government antitrust suit against AMPI?

Mr. HARRISON. Yes, and I took it it was the first time he learned—at any rate, it was the first time I had.

Mr. SUMMERS. When was it that he called you?

Mr. HARRISON. Well it was within a day or two, if not the very same day, that AMPI was notified that the proposed complaint was reposing in the Chicago office of the Antitrust Division of Justice and that it would be filed within the time period that I just mentioned. If someone would look at the date, we could reconstruct.

Mr. SUMMERS. The suit was in fact filed on February 1, 1972, so using that as a frame of reference, what date would you place the phone call?

Mr. HARRISON. Probably the business day before that.

Mr. SUMMERS. Were you, prior to the time of your conversation with Mr. Russell, aware that AMPI was, in fact, being investigated by the Antitrust Division of the Justice Department?

Mr. HARRISON. No, I was not.

Mr. WEITZ. Did you ever have occasion to discuss with Mr. Chotiner such investigation?

Mr. HARRISON. Before or after the telephone call from Stuart Russell?

Mr. WEITZ. Before.

Mr. HARRISON. No.

Mr. WEITZ. What about after?

Mr. HARRISON. Yes.

Mr. WEITZ. And what was the substance of—was there more than one conversation, or just one?

Mr. HARRISON. I would say several, although in a very short period of time.

Mr. WEITZ. Are you able to summarize the substance of this conversation?

Mr. HARRISON. Oh, yes. My reaction to Stuart Russell was that what was done was done and I doubted anything could be done about it other than possibly some kind of assurance that the future handling of the case would be no harsher than the future handling of any antitrust case.

Mr. WEITZ. Was that your understanding of his request of you, to seek such assurance?

Mr. HARRISON. Oh, more or less. His request was not specific and was presented in what I interpreted to be a state of some measure of shock and agitation and concern as to why it was his client was being—to use my words now which may not have been his words—persecuted and not just prosecuted.

Mr. SUMMERS. What affirmative action did you take to pursue the matter after you talked to Mr. Russell?

Mr. HARRISON. Well, first I thought about it, wondering if I had accurately opined to Stuart Russell that probably not much if anything could be done about it and certainly nothing concerning the peremptory nature of the filing of the complaint.

And then I discussed it with Murray Chotiner and inquired of—and inquired of him if his view was substantially similar to mine, which it was.

And then I decided that it would be useless to discuss it with the then-Attorney General because under the law it's the Attorney General that signs the complaint in an antitrust case, and apart from a particular personality, it's most unlikely that somebody who had signed a complaint presumably—although I don't know this as a fact and of course didn't know it as a fact then—presumably knowing that the complaint is going to be filed suddenly with something like 48 hours' notice to consent and no more—it's most unlikely that that person is going to backtrack.

I may not have learned much in my years of practicing law inside and outside of the Government in Washington, but one thing I've learned is that human nature is such that if a Government official or employee puts something in writing, most of the time it's unreasonable to ask him to undo what he has done. Often in an informal discussion prior to the time something is put in writing, sweet reason will prevail and one can dissuade somebody from doing something or induce them to do it slightly different or with a slightly different time limit.

At any rate, I probably—I'm a rather candid fellow particularly when talking to fellow lawyers and clients—I probably told him that at the moment I didn't know what I could do, if ever. And that in any event, John Mitchell was going out as Attorney General and Judge McLaren, who was Assistant Attorney General, Antitrust Division, had gone on the bench from Chicago and had left on or about the very day that the lawsuit was filed; so therefore the likelihood of any reasonable discussion with either of those two was most remote.

Mr. SUMMERS. I take it then at the time of your conversation with Mr. Russell, it was your understanding that the complaint had in fact been signed by Attorney General Mitchell; is that correct?

Mr. HARRISON. That was my understanding, yes.

Mr. SUMMERS. As a result of your conversation with Mr. Russell, did you contact anyone in the Justice Department to find out the status of the lawsuit?

Mr. HARRISON. Subsequently, yes.

Mr. SUMMERS. Who was it that you contacted?

Mr. HARRISON. Richard G. Kleindienst.

Mr. SUMMERS. And when did you contact Mr. Kleindienst?

Mr. HARRISON. It was not until after he became Attorney General, which was sometime thereafter.

Mr. SUMMERS. And what did you ask him?

Mr. HARRISON. Well, first I told him the story as I knew it of the sudden and peremptory and unusual nature of the filing of this suit. And, as he knows, so I didn't have to tell him, our law firm does not practice antitrust law, but we do practice many other varieties of administrative law and I said I was quite concerned. And the client's counsel who handled their antitrust matters was quite concerned with the peremptory and sudden nature or means of the filing of the suit. And I thought our client ought to get treatment which was no harsher than the treatment that anybody else got.

And he said that—probably using an expletive or two which is colorful in private conversation—that he didn't know anything about the

lawsuit because at the time it came up he was Deputy Attorney General and antitrust suits for approval go from the Assistant Attorney General, Antitrust Division, to the Attorney General, they don't go through the Deputy. But, as a broad philosophical proposition, he agreed with me. He said, "Why don't you go talk to Tom Kauper?" who by that time had come down from Michigan Law School to be Assistant Attorney General, Antitrust Division—mind you, this was months later—so I did.

Mr. SUMMERS. Would you place this conversation after the time that Mr. Kleindienst was confirmed?

Mr. HARRISON. Yes.

Mr. SUMMERS. Now he was confirmed on June 8, 1972, so would it be your testimony that you discussed the AMPI antitrust suit with him after that date?

Mr. HARRISON. Yes.

Mr. SUMMERS. And was it your understanding at that time that Mr. Kauper had assumed the position of Assistant Attorney General, Antitrust?

Mr. HARRISON. He either was in "acting" status, or actually had been confirmed. He physically was in the office but all his personal desk adornments and whatnot had not been laid out, so he had not been there very long.

Mr. SUMMERS. Is it your testimony, then, Mr. Harrison, that the first contact you had with the Justice Department after discussing the suit with Mr. Russell was the conversation which you just described with Mr. Kleindienst?

Mr. HARRISON. Yes. Mind you, I would have had it much sooner if he had been confirmed much sooner, but as you may recall, his confirmation ran into quite a hassle and was considerably delayed beyond what the press earlier was predicting.

Mr. SUMMERS. Are you aware of any contacts which might have been made by Mr. Chotiner with anyone in the Justice Department concerning this suit?

Mr. HARRISON. I'm aware of one.

Mr. SUMMERS. And when was that?

Mr. HARRISON. That was very soon after Stuart Russell telephoned me. Murray ran into John Mitchell at a cocktail party and I don't know whether Murray brought up the subject to John or vice versa.

I rather assume it must have been Murray who initiated the conversation, inquiring about the unusual nature of the filing of the suit. He got a couple of puffs of John Mitchell's pipe and a rather non-committal response which is what I had predicted to Russell in the first conversation would happen if anybody discussed it with John Mitchell.

Mr. SUMMERS. What was your understanding of what Mr. Chotiner had asked Mr. Mitchell or raised with Mr. Mitchell at that cocktail party? What was the subject of the conversation?

Mr. HARRISON. The subject of the conversation was told to—as told to me by Murray Chotiner—was the sudden and unusual and strange and peremptory manner of the filing of this lawsuit.

Mr. SUMMERS. And what was Mr. Mitchell's response?

Mr. HARRISON. I've just described it.

Mr. WEITZ. Do you know if there was any reference either by Mr. Chotiner or Mr. Mitchell in their conversation to the political sup-

port which the dairy cooperatives had previously given or intended to provide to the President's reelection campaign?

Mr. HARRISON. Mr. Chotiner mentioned no such discussion to me.

Mr. WEITZ. In your discussions with Mr. Chotiner either before or after his conversation with Mr. Mitchell, did either of you refer to such support in relation to the antitrust suit?

Mr. HARRISON. I don't quite understand the question. Who was talking with whom now?

Mr. WEITZ. Between you and Mr. Chotiner, either before or after the time he met Mr. Mitchell at the cocktail party? In the course of your discussions with reference to the antitrust suit against AMPI, did there enter into your discussion any considerations or any references to the political support or campaign contributions of AMPI or its trusts, to the reelection campaign of President Nixon?

Mr. HARRISON. Well, over a long period of time Mr. Chotiner and I had several conversations with one another—is that what you're talking about?

Mr. WEITZ. Yes; in the course of those conversations.

Mr. HARRISON. With one another, during the course of which one or the other of us would mention the fact that dairy cooperatives were supporters of the Nixon administration, but whether in a conversation during this particular period—which I take it to be February 1972 you're talking about—whether in one and the same conversation one of us was discussing the antitrust suit and contributions, I can't recall as a fact. I would doubt it considering both of us were aware of the contributions. It's illogical, it seems to me, that one would be stating the obvious to the other.

Mr. WEITZ. I'm not talking about restating the fact that contributions had been made, but to put another question to you: Was there any reference to a possible connection or impact that the antitrust suit would have upon additional contributions by AMPI and its political trusts to the reelection campaign?

Mr. HARRISON. Oh, there might have been, in this context. The Nixon administration, to generalize somewhat, from the summer or fall of 1971 up to and including, for that matter, almost to the present date, has done very little affirmative for the dairy co-ops, so I suppose Murray and I somewhere along the line, talking one to the other, might have alluded to the political fact of life that there's a point beyond which an administration can't be hostile to a particular industry or farm group and expect indefinite support from that same industry or farm group.

Mr. WEITZ. Was there any reference in these conversations between you and Mr. Chotiner during that same period, with respect to whether or not additional contributions, if made by the dairy trusts, would have a beneficial impact or influence upon the proceedings of the antitrust suit?

Mr. HARRISON. No.

Mr. WEITZ. Were you aware of any such discussions or intentions on the part of anyone connected with AMPI or representing AMPI in 1972?

Mr. HARRISON. No.

Mr. WEITZ. Were you aware of any such position taken or suggestion made by Jake Jacobsen?

Mr. HARRISON. No.

Mr. WEITZ. Did Dr. Mehren or anyone else connected with AMPI or TAPE seek any advice from you or discuss with you possible additional contributions to the reelection campaign in 1972?

Mr. HARRISON. George Mehren might have. I don't recall anybody else that did or would have. George Mehren became general manager of AMPI in January 1972. He and I had a discussion on all manner of subjects in San Antonio soon thereafter, in January 1972. Of course that was before I knew anything about the possible antitrust suit and I take it it was before he did. I don't recall any discussion after that about contributions.

Mr. WEITZ. Do you recall at that conversation—at that meeting—reference to the fact that he was to meet with Mr. Kalmbach several days thereafter?

Mr. HARRISON. No. As a matter of fact, I not only did not know about that meeting in advance, but it was very long thereafter that I learned about it, which I took to be a lack of confidence on his part with regard to me, which I guess was accurately taken because I was asked for very little advice on any subject after he became general manager and the retainer was terminated in May or June, effective June 30.

Mr. SUMMERS. Mr. Harrison, I hand you copies of two letters. Would you please identify these letters for the record?

Mr. HARRISON. Yes, these are two letters I wrote; one to George Mehren and one to Stuart Russell on the same date and I sent a copy of each to the other.

[The letters referred to above appear in Book 16 as Mehren exhibits Nos. 1-C and 1-B, respectively.]

Mr. SUMMERS. What was the occasion of your writing these two letters, Mr. Harrison?

Mr. HARRISON. I couldn't reach either one by telephone to continue, or conclude as it were, a conversation or conversations that I had had with each and I was about to leave to go somewhere—skiing, I believe.

I think maybe if we check a calendar, February 25, 1972, turns out to be a Friday, Saturday, or Sunday, so I put in writing what I would have said had I been able to reach them by telephone. Otherwise the matter, you see, would have gone over for another week or two.

[Discussion off the record.]

Mr. SUMMERS. Mr. Harrison, I refer you to the first letter, dated February 25, 1972, to Dr. George Mehren. In the first sentence of that letter you state:

In view of the changing of the guard, apart from Jake's reasoning, I decided, with Murray's concurrence, not to talk with the incumbent but to take the matter up anew with his successor.

What did you mean when you said "In view of the changing of the guard"?

Mr. HARRISON. The guard was changing. Judge McLaren had left and John Mitchell, if he hadn't left was soon to leave.

Mr. SUMMERS. Were you referring to both those changes?

Mr. HARRISON. Yes.

Mr. SUMMERS. What was "Jake's reasoning" on this matter?

Mr. HARRISON. According to Stuart Russell, his reasoning was, as quoted to me in the very first conversation when Stuart Russell called me and invited this problem to my attention, he quoted Jake Jacobsen

as having said that nothing could be done about it—what was done was done. His reasoning was the same as mine.

Mr. SUMMERS. But you are contrasting what you planned to do as indicated in this letter, with what Jake's reasoning was. So how can you say that yours is concurrent?

Mr. HARRISON. "Apart from" means "in addition to."

Mr. WEITZ. Just to clarify, in other words you're saying that Mr. Jacobsen's reasoning, as related to you by Mr. Russell, was that nothing could be done with those, at that time, in charge of the Justice Department? Is that correct?

Mr. HARRISON. Precisely; and I'm saying that that is my view apart from Jake Jacobsen's reasoning. In other words, I'm not relying on his reasoning. I'm telling my client that it's my reasoning.

Mr. WEITZ. But you did think it should be taken up with the successor leadership of the Justice Department?

Mr. HARRISON. Yes. Bear in mind, this is the written conclusion to a series of two or three telephone conversations. Consequently I had no need to explain or lead into these comments. The addressees could have had no doubt what I was referring to.

Mr. SUMMERS. If you felt nothing could be done about this matter, why did you decide to even take it up with the successor, meaning I take it, Mr. Kleindienst?

Mr. HARRISON. I felt that nothing could be done with the present guard and that nothing could be done concerning the filing. I hoped for fair treatment for the future.

Mr. WEITZ. Mr. Harrison, in the second paragraph, the sentence reads as follows—before I quote, there's a reference to Murray talking to John at the party, which I think you referred to, and the following sentence goes: "The version of the facts I surmised to you by telephone is confirmed. I guessed 'right.'" What version of the facts was that?

Mr. HARRISON. The ones to which I have testified—namely, that John Mitchell puffed on his pipe and indicated or implied that he knew little about it. It was a recommendation from Judge McLaren which he signed off on.

Mr. WEITZ. Mr. Mitchell did relate that to Mr. Chotiner?

Mr. HARRISON. Yes, and I claim no prowess as a pundit, but that's what I predicted to Stuart Russell, that in the very first conversation if anybody discussed it with him he would puff on his pipe and be noncommittal and say, "Well, Judge McLaren sent me the complaint so I signed it, what they do with it afterwards is a matter for the Anti-trust Division," which, of course, it is.

Mr. WEITZ. Was there any discussion between you and Mr. Chotiner or between you and any other lawyers for AMPI concerning the possibility that Mr. Mitchell had signed the complaint with the idea that the negotiation period would run beyond the time Mr. McLaren would be at the Justice Department and would have no further say in the actual filing of the complaint?

Mr. HARRISON. The answer to your question is "No." I don't want to speculate on what the Attorney General's intentions were.

Mr. WEITZ. I didn't ask you to speculate, I asked you whether you discussed that possibility with Mr. Chotiner or any other lawyers for AMPI.

Mr. HARRISON. No; I don't recall discussing that possibility. I suppose it is one.

Mr. SUMMERS. In the third paragraph of this same letter, you state, "The confirmation vote will be no earlier than February 29 and probably later next week." Whose confirmation are you referring to there?

Mr. HARRISON. Mr. Kleindienst's, except as you may recall it was months later.

Mr. SUMMERS. Now in the last paragraph of this same letter, you state that, "In a week or two I'll endeavor to zero in." What affirmative action did you take to "zero in" on this matter?

Mr. HARRISON. Nothing until several months later because Mr. Kleindienst didn't get confirmed until several months later. In fact, you said awhile ago it was June, so it was more than several months.

Mr. WEITZ. What did you intend to do—what did you intend to mean by that letter, or that phrase?

Mr. HARRISON. I intended to do precisely what I did except I intended to do it much sooner because I anticipated the confirmation would occur much sooner and that is, to go see Mr. Kleindienst as Attorney General, not merely as Acting Attorney General, and explain to him the facts as reported to me and ask his advice on what, if anything, could be done to gain for this client the same measure of treatment as other defendants got in civil antitrust suits.

Mr. SUMMERS. I refer you now, Mr. Harrison, to the second letter dated February 25, to Stuart Russell.

In the first paragraph of this letter you state, "There's nothing like being able to control a subordinate or, phrased another way, beware of confirmed judges who aren't judging yet." What did you mean by that?

Mr. HARRISON. It requires knowing the story of Judge McLaren's confirmation. Richard McLaren was nominated and confirmed very quickly. I have heard it said that in recent years nobody on the Federal bench has been nominated and confirmed so quickly. As I recall it was a matter of hours, all in 1 day. But then he didn't leave the Justice Department for a month or two after that, so he was a confirmed judge still sitting as Assistant Attorney General and he churned out, I am told, several antitrust cases of which this was merely one, and obviously issued instructions to the people down the line as to the timetables and other matters as to how those cases were to be handled.

Now bear in mind, Stuart Russell and George Mehren knew all of that. They may have known it on their own or I may have told them. But at any rate, in a couple of conversations before this letter—bear in mind this letter is a substitute for the concluding conversation on the subject I am referring to, and frankly I think that's a pretty good axiom. There isn't anything like the ability of a superior to control his subordinate.

Mr. SUMMERS. Which superior were you referring to when you said "control the subordinate"?

Mr. HARRISON. The Chicago office of the Antitrust Division which was and is as I understand it in charge of this case.

Mr. SUMMERS. So you're referring to more than one individual? You mean collectively, all of those people in the Chicago office who were working on this antitrust suit?

Mr. HARRISON. Plus all the people in the Washington office who were working on it.

Mr. SUMMERS. Would that include Mr. Walker Comegys who was Acting Assistant Attorney General when Judge McLaren left?

Mr. HARRISON. If he was involved in this case, yes.

Mr. WEITZ. Would it include Mr. McLaren?

Mr. HARRISON. No, because it was his instruction.

Mr. WEITZ. In other words, you are not referring to Mr. Mitchell controlling Mr. McLaren?

Mr. HARRISON. No, no. I'm referring to Judge McLaren controlling his subordinates. I don't know whether you've ever worked in the Government or not, but I have and I've been at various levels of the totem pole and I think it's a very fundamental axiom that if a superior sends down an instruction, barring something most unusual, that instruction is going to be followed.

Mr. WEITZ. Didn't John Mitchell send out an instruction by signing the complaint to his subordinate, Judge McLaren?

Mr. HARRISON. That's not the way I interpret the functioning of the Antitrust Division.

Mr. SUMMERS. The antitrust suit was filed on February 1. Judge McLaren left office, as I understand, on February 2. The date of the writing of this letter is February 25. Now are you stating that Judge McLaren, even though he had gone, still retained some sort of control of the lawsuit?

Mr. HARRISON. I am stating that his instruction was still binding.

Mr. SUMMERS. In spite of the fact that there was an Acting Assistant Attorney General for Antitrust and at the time of the writing of this letter there was a new Attorney General nominated?

Mr. HARRISON. But not confirmed. I hasten to tell you, Mr. Summers, my experience is that persons occupying governmental positions in acting capacities, be they active candidates for nomination or otherwise, are very reluctant to overrule instructions of predecessors and probably the better part of wisdom in most instances is that they not do so.

Mr. SUMMERS. In terms of negotiations of this suit after the suit was filed, have you participated in the negotiations that may have taken place between the Justice Department and AMPI since the time period that we have just been discussing?

Mr. HARRISON. No.

Mr. WEITZ. Are you aware of any efforts by AMPI to make additional contributions prior to April 7, 1972—I'm sorry, not AMPI but TAPE or CTAPE, to the President's reelection campaign?

Mr. HARRISON. I don't understand the import of your question. All contributions prior to April 7, 1972—

Mr. WEITZ. From January 1, 1972, to April 7, 1972, were you aware of any efforts during that period by TAPE or CTAPE to make contributions to the President's reelection campaign?

Mr. HARRISON. No. I was aware of almost virtually nothing between the change in management in January 1972 in AMPI and April 7, 1972. Or, for that matter, June 30, 1972.

Mr. WEITZ. Were you aware of any contacts between representatives of AMPI during that period and Mr. Kalmbach?

Mr. HARRISON. Somewhere along the line I learned that Dr. Mehren had met with Mr. Kalmbach but I don't think I learned it during the period I was still retained by AMPI.

Mr. WEITZ. What was your understanding of the purpose and substance of those contacts, or contact?

Mr. HARRISON. Well, I had no understanding. I also had considerable curiosity as to why the meeting in view of the fact that Dr. Mehren's comments to me about the administration in general—and I'm not referring to ad hominem comments—were quite negative.

Mr. WEITZ. Did he indicate that he did not want to make any contributions?

Mr. HARRISON. In spirit, perhaps, if not in words.

Mr. WEITZ. Were you aware of any contacts during that same period between representatives of AMPI and Secretary Connally?

Mr. HARRISON. No. The entire Connally bit, such as it may be, I have become aware of quite recently through hearsay, the newspapers and television being asked questions about Mr. Connally and myself whom I have never met.

Mr. WEITZ. Do you know of any other contacts or efforts made between representatives of AMPI during that period and those in Government, outside of the Chicago office of the Justice Department, in connection with the antitrust suit?

Mr. HARRISON. No.

Mr. WEITZ. I have one other area. Would you like—Don, would you like to ask a question?

Mr. SANDERS. No questions.

Mr. WEITZ. I have one other brief area I'd like to ask you about. Are you aware of any contact between Murray Chotiner and Herb Kalmbach on either March 24 or March 25, 1971?

Mr. HARRISON. Clue me in as to what happened on those two dates.

Mr. WEITZ. All right; let me step back for a moment. Do you recall a meeting on March 23, 1971, between the President and certain dairy leaders?

Mr. HARRISON. Yes. I was there.

Mr. WEITZ. Do you recall that on March 25, 1971, 2 days later, the administration announced an increase in milk price supports?

Mr. HARRISON. I can't attribute the date, but I do recall it was 2 days later.

Mr. WEITZ. Then that would be March 25. During that period from the time of the meeting with the President and the time of the announcement of milk price supports, do you have any knowledge of any contacts or meetings between Mr. Chotiner and Mr. Kalmbach?

Mr. HARRISON. Yes, I know of one.

Mr. WEITZ. And how did you come to that knowledge?

Mr. HARRISON. I was told by Mr. Chotiner.

Mr. WEITZ. Do you recall when he told you?

Mr. HARRISON. I figured that would be your next question and I was trying to think in advance of about when it was.

Mr. WEITZ. Would it have been shortly after the meeting?

Mr. HARRISON. No. A good bit thereafter.

Mr. WEITZ. Within 1971?

Mr. HARRISON. It might have been within 1971 but a very good bit thereafter, many months—if even 1971 at all.

Mr. WEITZ. Do you place any connection with arrangements to have TAPE make contributions to the President's campaign in 1971—in other words, did the conversation take place in connection with conversations relating to contributions?

Mr. HARRISON. Would you like to repeat, or restate, that question?

Mr. WEITZ. Your conversation with Mr. Chotiner in which he informed you of his prior meeting with Mr. Kalmbach, did that conversation take place in connection with you discussing with Mr. Chotiner then ongoing contributions by the dairy people to the President's reelection campaign?

Mr. HARRISON. No. As I recall it took place at about the time counsel for plaintiff in *Nader v. Butz* was taking, or was going to take, my deposition and Mr. Chotiner's deposition.

Mr. WEITZ. Could you tell us what Mr. Chotiner told you about this meeting?

Mr. HARRISON. Yes. He told me that he and Harold Nelson, who, in 1971, was general manager of AMPI, had a brief meeting with Mr. Kalmbach and that the meeting was the evening of the Republican fundraising dinner in March 1971—some of this I might have been listing while he was deposing. He may not have been telling me as much as telling the record. But at any rate, I think it's still responsive to your question and he probably said the hotel at which the meeting took place, but I don't recall that offhand.

Mr. WEITZ. Do you recall whether it was the Madison Hotel?

Mr. HARRISON. It was either the Madison or else it was the Washington Hilton.

Mr. WEITZ. Did he tell you how he came to meet with Mr. Kalmbach?

Mr. HARRISON. What do you mean by "how"?

Mr. WEITZ. Who arranged for the meeting; what the purpose of the meeting was.

Mr. HARRISON. No. But I got the impression that either he or Mr. Kalmbach arranged it. I am not sure he ever told me that in so many words.

Mr. WEITZ. Did he mention Mr. Ehrlichman's name in connection with the arrangements for the meeting?

Mr. HARRISON. No.

Mr. WEITZ. What did he tell you transpired at the meeting?

Mr. HARRISON. He told me that Harold Nelson reiterated to Herbert Kalmbach that the dairy cooperatives wanted to make further contributions to the Nixon Presidential campaign.

Mr. WEITZ. What was Mr. Kalmbach's response as related to you by Mr. Chotiner?

Mr. HARRISON. Do you want to know the truth? His response was that Mr. Kalmbach was very sleepy and he thought they had probably awakened him and that he thought Mr. Kalmbach was a rather unenthusiastic solicitor of campaign contributions and that was said, I hasten to say, in a somewhat lighthearted manner.

Mr. WEITZ. Did he tell you anything else that was said at the meeting?

Mr. HARRISON. No, I don't think so. As I recall he said it was a very brief meeting.

Mr. WEITZ. Now in your previous appearance and testimony before this committee—and I don't want to go into it—I believe you indicated there was at least one previous meeting in 1970 which you attended and the topic of which was ways in which—you know, setting up of committees to receive contributions from the dairy trusts for the President's reelection campaign.

Now, could you tell me whether you understood from Mr. Chotiner what the purpose of this meeting between him, Mr. Nelson, and Mr. Kalmbach was on March 24 in view of those earlier meetings where such arrangements and declarations had perhaps already been stated?

Mr. HARRISON. I was and still am a little unclear of the full purpose. The logical purpose would be that way back in November of 1970 at the meeting to which you refer there was discussion that names and addresses of committees and committee officers would be furnished to the dairy co-ops so that the dairy co-ops could make contributions to the Nixon campaign and it was then 5 or 6 months later and nobody had produced the name of committee No. 1.

Mr. WEITZ. Did Mr. Chotiner in any way indicate to you that the purpose, or in some way—some of the discussion of this meeting between Kalmbach and Nelson on March 24, related to the milk price support decisions?

Mr. HARRISON. No.

Mr. WEITZ. Did he say it did not? Or did he just not refer to it?

Mr. HARRISON. I don't recall his referring one way or another.

Mr. WEITZ. Are you on good terms with Charles Colson?

Mr. HARRISON. I rather doubt that I am too high on Chuck Colson's list of admirers, but I'm not sure.

Mr. WEITZ. Did Mr. Chotiner in any way indicate that your relations with Mr. Colson were the subject matter of any meetings he had with the dairy people or Republican fund raisers? When I say "your relations," your esteem, and so forth, in Mr. Colson's view.

Mr. HARRISON. Long thereafter, Murray Chotiner told me that he had learned Chuck Colson wanted to steer our client away from me to somebody who was less difficult or easier to get along with, more amenable or more pliable.

Mr. WEITZ. Now, without casting any aspersions on you or anyone else, was this in connection with the—in 1972—any increased representation for AMPI by Jake Jacobsen or his firm?

Mr. HARRISON. No. I have no knowledge of the Jacobsen people entering into this at all.

Mr. WEITZ. But you say that Mr. Chotiner indicated this to you "long after," long after what? Your representation of AMPI had ceased?

Mr. HARRISON. Yes.

Mr. WEITZ. He didn't indicate that to you at any time in 1971?

Mr. HARRISON. Oh, no. In fact, I think it was in 1973.

Mr. WEITZ. Is there anything else that you can recall that Mr. Chotiner related to you about the meeting between himself and Mr. Nelson and Mr. Kalmbach on March 24?

Mr. HARRISON. No.

Mr. WEITZ. Did he tell you what was decided, or whether anything at all was decided at the meeting, other than Mr. Nelson's declaration and Mr. Kalmbach's somewhat unenthusiastic or sleepy response?

Mr. HARRISON. Oh, yes. That the fundraising effort would get on the ball and in due course they'd come up with some names of committees and names and addresses of officers of the committees.

Mr. WEITZ. When did you learn of the milk price-support decision—that it would be increased?

Mr. HARRISON. The day it was announced.

Mr. WEITZ. March 25?

Mr. HARRISON. If that's the day it was announced.

Mr. WEITZ. Did you learn it shortly before, or at the time of the public announcement?

Mr. HARRISON. I learned it either at that time or a few minutes before. I received a call from somebody in the Agriculture Department who said that the messengers were on the way to the Hill, or had gone to the Hill—I don't recall which—and the decision was about to be announced, or was being announced.

Mr. WEITZ. You didn't learn of it the evening before at the Republican fundraising dinner or shortly thereafter?

Mr. HARRISON. Absolutely not.

Mr. WEITZ. If Mr. Chotiner had known about the decision to increase price supports the previous evening, it's your belief he would have told you of his information—of that information?

Mr. HARRISON. I think he would have.

Mr. WEITZ. He didn't do so?

Mr. HARRISON. He did not do so.

Mr. WEITZ. To your knowledge, did he know of the price support increase before it was announced on the 25th?

Mr. HARRISON. To my knowledge, he did not.

Mr. WEITZ. Mr. Sanders, do you have any questions?

Mr. SANDERS. No questions.

Mr. WEITZ. Senator? Any questions?

Thank you, Mr. Harrison.

Thank you, very much.

[Whereupon, at 11:20 a.m., the hearing in the above-entitled matter adjourned.]

TUESDAY, APRIL 2, 1974

U.S. SENATE,
SELECT COMMITTEE ON
PRESIDENTIAL CAMPAIGN ACTIVITIES,
Washington, D.C.

The Select Committee met, pursuant to notice, at 3 p.m., in room 109, Russell Senate Office Building.

Present: Senator Talmadge.

Also present: James Hamilton, assistant chief counsel; Donald Sanders, deputy minority counsel; Richard L. Schultz assistant minority counsel.

Senator TALMADGE. We might as well go ahead and swear the witness.

Would you please stand up and raise your right hand? Do you, Joe Johnson, solemnly swear that the evidence you shall give the Select Committee on Presidential Campaign Activities of 1972 shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. JOHNSON. Yes, sir.

Senator TALMADGE. All right. Now you are recognized, Mr. Williams.

Mr. WILLIAMS. Thank you, Mr. Chairman. Well, first off, Mr. Johnson's first appearance, as I am sure Mr. Sanders will concede—at that he appeared voluntarily. Now, he could have made a transcript or not made a transcript. You had a girl there reporting things and we didn't object to that and even ask for a copy of the transcript, which wasn't available. He testified then as to all the details of what went on, both with respect to his employment by the Associated Milk Producers, Inc., and its predecessor, and then as to his role with the Mills campaign.

Now, it came back into focus in connection with the records of the Mills campaign—and I don't mean to be disrespectful to the committee, Senator, I mean Mr. Chairman—but we first started coming up here and our people appeared voluntarily and it was only shortly thereafter that we began to read in the national newspapers about all this and we, that is, people connected with the campaign, began to get calls from reporters, where they either had read to them or received verbatim transcripts of investigators' reports about certain activities. That is when we just said that our voluntary cooperation was going to cease because there is just no point in coming up here and talking about things and then reading about them in the newspapers, particularly where there are inaccuracies in the newspapers.

Your concern, Mr. Sanders, with Joe Johnson "round two," let's call it, arose when he had the records from the campaign and you wanted those records and we talked and he could have been in on

April 1 and I jokingly said that we wouldn't come in on April 1 because our appearance on that date might be suspect, but we agreed to come in on April 2 and bring all of the records.

Your concern at that time was whether any of the records had been destroyed or otherwise altered and I said that he will answer the questions about that to the extent that he has not altered or destroyed any of the records. Then you wanted to get back into the milk thing and our position on that is he is not going to testify. This is the subject of grand jury investigation. We have no assurance and indeed no assurance can be made by even this committee that this won't appear in the newspapers in a distorted form. The grand jury is not sequestered and they could read this and they could form the wrong interpretation and Mr. Johnson could be summoned before the grand jury and there is just no telling what could happen.

Mr. SANDERS. I would like to proceed with the questioning I suppose. That is where we stand, Mr. Chairman.

Senator TALMADGE. What about Mr. Williams' argument?

Mr. SANDERS. Sir, do you want me to respond to it?

Senator TALMADGE. Yes, either you or Mr. Hamilton. First, let me ask this question: Do you intend to plead the fifth amendment for Mr. Johnson?

Mr. WILLIAMS. We intend to assert all of his constitutional privileges and encompass therein his privilege, as recognized by the District of Columbia, against incrimination, penalty, and forfeiture, including public degradation. Now we don't want to be put in a position—that is, Mr. Johnson has not read the Constitution in full since his days in college and he is not going to respond to the question "Do you plead the fifth amendment?" He is going to read a statement prepared by his counsel and is under my instructions in this regard.

Mr. SANDERS. Then I would like to respond, Mr. Chairman. Just for the record, there was a subpoena issued and signed by Senator Baker dated March 18 for Mr. Johnson. Soon after it had been given to the marshal for service, I did receive a call from Mr. Williams saying he would voluntarily appear, so the subpoena has been withdrawn and has not yet been served. The reason for requesting the subpoena in the first place was that Mr. Williams had said that Mr. Johnson had the records, which had been returned by the Special Prosecutor, but that he would not voluntarily bring them in. So, therefore, I requested the issuance of a subpoena.

These records had been in the possession of the Special Prosecutor for some time and had been given to the Prosecutor by Mr. Williams. They are Draft Mills' records and had before that been in the custody of Mr. George Jernigan. I had subpoenaed Mr. Jernigan, and then Mr. Jernigan told me they had been given to the Special Prosecutor and the Special Prosecutor wouldn't release them to me, but finally said he was finished with them.

Senator TALMADGE. But what is your response to the argument about the grand jury investigation?

Mr. SANDERS. Well, I think that the nature of that argument is pleading the fifth amendment. That is my understanding of the true nature of what he is saying. And if Mr. Johnson asserts the fifth amendment—and I don't want to ask a long series of questions; I want only to ask a few—and if he asserts the privilege of the fifth amendment, I think there is no recourse but to adjourn the session.

Senator TALMADGE. That is my understanding of the law. You may proceed with your questions and if counsel wants to invoke the fifth amendment, he may do so.

Mr. WILLIAMS. All right.

Mr. SANDERS. You have already stated your name for the record. Would you state your place of residence?

TESTIMONY OF JOSEPH P. JOHNSON, ACCOMPANIED BY J. D. WILLIAMS AND ERIC ROITER, COUNSEL

Mr. JOHNSON. 907 Sixth Street SW., Apartment 515C, Washington, D.C.

Mr. SANDERS. Do you have any other residence?

Mr. JOHNSON. I list as a permanent home address the residence of my oldest daughter in Arlington, 1806 Hershaw Street.

Mr. SANDERS. Do you have a place of business other than your residence?

Mr. JOHNSON. No, sir; negative.

Mr. SANDERS. And what is your present employment?

Mr. WILLIAMS. Well, hold on here. I mean if you want to go into the question of the records, which is the initial reason we are here, that is—

Mr. SANDERS. This isn't going to take but a minute, Mr. Williams. I am trying to make it very quick. I just want a little background.

Mr. WILLIAMS. Well, I thought you wanted the records. We turned over the records. If you want to ask some questions about the records, OK. I will state that the witness will state the following answers to three questions: First, the records turned over were the ones he received in my office and the answer to that one would be "Yes." Second, he has not destroyed, altered, or mutilated in any way those records turned over to him in my office, and the answer to that question would be "No." Third, to the best of his knowledge no one else has destroyed, altered, or mutilated any of those records.

Now would those be your answers to those questions?

Mr. JOHNSON. Yes, sir.

Mr. HAMILTON. I would suggest on the other areas you want to get into, that you ask those questions now so you will get a ruling.

Mr. WILLIAMS. He will read a statement also. He has given his name and address and has been sworn. If you want to ask him to read the statement—or I will read it for him—

Mr. SANDERS. I would like to ask a few questions which would be relevant to your responding in this matter.

Senator TALMADGE. I think you can get over to the important question where counsel can state his reasons for refusing to answer and then we can get a ruling there.

Mr. SANDERS. All right. In August 1971 there was in Arkansas an appreciation day for Chairman Wilbur Mills. Following that event, and while you were still on the AMPI payroll, did you provide any assistance to the Draft Mills campaign?

Mr. WILLIAMS. First off, he has already answered questions like that in much more detail. But just for the purpose of protecting the record, I want to read the following statement on behalf of Mr. Johnson.

As you know, Mr. Sanders, he went into some detail and answered questions like that, even those that were pure speculations about per-

centages, and then we read in the newspapers about his answers very shortly thereafter. But just let me read this statement—

Mr. SANDERS. Mr. Chairman, what Mr. Williams has just said is in the nature of argument rather than a response to the question and I would like an opportunity—

Mr. WILLIAMS. Well, I would respond—here is what he will respond to. Now, if you want him to read it himself, he will read it.

Mr. SANDERS. I think the witness should read it, Mr. Chairman.

Mr. JOHNSON. Acting on instructions of my counsel. I respectfully refuse to answer any questions other than those enumerated earlier relating to any aspect of my employment by AMPI or the period thereafter. The bases for this position have been enumerated earlier by my counsel, but they encompass my constitutional privileges and, without limitation, I enumerate amongst those constitutional privileges, the privilege to avoid compulsory penalty and forfeiture, including public degradation.

I wish to point out that I have appeared earlier without any restriction and I have voluntarily turned over all campaign-related records in my possession. The only other records of which I have personal knowledge are those on file with GAO or which have been available for inspection by the committee.

Senator TALMADGE. Do I understand that your response is that you stand on every constitutional right you have; is that correct, Mr. Johnson?

Mr. JOHNSON. That is correct, sir.

Senator TALMADGE. I think he has invoked the fifth amendment, as I understand it.

Mr. SANDERS. All right, Mr. Chairman. I want to say in response to the mention that he has testified before, in the first place he has not testified before. He was interviewed previously.

Second, since that time, and I said this before but it was before the young lady began to record, new information has come to our attention; some of it contained in the Wright report, which is an internal investigation conducted by AMPI, and some of it which I learned acting upon information from the Wright report. And these are some new areas that have come to my attention and that I wanted to ask him about. There are three or four separate categories there. Now, they don't all relate specifically to the question I have just asked. The question is—shall I state it differently? Should I state the different areas?

Senator TALMADGE. Do you intend to invoke the fifth amendment on any and all questions the counsel asks?

Mr. WILLIAMS. His statement is all-encompassing, Mr. Chairman, for any question, no matter how unrelated, or whatever. And under—particularly under the laws of the District of Columbia, you waive your constitutional privileges, and not just the fifth amendment but others, if he answers any questions.

And he gave his name and address and he permitted himself to be sworn. He has appeared voluntarily without any need of subpoena. We think the witness has done all that is required by the law.

Mr. SANDERS. May I ask this? Mr. JOHNSON, do you intend to assert all of your constitutional privileges to any question I would ask concerning your activities for or on behalf of the Mills campaign for the Presidency in 1972?

Mr. WILLIAMS. Now, I object to this. This is exactly what we got into before. And since the McCarthy days it has been recognized—and we don't want this witness to be put into this position—it has been recognized you can't ask questions like "When did you stop beating your wife?"—those kinds of questions. And what has been done in the past is when the witness has indicated an attempt to invoke the fifth amendment, then the questioning has stopped. I mean, you know, you could ask him "When did you stop beating your wife?"

Mr. SANDERS. I don't intend to ask a question like that.

Mr. WILLIAMS. Well, don't ask any questions then. He has read his statement.

Mr. SANDERS. I have several categories here, but they would all pertain to the Mills for President campaign in 1972.

Mr. WILLIAMS. Well, you have gone over this once.

Mr. SANDERS. What I am saying is, are you saying that you would invoke that same privilege to every question in that period?

Mr. WILLIAMS. He has stated before, his employment and periods thereafter, and that encompasses today, tomorrow, and whatever. The statement speaks for itself, Mr. Chairman.

Mr. Sanders, you had a number of opportunities during the last year to talk to these witnesses. Now, all of a sudden right after the chairman says that in his opinion the President is going to be knocked out of office, then we have this sudden interest in him—

Mr. SANDERS. That predated any criticism by Chairman Mills and I think you are making undue use of the record for propaganda purposes and I think it is improper. You are making accusations and requiring me to respond to them.

Mr. WILLIAMS. I am not requiring you to do anything. As I say, he turned over the records. You can read them at your heart's content.

Mr. SANDERS. Well, if the chairman feels that the witness has sufficiently invoked his privilege—

Senator TALMADGE. That is my understanding of what the witness did.

Mr. HAMILTON. May I make a suggestion?

Senator TALMADGE. Sure.

Mr. HAMILTON. May I suggest that you rule that his refusal to testify is justified on the basis of the fifth amendment, and the fifth amendment alone, and not other unspecified constitutional privileges?

Mr. WILLIAMS. You are requiring, in effect, the chairman to rule in such areas as the invasion of rights of privacy and you could get into any number of areas. Now he says he asserts all of his constitutional privileges. I don't think it is fair to put the chairman in the position of limiting it to just one privilege.

hear that.

Mr. WILLIAMS. I don't think it is right for the chairman, even as astute as he is, to ask him these questions, some of which the Supreme Court hasn't ruled on, is in fairness to him.

Mr. HAMILTON. If you would like to argue his right of privacy and why the chairman should rule right now on that, we will be happy to

Mr. HAMILTON. That is the purpose of the presiding officer.

Mr. WILLIAMS. I accept his ruling and, if you gentlemen agree, we can adjourn.

Mr. HAMILTON. But I suggest that the ruling be couched in terms of the fifth amendment.

Mr. WILLIAMS. Well I object to that. What would happen then, we would be laying inadvertently aside his other constitutional rights.

Senator TALMADGE. If I understand the witness' statement correctly, he invoked each and every provision of the Constitution that he possesses, including the right for protection against self-incrimination under the fifth amendment. And it was the ruling of the chairman that if he invokes the fifth amendment, that would prohibit further interrogation of the witness based only on that.

Mr. WILLIAMS. That is right. We accept that too.

Mr. SANDERS. May I ask a couple of additional questions that would relate only to the records?

Mr. WILLIAMS. Now, you had your chance to do that.

Mr. SANDERS. I have not had my chance. You stated three answers to questions that I hadn't even asked, and I have not asked a single question on the records.

Mr. WILLIAMS. Now, he read his answer. If you want to talk to him privately, that is fine. You see the point I am making—

Mr. SANDERS. Mr. Chairman, I would like to ask the witness one or two or three questions concerning the records that he has produced pursuant to the subpoena duces tecum.

Mr. WILLIAMS. He has read his statement. First, there was no subpoena. We didn't require a subpoena. This man has appeared voluntarily.

Senator TALMADGE. I think that is irrelevant. The only thing that is relevant here is whether he has invoked the fifth amendment and, as I understand the witness, he has. I think that would—

Mr. WILLIAMS. I want to state that if Mr. Sanders wants to ask privately about the information, we would be happy to have that.

Mr. SANDERS. I want to ask about everything you received from him, Mr. Johnson, and all of the—

Mr. WILLIAMS. I stated that he has turned over everything he had received from me. I don't know what the Prosecutor has furnished. I am not that privy to Mr. Jaworski's actions.

Mr. SANDERS. I think we have gone about as far as we can go, Mr. Chairman.

Senator TALMADGE. That is my conclusion, gentlemen, unless you can negotiate amongst yourselves and find out what areas he is willing to testify on, if any.

Mr. SANDERS. I thank you very much, Mr. Chairman, for your time.

Mr. WILLIAMS. Would this constitute a dismissal of the witness?

Senator TALMADGE. Is there anything further?

[No response.]

Senator TALMADGE. It does.

[Whereupon at 3:50 p.m. the committee recessed, subject to the call of the Chair.]

THURSDAY, APRIL 11, 1974

U.S. SENATE,
SELECT COMMITTEE ON
PRESIDENTIAL CAMPAIGN ACTIVITIES,
Washington, D.C.

The Select Committee met, pursuant to notice, at 11:13 a.m., in room G-334, Dirksen Senate Office Building.

Present: Senator Baker, presiding.

Also present: James Hamilton, assistant chief counsel; and Donald Sanders, deputy minority counsel.

Senator BAKER. The committee will come to order. We have today Mr. Chestnut as our witness. We are ready to proceed. Would counsel identify themselves for the record.

Mr. THOMSON. My name is Douglas Thomson, lawyer from St. Paul, Minn. My address is 55 East Fifth Street.

Senator BAKER. Thank you, sir.

Mr. COCHRANE. I am John Cochrane, lawyer, St. Paul, Minn. My address is 830 Minnesota Building, St. Paul, Minn.

Senator BAKER. Thank you, gentlemen. My name is Howard Baker. I am vice chairman of the committee. This proceeding is in the nature of an executive session of the Select Committee on Presidential Campaign Activities, which is authorized to be conducted under the provisions of the resolution creating the committee and the rules and bylaws of the committee.

I understand the subpoena now has been served on Mr. Chestnut. I would ask that counsel make that subpoena part of the record at this point.

[The material referred to appears on page 7704.]

Senator BAKER. Mr. Chestnut, if you would stand and raise your right hand, I will administer the oath now.

Mr. COCHRANE. If I could make just one statement, Senator. As I understand the rules of this committee, these hearings are secret and confidential under executive session under rule 12 of your rules.

Senator BAKER. That is correct.

Mr. COCHRANE. I would ask the Senator to instruct me, the witness, Mr. Thomson, and other counsel present and the reporter that they are so secret, shall remain secret until the committee, by majority rule, decides to make them public or not.

Senator BAKER. The request is perfectly in order and is entirely agreeable, and the chairman so instructs.

Mr. COCHRANE. Thank you.

Senator BAKER. Mr. Chestnut, would you hold up your right hand, please. Do you solemnly swear that the testimony you are about to

give will be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. CHESTNUT. I do.

Senator BAKER. Thank you, sir; you may be seated. And if you would identify yourself for the record, please.

TESTIMONY OF JACK CHESTNUT, ACCOMPANIED BY DOUGLAS W. THOMSON AND JOHN A. COCHRANE, COUNSEL

Mr. CHESTNUT. I am Jack Chestnut. I reside at 3282 Owaso Heights Boulevard, St. Paul, Minn.

Senator BAKER. Thank you, sir. Would counsel then proceed with the examination of the witness.

Mr. SANDERS. Yes, sir. Would you state your office address, please?

Mr. CHESTNUT. 854 Midland Bank Building, Minneapolis, Minn.

Mr. SANDERS. Now, you previously appeared before personnel of the committee for interview on October 18, 1973, and we have a transcript of Ward & Paul of that interview. We asked you at that time a number of questions about your personal background, your work in the campaigns for Senator Humphrey, and I don't want to take the time to cover all of that ground again. I might just summarize myself, quickly, for the purposes of this transcript.

My understanding is that you are practicing law in Minneapolis at the present time, with the firm Chestnut, Brooks & Burkhart; that you served for Senator Humphrey as an advance man from 1963 to 1968; that you were his campaign manager for his 1970 senatorial campaign; and his campaign manager for his 1972 Presidential campaign. Is that correct?

Mr. CHESTNUT. Senator, counsel, upon advice of counsel, I respectfully refuse to answer upon the grounds that it may tend to incriminate me.

Senator BAKER. Thank you, sir.

Mr. COCHRANE. Senator, may I say I have advised—Mr. Thomson and I have advised our client to give this specific answer to all questions put to him at this executive session, and we will do that.

Senator BAKER. All right. Now, to qualify the questions and the claim of the witness, let me put a few questions, if I may.

Mr. COCHRANE. Yes, sir.

Senator BAKER. You understand the nature of the questions put by counsel? Is it agreeable for your client to answer these questions? If not, you may say so.

Mr. COCHRANE. Well, I am sure Mr. Chestnut understands the questions, but I have instructed him to assert his fifth—

Senator BAKER. Answer no questions at all?

Mr. COCHRANE. Answer no questions and assert the fifth amendment privilege.

Senator BAKER. Well, that is a little broader, really, than the Chair would care to rule on in one ruling; that is, that any question that might be put in this session would be subject to the claim of personal privilege under the fifth amendment to the Constitution. And my purpose in asking the question I just did, was to lay the basis for asking him if he would answer any questions at all, regardless of their nature and content.

Mr. COCHRANE. He would assert the fifth amendment privilege upon advice of counsel on any question put to him, on the nature of any inquiry legitimately made under Senate Resolution 60, pertaining to any area of inquiry that this committee may choose to delve in. And I am sure the committee is not going to go into areas not qualified, so in any areas legitimately before the committee, he will assert the constitutional privilege against self-incrimination.

Senator BAKER. Thank you, sir. Does counsel have anything further?

Mr. SANDERS. Senator, I would propose this course, so we don't unnecessarily prolong the proceeding.

There were about half a dozen, roughly, categories of information that we intended to inquire about. And I would propose simply asking maybe one question in each category to establish that he will not answer in that area.

Senator BAKER. I think the statement of counsel probably already answers that, I think, to track the procedures that the committee has followed in the past, that what you suggest is appropriate, Mr. Sanders.

The Chair specifically disclaims any desire to run this witness through a long series of constitutional claims. But to make the record complete, I think it is appropriate to ask not more than one question in the major categories of inquiry that you had in mind, and that the claim be made in those respects. So the Chair rules that you may proceed in that respect.

Mr. SANDERS. All right. Mr. Chestnut, are you acquainted with Robert Lilly of Associated Milk Producers, Inc.?

Mr. CHESTNUT. Senator, upon advice of counsel—

Senator BAKER. You can paraphrase that you make the same claim in this respect.

Mr. CHESTNUT. I make the same claim.

Senator BAKER. Thank you, sir.

Mr. SANDERS. Did Mr. Lilly make a \$10,000 contribution in May of 1970 to the Humphrey campaign?

Senator BAKER. You make the same claim?

Mr. CHESTNUT. I make the same claim.

Senator BAKER. Thank you.

Mr. SANDERS. In October of 1970, did Mr. Lilly make a \$12,500 cash contribution to the Humphrey campaign?

Mr. CHESTNUT. I make the same claim.

Senator BAKER. Thank you, sir.

Mr. SANDERS. Mr. Chestnut, did you have any involvement in arranging for Associated Milk Producers to make a payment to Lennen & Newell, Inc. of New York City on the account of Senator Humphrey in 1970?

Mr. CHESTNUT. Senator, I make the same claim.

Mr. SANDERS. Did you have any involvement in 1971, in arranging for the payment by Associated Milk Producers Inc., a payment to Valentine, Sherman & Associates which was credited to the account of the Humphrey campaign at that time?

Mr. CHESTNUT. Senator, I make the same claim.

Senator BAKER. Thank you, sir. Do you have other questions?

Mr. HAMILTON. I was going to do that area, Senator, and Don's question takes care of it.

Senator BAKER. All right, fine.

Mr. SANDERS. Do you have knowledge, Mr. Chestnut, of any arrangements which were made for the sale of Archer-Daniels-Midland stock by persons, to the end that they could make a contribution of proceeds of these sales to the Humphrey campaign in 1972?

Senator BAKER. Same claim?

Mr. CHESTNUT. Senator, yes; I make the same claim.

Mr. SANDERS. Did you participate in a contact with John Loeb in 1972, for the purpose of seeking from him a contribution to the Humphrey campaign?

Mr. CHESTNUT. Senator, I make the same claim.

Senator BAKER. Very well. The Chair rules that the questions put by Counsel are relevant; under the scope and the authority of the committee according to Senate Resolution 60, and understands that the witness has, on the advice of counsel, declined to answer each question without, as far as the Chair can ascertain, a question as to the relevance of the question.

Mr. COCHRANE. Well, Your Honor; Your Honor, if I may—

Senator BAKER. I am not going to ask you to say that. The Chair rules that the questions put are relevant and are within the scope and purview and the authority of the committee, under Senate Resolution 60, and understands that the witness has claimed his privilege according to the fifth amendment to the Constitution with respect to each question; is that correct?

Mr. COCHRANE. That is correct.

Senator BAKER. Thank you, sir.

Mr. COCHRANE. Can we make an exception to the Chair's ruling?

Senator BAKER. Yes, you may.

Mr. COCHRANE. Thank you.

Senator BAKER. Now, does counsel have any other matter, any other proceeding or any other questions?

Mr. SANDERS. I just have one more remark, Senator, if I may. And that is that I think counsel's and the witness' invocation initially of the privilege is even broader than the categories I have inquired about. But I did want to insure that the understanding here, today, is that the invocation is not necessarily limited strictly to the categories I have inquired about, because there are tangential matters relating, and I say here, to the 1972 Presidential campaign. And I would like to be sure we understand that any questions concerning Mr. Chestnut's service for Senator Humphrey in the 1972 Presidential campaign would receive the same claim of privilege.

Mr. COCHRANE. You are quite correct, counsel.

Senator BAKER. And you understand, of course, that the Chair's rule is that your questions, including the questions about the 1972 campaign, are relevant and within the scope and jurisdiction of the committee.

Mr. SANDERS. Yes, sir.

Mr. COCHRANE. An informational point, Senator, Your Honor. Are we entitled to a transcript of this?

Senator BAKER. You are entitled to see the transcript, and you are entitled to receive and purchase a copy of the transcript on the authorization of the committee; and I will be glad to recommend to the committee that they authorize that if you wish.

Mr. COCHRANE. I would appreciate that, Your Honor. We, therefore, order—Senator, we order and will pay for, either upon receipt or advance billing, we will pay.

Senator BAKER. The matter will be taken up then at the next executive session. You will be notified. In the meantime you are free to see a copy as soon as it is transcribed.

Mr. COCHRANE. Thank you, sir.

Senator BAKER. Very good. The hearing is adjourned.

[Whereupon, at 11 :25 a.m., the hearing in the above-entitled matter adjourned.]

UNITED STATES OF AMERICA
Congress of the United States

To JACK CHESTNUT

, Greeting:

Pursuant to lawful authority, YOU ARE HEREBY COMMANDED to appear before the SENATE SELECT COMMITTEE ON PRESIDENTIAL CAMPAIGN ACTIVITIES of the Senate of the United States, on April 11, 1974, at Eleven o'clock A. m., at their committee room G-334, New Senate Office Building, then and there to testify what you may know relative to the subject matters under consideration by said committee.

Whereof fail not, as you will answer your default under the pains and penalties in such cases made and provided.

To James Hamilton

to serve and return.

Given under my hand, by order of the committee, this 11th day of April, in the year of our Lord one thousand nine hundred and seventy-four

Harold B. ...
Vice Chairman, Senate Select Committee on Presidential Campaign Activities.

April 11, 1974

I made service of the within subpoena
by hand

the within-named Jack

Chestnut, at

C. 334

New Senate Office

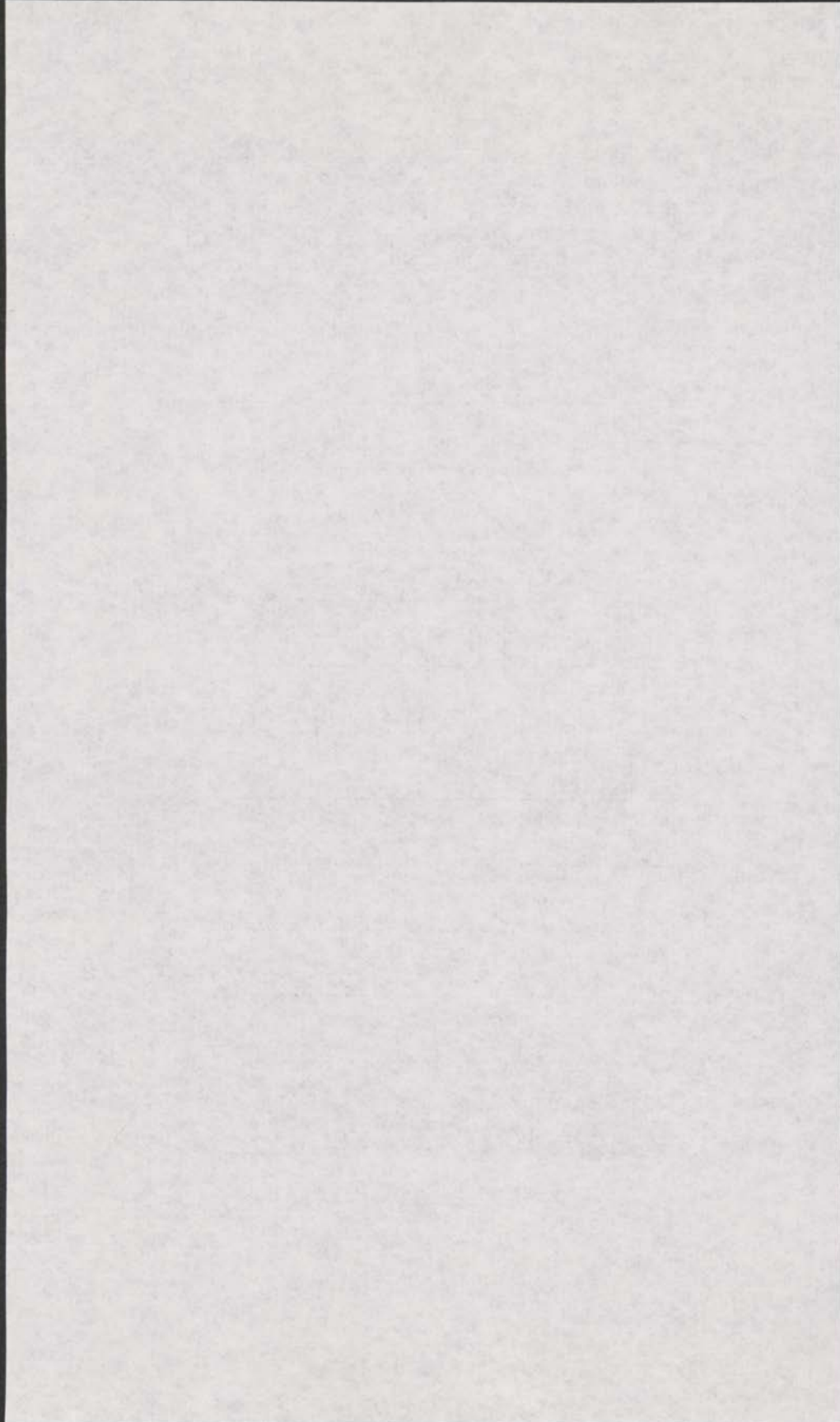
Bldg.

at 11:13 o'clock A. m., on

the 11th day

of April, 1974

Signed James Hamilton



FRIDAY, APRIL 26, 1974

U.S. SENATE,
SELECT COMMITTEE ON
PRESIDENTIAL CAMPAIGN ACTIVITIES,
Washington, D.C.

The Select Committee met, pursuant to notice, at 10 a.m., in room 4300, Dirksen Senate Office Building, Senator Daniel K. Inouye, presiding.

Present: Senator Inouye.

Also present: Robert Muse, assistant majority counsel, and Donald G. Sanders, deputy minority counsel.

Senator INOUE. Raise your right hand, sir.

Do you swear that the testimony you are about to give is the truth, the whole truth, and nothing but the truth?

Mr. PEPPER. I do.

Senator INOUE. Your name and address, sir.

TESTIMONY OF GERALD R. PEPPER

Mr. PEPPER. Gerald R. Pepper, Ames, Iowa.

Senator INOUE. Thank you very much.

Mr. SANDERS. Thank you very much, Senator.

[Whereupon, the Select Committee recessed briefly, to reconvene at 10:15 a.m. in room G-334, Dirksen Senate Office Building.]

Mr. SANDERS. Mr. Pepper, would you state your business association?

Mr. PEPPER. I am executive director of the Iowa Institute of Cooperation.

Mr. SANDERS. And what is your business address?

Mr. PEPPER. It is 63 Ninth Street, Ames, Iowa.

Mr. SANDERS. How long have you served as executive director?

Mr. PEPPER. Approximately 12 years.

Mr. SANDERS. So you were serving in that capacity in October of 1971 and September of 1971?

Mr. PEPPER. That is correct.

Mr. SANDERS. Was there, on or about October 2, 1971, a function sponsored by the Iowa Institute of Cooperation in Ames?

Mr. PEPPER. Yes; there was.

Mr. SANDERS. Would you describe that, please. What was it?

Mr. PEPPER. The function was designed to promote an annual promotion. It was a rally. It was attended by somewhere between 7,000 and 8,000 persons. It was held in the James Hilton Coliseum, which happened to be the first meeting of any function held in that building.

The idea primarily was to focus attention of as many people as we could on agriculture and agriculturally related cooperatives.

Mr. SANDERS. The event, then, on October 2, was to highlight Iowa Cooperative Month?

Mr. PEPPER. That was the function; that was the purpose.

Mr. SANDERS. Did you have an annual event of that nature?

Mr. PEPPER. Not an annual event of that nature. We had an annual event called cooperative month, but never one of the magnitude that this turned out to be. In prior years, I might add, we always secured a proclamation from the Governor of the State. We always developed and sent to participating organizations advertisements, this type of thing, that they could use in highlighting the program statewide. Never, prior to this particular time, did we have a large meeting function of this type.

Mr. SANDERS. What was the next previous statewide function sponsored by the Iowa Institute?

Mr. PEPPER. This would have been our own annual meeting, I suspect, that we have annually. It would have been the Tuesday before Thanksgiving of 1971. No, I guess that wouldn't be—well, it would be afterward. Other meetings would have been training programs for managers and directors of farmer cooperatives within the State. We do this every winter.

Mr. SANDERS. My question was, before October.

Mr. PEPPER. Well, this would be an annual thing. I suspect it would be the next statewide function, and we had conducted—now, we did have—

Mr. SANDERS. Earlier in 1971 you had had some other statewide function?

Mr. PEPPER. Well, I am not exactly sure I understand, but in our continuing program, annually we would have had in 1971, early, like in January, we would have had a series of meetings that we would have conducted throughout the State whose purpose was designed to provide training for managers and directors to better do their jobs. And this would have been sometime in January of that year.

Mr. SANDERS. Does the Iowa Institute of Cooperation have member co-ops throughout the State?

Mr. PEPPER. Yes. Yes, we are composed of approximately 200 local farmer cooperatives, and all of the, nearly all of the regional-type farmer cooperatives that operate in the State, even though they may be headquartered outside of the State.

Mr. SANDERS. Is the institute funded or financed by means of contributions or assessments from each of these co-ops?

Mr. PEPPER. We have called them membership dues, and they are based on gross volume of business, with minimums and maximums.

Mr. SANDERS. Are all of the co-ops related in one way or another to agriculture?

Mr. PEPPER. Yes.

Mr. SANDERS. How did the October 2 event originate?

Mr. PEPPER. Well, the first thing that happened, I would suspect, is that sometime in the spring of the year I, as an annual affair, requested a proclamation from the Governor of the State to identify cooperative month in October. We had secured that commitment from the Governor and had developed materials for distribution to cooperatives—copies of the proclamation, and newspaper advertisements, radio scripts, and all of this type of thing.

And they had in fact gone out to the membership, not only to the membership, but to all cooperatives, members and nonmembers alike, by September 1.

At this point in time I thought it was probably all set from my standpoint, and we probably would not have done anything in advance. Now, on Labor Day of that—

Mr. SANDERS. Let me interrupt you for a minute.

Mr. PEPPER. Yes.

Mr. SANDERS. As executive director of the institute, were you also, then, immediately responsible for the management of this October 2 event?

Mr. PEPPER. Yes. We have a person—this is a national event, and we coordinate with the national program. And this has been through involvement over a number of years, and we have historically accepted the responsibility for the State of Iowa to do this. And because of my job, I am the one that does it.

Mr. SANDERS. Well, up to September of 1971, had you already planned and scheduled the program for the October 2 event?

Mr. PEPPER. No.

Mr. SANDERS. It was still an open matter as to what the program—

Mr. PEPPER. There was never an intent at that point for there to be a program. No one was even cognizant that there was such a possibility.

Mr. SANDERS. Oh, are you saying that up until September there was no one event planned?

Mr. PEPPER. There was no rally planned, as it turned out, no.

Mr. SANDERS. It was just to be a whole month of recognition of the cooperatives?

Mr. PEPPER. Right, this is right.

Mr. SANDERS. Well, in previous years when you had a co-op month, was there some day during those months when there would be a rally?

Mr. PEPPER. No, not in Iowa. There had been in other States. But not in our State.

Mr. SANDERS. All right. Now, during the first part of September, did you receive any communication from Congressman Wilbur Mills?

Mr. PEPPER. I did.

Mr. SANDERS. Could you explain how that occurred and when it was?

Mr. PEPPER. It was on Labor Day of 1971. That is the reason I remember it specifically. I was at my home in Ames, and it seems to me it was some time shortly after lunch, but I am not quite sure of that. The telephone rang and I happened to be the one that was closest to it, and I picked it up. And there was a young lady's voice, and she said, "Mr. Pepper." And I said, "Yes." And she said, "One moment please for Congressman Wilbur Mills."

And I thought to myself, surely somebody's playing a joke or something of this kind. I picked up—or I waited. In a few moments a rather noted voice came on the line and he said, "Mr. Pepper." And I said, "Yes." And he said, "This is Congressman Wilbur Mills from Arkansas."

And I still thought somebody was probably trying to pull my leg. However, I said, "Yes, sir." And he said, "Mr. Pepper, we have powerful problems in agriculture." And I responded, "Yes, this is true." And he made a few comments that would be vague at this point.

But the next thing that I recall was that he said, "I wonder if you would do me a personal favor." And I asked him what the nature of it was. And he said, "I wonder if you would rent the University of Iowa football stadium and fill it with farm people and give me an oppor-

tunity to come out and meet with them." My response was, of course, that was kind of a large request, and I didn't really know, but indicated that there was a possibility that we might be able to put on some kind of a function, and I would have to explore that possibility and think it through.

And he invited me to call him back at his apartment on the following night, which I believe was a Tuesday. After I sat back and thought this thing over rather carefully, I wondered just exactly what we could do, and I visited various and sundry friends in our area to determine whether or not this was a feasible project for us.

And the more I thought about it, the more I thought that, well, this is co-op month. Here is a tremendous opportunity to focus attention on this program. And so I called the Congressman back at his apartment the following evening, Tuesday, and I told him what I felt that we could do. I stated it this way:

I indicated to the Congressman that, first of all, any program that the institute was involved in had to be bipartisan. The reason for this was that the institute is composed of cooperatives that are composed of farmers who are from all political parties. As a result of this, we have not participated in any partisan activity, nor would we dare. I would be chastised by my board of directors. I would not be able to respond effectively to the membership. And so that was the first requirement.

The Congressman indicated, "by all means." Those were his words.

The second thing that I said was that the meeting could not be held at the University of Iowa football stadium for a number of reasons, but if we needed any particular reason, it could rain that day and that would be a terrible situation, to have all those people in that rainy atmosphere and so forth. And I didn't like that. And I did propose the opportunity to perhaps be the first group to meet in the new Hilton Coliseum, which would hold about 15,000 people, if we were able to turn them out—this was agreeable.

The third thing that I insisted on was that I would have the final say as to program, that I would be accountable for it, and from my standpoint I had to have the final veto of any promotion, project, or anything that might eventually reflect upon our organization.

That was agreeable. He thanked me and indicated that "someone" would be in touch with me. He didn't really identify the "someone," nor who the "someone" represented.

That is how it started.

Mr. SANDERS. At that point, the date of October 2 had not yet been selected?

Mr. PEPPER. That's right.

Mr. SANDERS. When was that chosen?

Mr. PEPPER. I am not sure that I can recall specifically. I do know that there was some question about what date the coliseum would be opened or would be available, and they were pressing for a deadline. I'm not really sure I can recall.

Mr. SANDERS. Subsequent to the second telephone conversation with Congressman Mills, were you contacted by anyone representing themselves as acting on his behalf?

Mr. PEPPER. Yes. I received a call from Joe Johnson, Joseph P. Johnson, who was traveling in our State, or seemed to be, and agreed to meet with him and visit about the proposal and the plan.

Mr. SANDERS. He called you?

Mr. PEPPER. He called me, yes. We agreed to meet and did.

Mr. SANDERS. Did he make reference to the contact by Congressman Mills?

Mr. PEPPER. No. No; I don't believe so.

Mr. SANDERS. Do you remember how he initiated the conversation?

Mr. PEPPER. He introduced himself.

Mr. SANDERS. You had not known him previously?

Mr. PEPPER. No; I had never seen him nor known the name. And the telephone call, it seems he said—he introduced himself on the telephone and indicated that he was to get in touch with me to discuss the co-op rally event. And his identification was as a representative of Associated Milk Producers.

Mr. SANDERS. All right. Then did you meet with him?

Mr. PEPPER. Yes; we met and we talked over the same things that I had told Congressman Mills, what I would insist upon if the program were to be conducted. And at this point he advised me that I didn't have to worry about money. Nobody had ever told me that before, because you know, in our kind of operation you had to worry about the income as well as the expense. But he indicated my responsibility would be released to spend my time on developing the program, the promotion that went with it, and that he would be—the matter of financial arrangements would be his obligation.

Mr. SANDERS. Was this within a few days following your phone conversation with Congressman Mills?

Mr. PEPPER. This was on Wednesday, this was the following day that I called back—in the morning.

Mr. SANDERS. In other words, Johnson contacted you a day after your second conversation with Congressman Mills?

Mr. PEPPER. That's right.

Mr. SANDERS. Did Johnson discuss with you the matter of a formal invitation to Congressman Mills?

Mr. PEPPER. He did not say anything at that time about it.

Mr. SANDERS. Did he subsequently?

Mr. PEPPER. Yes. In the afternoon he called me back. I am a little vague if it was Wednesday afternoon or early Thursday morning. But I'm quite sure it was Wednesday afternoon. And he called me back from Des Moines, I believe, and asked me if I could be in Washington at 10 o'clock Friday morning. And my response was, "No; I can't be, because I have scheduled a meeting with my executive board of directors in Ames for Friday."

And his response was, "Well, would you—is it possible that your board could meet on the plane going to Washington?" And that was kind of a shock, and I indicated that I didn't know for sure, but I thought it might be appealing to the board. And as a consequence, I said, "I will check it out and let you know."

And so I did. I called every member of the board of directors, and they agreed that they would do this. I assumed that we would be on a commercial flight. I did not know what it would be. But on the call back to him, I told him that the board was meeting.

He said, "Have them at the airport at Des Moines at 8 o'clock on Friday morning." OK, so we contacted all of our directors, all executive board members. They all met at the airport about 7:45. And we

were taken across to the private hangars, and there were two airplanes. There was a Jet Commander and there was a Learjet, and we were put aboard the two planes, and approximately an hour later we were in Washington.

Mr. SANDERS. When you first met with Johnson on Wednesday, did he talk with you about the appearance of Congressman Mills at the rally? Did the two of you discuss—

Mr. PEPPER. I think he must have. We must have discussed it, because my only contact at this point had been with the Congressman, and I'm sure we did.

Mr. SANDERS. So would the two of you have discussed Congressman Mills' call to you and his interest in talking to the Iowa farmers?

Mr. PEPPER. I'm sure that I must have talked about this, because there was no other reason for conversation. This was the only thing that had occurred.

Mr. SANDERS. When Johnson called you back later, on Wednesday, did he then ask you if you could go to Washington? Did he tell you why he wanted you to go to Washington?

Mr. PEPPER. No; he didn't. He didn't tell me why. I think he may have said that—I think maybe he said to meet the Congressman, and that was about it.

Mr. SANDERS. You surely wouldn't pack up your whole board and carry them into Washington without having some idea of why you were coming to Washington.

Mr. PEPPER. Well, generally speaking; no. But the idea, I'm sure, was that here would be an opportunity for our people to meet the Congressman himself, and the Congressman's prestige, particularly at that time, was running pretty high. And to have a board meeting en route, or in Washington, seemed like a fun thing to do, you know. I mean, if somebody else is going to pay the bill, why, that is great. I'd like to go for a ride.

Mr. SANDERS. What happened when you arrived in Washington?

Mr. PEPPER. I should indicate that en route to Washington, Johnson told me that I would be expected to make an invitation. I didn't exactly know anything beyond that. But he just wanted to know if I needed to have it typed out or written out or anything of this kind.

I wasn't quite sure what he was talking about, and I said, "You mean you just want me to issue an invitation to the Congressman for this event?" He said, "Yes." And well, it seemed a little strange, but what the heck, the whole thing was strange. So I agreed to do this.

Mr. SANDERS. You didn't prepare anything in writing?

Mr. PEPPER. Oh, no. No; it wasn't necessary. I think I know how to issue an invitation when it comes to something like that.

And so we landed at, I think it's called Page Airport. And we were met by three taxicabs. We were loaded aboard these cabs. And to this day I don't know the names of the buildings, except it's where the House Ways and Means Committee hearing room is. I don't recall for sure what that building's name is. We were ushered in, and taken in eventually, after a period of waiting, to the House Ways and Means Committee hearing room. And in the room there were a large number of people, and nobody indicated prior to this that there would be anyone there except the Congressman.

I have met a few Congressmen in my life, and I just figured we'd go into his office and shake hands and howdy a bit and that's it. But this was different. There were a large number of people there, and the meeting appeared to be under the control of David Parr. He was the one who made the introductory statements. We were lined up as we entered the room. The Congressman came in, in a little bit, and he met each of my directors, and shook their hands.

I was the last one, and introduced myself to him. And then there was a series of chairs set up and I was a pretty good-sized fellow, and the Congressman made a very particular point of getting a very large chair and bringing it up and setting it near the end next to me. And then he took a very small chair and sat right beside me. And this made me uncomfortable, because at this point I felt that I was not at home in this kind of a situation, and I didn't quite understand what was going on.

After Mr. Parr started his remarks and they identified some of the people in the audience—and most of those that I recall identified, were people from the dairy industry—as soon as our discussion started, alongside me on this side were other people, presidents of farm co-ops and that type of thing. And he was over here, and as soon as the meeting started, then he conveniently lifted his chair and set it over so that he would be at flank to the group.

And then it became more obvious to me that there was some staging involved in all of this, and this bothered me a great deal. Mr. Parr introduced me and I offered my invitation. The Congressman responded and accepted the invitation. And after all of this was done and everybody was invited to go around shaking hands with the Congressman and they took his picture and identification, name, and all of this business—local newspapers, I guess, and all of that—this further bothered me, and it perhaps could have bothered some of my directors because they were unfamiliar with this entire setting. As soon as the pictures were taken and all of this business, my board and I went to lunch in the building and we held a brief board meeting in the Ways and Means Committee meeting room. And then we were back in Des Moines by 3:30.

Mr. SANDERS. This occurred on the first Friday following Labor Day in September 1971?

Mr. PEPPER. Yes.

Mr. SANDERS. Approximately how many directors did you bring to Washington?

Mr. PEPPER. Exactly 10.

Mr. SANDERS. You have just now told us that in this House Ways and Means Committee hearing room you issued an invitation to Congressman Mills—would you be more specific in that respect?

Mr. PEPPER. I probably said something to this effect, that—this is hard to recall here, but I would have said—"On behalf of the Iowa Institute of Cooperation, the farmer members in our State would like to extend to you an invitation to participate in our cooperative monthly rally October 2." That's about what I would have said.

Mr. SANDERS. The date had already been chosen by that time?

Mr. PEPPER. Again, I'm not positive. But I doubt if it had. It may have been a little more vague than that, because this was very early in the event.

Mr. SANDERS. Now, there have been some Associated Press news accounts of recent months in which it has been stated that a spokesman of Congressman Mills said he received an unsolicited invitation to speak at that event. The facts you've just related to us would seem to indicate that the remark of Congressman Mills' spokesman is not correct. Is that true?

Mr. PEPPER. The remarks of Congressman Mills' spokesman, as far as I'm concerned, is absolutely incorrect. And I think that you will find there later on, in some news releases, there was a concession on behalf of the Congressman that he may have made the call.

Mr. SANDERS. I might mention for the record that I am looking specifically at an AP story appearing on March 25, 1974, in the Des Moines Tribune.

While you were in Washington on that occasion, did you meet Gene Goss, administrative assistant to Congressman Mills?

Mr. PEPPER. I do not know. A number of people were introduced rapidly and with only a few exceptions can I recall their names.

Mr. SANDERS. Yes; there is another account in that Des Moines Tribune, March 30, 1974, in which Mr. Goss is quoted as saying, "Mr. Mills does not specifically recall a conversation with Mr. Pepper, but concedes the possibility it took place."

Mr. MUSE. May I look at those, Don?

Mr. SANDERS. I'm going to keep referring to these. I'll let you see this whole package and give you a chance to question when I get through.

Mr. MUSE. All right, good. Thank you.

Mr. SANDERS. Did Johnson subsequently come to Ames and provide services for the event to be held on October 2?

Mr. PEPPER. Johnson came to Ames and he brought a large delegation of people who were identified as staff members of Associated Milk Producers. At different times there were different numbers there.

He established a bank account in an Ames bank, the same bank with whom we have our general account in, and made whatever deposits he had for the finances of the function. I had one check that came in my mail that I turned over to him, and to the best of my recollection, that was a \$15,000 check from Mid-America Dairymen, made payable to the Iowa Cooperative Month rally, and that was the name of the account, the "Iowa Cooperative Month."

He brought the staff people in. They were very knowledgeable people. They proceeded on promotional efforts, basic organization, and this type of thing. And even at this point I was insisting that everything that was to be done was to have my approval in regard to the program aspects.

Mr. SANDERS. Do you recall the names of any other AMPI personnel accompanying Johnson?

Mr. PEPPER. Yes; Forest Wisdom was among them. John Holmes was with them. I should have brought some notes.

Mr. SANDERS. Tom Townsend?

Mr. PEPPER. Tom Townsend was with them; right.

Mr. SANDERS. Terry Shea?

Mr. PEPPER. Terry Shea, right. Mrs. — a lady.

Mr. SANDERS. Clement?

Mr. PEPPER. Yes, Betty Clement; right. She appeared to be in charge of the clerical staff in the operation. They installed—we have a fairly

large board of directors room that we also use for meetings—they installed a number of telephones and their own telephone setup back in there.

Mr. SANDERS. You provided office space to them within your own quarters?

Mr. PEPPER. Yes.

Mr. SANDERS. Did they have, to your knowledge, any independent office space?

Mr. PEPPER. It appeared, as the thing progressed, that they were also using the Holiday Inn as kind of a central headquarters.

Mr. SANDERS. Could you give an estimate of the total number of AMPI personnel, the average number on the scene during September in preparing for October 2?

Mr. PEPPER. Well, that is rather difficult. I would suppose that there were always half a dozen around, and a high of maybe 15 to 20 sometimes.

Mr. SANDERS. At what bank was the account located?

Mr. PEPPER. First National Bank in Ames.

Mr. SANDERS. Do you know under what name it was carried?

Mr. PEPPER. Iowa Cooperative Month.

Mr. SANDERS. Who had the power to draw on that account?

Mr. PEPPER. Joe Johnson.

Mr. SANDERS. Did you?

Mr. PEPPER. No.

Mr. SANDERS. Did anyone with the Iowa Institute of Cooperation?

Mr. PEPPER. No; no one other than Joe Johnson, as far as I know, and I'm quite sure of this because I have in our safety deposit box the statements and all the canceled checks that were written on the account. And the reason that I have them is, first of all, our address was given as the address for the statements to be sent from the bank. Also, I had the opportunity to review the checks, and at the end of the rally in 1971 and after everything had been paid, I had been keeping—Johnson had given me copies of every invoice that was paid. I still have those.

At the end of that time, all of the money was dissipated with the exception of \$1,000 and, I think, 97 cents. At that period of time, the bank account was still there, and we were still getting the statements. And I kept my eye on it because I thought, OK, this money was given by somebody to promote Iowa Cooperative Month, and I thought it would be a gross error if somebody were able to close that account out. So I advised the bank that I would like to know in the event that someone had intended to do that.

Then not, probably not over—it would have been in—our fiscal year ends May 31, and I would suspect it would have been during the month of May, 2 years ago, that this money was still there. And I wrote Associated Milk Producers and suggested that the account was still there, and that they ought to, if they had not other disposition, I would like to have it turned over to the Iowa Institute.

I got a letter back from them indicating that they would consider this possibility, and a telephone call—and apparently they were having some difficulty. They said it was all right with them, but they were having a little bit of difficulty with Johnson writing the check to close the account out. I didn't quite understand how all that could be, but I didn't do too much.

And then I called back to talk to Mehren, George Mehren, who is the general manager now of Associated Milk Producers, and asked him if I could have authorization to close out the account, because Johnson had been an employee at the time the account was established. And they sent me a letter giving me that authority.

I took it to the bank. We closed out the account. We put the \$1,000.97 into the institute's account, and gave the bank a copy of the letter, and also advised the bank if there should be any problem in the future, the institute would reimburse the bank if they were in any trouble.

Mr. SANDERS. Did you at any time make any deposits to that account?

Mr. PEPPER. No.

Mr. SANDERS. Are you cognizant of the total amount of money deposited to that account?

Mr. PEPPER. Yes; I am, at least as far as I made some calculations based on the deposits that were made and totaled them, and I don't have that figure with me.

Mr. SANDERS. Is that in the vicinity of \$30,000?

Mr. PEPPER. I think it was in excess of that. I think it was closer to \$38,000 or \$39,000.

Mr. SANDERS. Do you know who provided those funds?

You've already mentioned a \$15,000 check.

Mr. PEPPER. The only one that I knew for positive was the amount that was deposited by the check that I inadvertently received. I had to make the assumption that the rest of it was from Associated Milk Producers. But I have no verification of that.

Mr. SANDERS. You say you have all the bank records from that account? Do the deposit slips not disclose the—

Mr. PEPPER. I have the checks and the statements, but no deposit slips. And the only hope that I could have of ascertaining that would be if the bank should have microfilmed deposit slips, and they might have.

Mr. SANDERS. Did Johnson ever reveal to you that AMPI was paying the expenses?

Mr. PEPPER. I don't think in so many words. It just seemed to me that was the way it was.

Mr. SANDERS. He had told you that you needn't be concerned about the expense?

Mr. PEPPER. He had told me I needn't be concerned. He represented AMPI, and I guess two and two made four as far as I was concerned.

Mr. SANDERS. As you received bills for expenditures in connection with the rally, then, I presume you forwarded them to Johnson for payment?

Mr. PEPPER. I just handed them to him. We were in the same office part of the time.

Mr. SANDERS. Were rally expenses incurred which were paid by resources other than from that bank account?

Mr. PEPPER. There may have been some minor ones that I paid and they reimbursed me for them. But there wouldn't have been anything extensive.

Mr. SANDERS. Substantially, that bank account, then covered the total expenses of the rally?

Mr. PEPPER. Of the rally itself; yes. I did not determine any place in the checks, though, that I reviewed where it would have covered anything like the cost of the airplanes, the jets, or anything—and there were some other expenditures that they made for me somewhere along the line, because in several instances I was provided with a small plane to get around the State of Iowa, so that I could conserve my time. Well, there was one bill in there paid to an air company, as I recall, a charter service. It didn't look like it was the same. It was payment for the planes that were used on my behalf.

Mr. SANDERS. Did Johnson make provision for you to make flights around the State of Iowa?

Mr. PEPPER. Yes.

Mr. SANDERS. By that I mean, it was Johnson was arranging for the financial costs of those?

Mr. PEPPER. He was arranging for the financial costs. All he would tell me was that—I would indicate usually considerably in advance that—I have got to be at this town at 6 o'clock on this evening. And he would identify the aircraft for me and tell me where it would be at the Ames airport, and usually what the pilot's name was.

Mr. SANDERS. Do you have any knowledge that any of your member co-ops made contributions or were assessed for the expenses of this rally?

Mr. PEPPER. I don't think any of our member associations were assessed for any expenses of the rally. They did help them in mailing lists and in sending out perhaps some of the promotional materials to farmers. They would be the only ones in a position to know who those people were.

Mr. SANDERS. Is AMPI a member of your institute?

Mr. PEPPER. They are not. They perhaps did have a couple of local members of theirs who are members of ours. However, AMPI was not, had not been, and is not a member of the organization.

Mr. SANDERS. How long after October 2 did AMPI personnel remain on the scene?

Mr. PEPPER. We closed up, in the words of Johnson, like a circus tent. As a matter of fact, I don't think they were—I know as a matter of fact, most of their staff members went on to Wisconsin that night for another meeting with Congressman Mills. Some of them, I think, went aboard the same aircraft.

Mr. SANDERS. Did Congressman Mills speak to the rally?

Mr. PEPPER. Yes.

Mr. SANDERS. Did you have any conversations with Congressman Mills concerning the agreement or arrangements by which he came to Iowa, other than what you have already told us?

Mr. PEPPER. None that I am aware of. The only additional correspondence was that after the meeting was over I wrote him a letter of thanks, appreciation, and mentioned in that letter that I thought that we had achieved certain aspects, such as focusing the attention of a lot of people on agriculture and its problems.

Mr. SANDERS. Early in 1974, did you complain that it appeared that the cooperatives in Iowa had been used by the Wilbur Mills campaign or personnel?

Mr. PEPPER. Early in 1974, I voiced agreement with the Governor of the State when he indicated that cooperatives had been used. I did

not identify, if I am correct, I am quite sure I did not identify that the Congressman had used us. The Governor came out—I would like to review, if I may, exactly how all this publicity started.

Mr. SANDERS. I wanted to develop that, so go right ahead.

Mr. PEPPER. This will bring you up, I think, as to why I was irritated at all.

Some time, I think it was in January, I was on a series of meetings around the State and I had a telephone call from a man by the name of Beauford who said he represented the Wright law firm in Little Rock, Ark. He indicated to me that their firm had been commissioned to conduct an internal audit of AMPI's money, and they were trying to determine what happened to the money between 1969 and 1971.

I asked him, I said, "How do I know you are who you say you are?" And he kind of stuttered and stammered a bit. And I asked him for his telephone number, and I said, "I will call you back if this appears to be legitimate."

I called Dr. George Mehren, who is now general manager of the Associated Milk Producers and I said, "Is this a legitimate request?" And he said, "Yes, I hope you will cooperate with the attorney."

So I called the attorney back and he asked me many, many questions about what had transpired with the rally situation. And I told him everything that I knew.

Subsequent to that I got a call one morning, on Friday—I think it was March 22, because I had a meeting scheduled that evening with one of our Congressmen—and it was from Brooks Jackson, Associated Press. And he said he had written an extensive story based on a court report, and he had quoted me in it. And this came as rather a shock because I wasn't even aware that the internal audit that had been commissioned by the board of directors of AMPI had been turned over to a court. No one advised me of this. So this came as a shock.

And so I asked him to review the quotes, and he did. And that was the purpose of his call. And with one exception they were accurate, and I said they were accurate. And so the following Monday a story came out in the Des Moines Register or Tribune, one or the other, and the immediate publicity was kind of heavy where all of these things that he had written had come out.

I had no problem, with one exception, because everything was accurate as far as I could tell. And that exception was that the Congressman's spokesman had been quoted that he denied making the telephone call. Now, it appeared to me that there were about four possibilities. Either Pepper was a liar, Mills was a liar, Mills' spokesman was a liar, or Mills' spokesman had the wrong information.

So this did irritate me greatly. I didn't like that kind of publicity.

On Tuesday the Governor of the State in a press meeting released his commentary that cooperatives had been used. Well, having reviewed from the news media everything that had happened with AMPI, it was obvious that we had been used, and I felt that we had.

I also felt a tremendous responsibility to the Governor, who is a Republican; to Senator Jack Miller, who was a Republican at the time; to Senator—Congressman Smith, who had been on our platform; to university president, Robert Parks, who had appeared on our program. And I felt that if I had misled the Governor in this instance I had also misled these other people. And so I had two motives in writing

the letter to the Governor, first to express a sincere apology and second to put some words in there that some good reporter might pick up and say, "Hey, what did you mean by this," so I would have an opportunity to get my story before the press. And that was the two purposes of the letter.

The letter went to the Governor and an astute reporter in Des Moines picked up the phraseology and asked me what I meant by it, and I had the opportunity to tell him what I meant by it and the opportunity, hopefully publicly, to justify our arguments.

Mr. SANDERS. I will show you what I am marking as exhibit No. 1 to this hearing and ask if you recognize it.

[Whereupon, the document referred to was marked Pepper exhibit No. 1 for identification.¹]

Mr. PEPPER. Yes.

Mr. SANDERS. What is it?

Mr. PEPPER. This is the letter I wrote to the Governor of the State, a letter of apology.

Mr. SANDERS. Dated March 26, 1974.

Mr. PEPPER. Correct.

Mr. SANDERS. Have you since that time had any communication from or with Congressman Mills' office?

Mr. PEPPER. No.

Mr. SANDERS. During the month of September 1971, did you discern any effort on the part of anyone to use the rally as a political forum for Congressman Mills?

Mr. PEPPER. Yes; on a couple of occasions—pretty hard to identify. But the attitude of a few of the individuals was particularly pro-Mills. Well, I mean there are pro-Mills people who are pro-Nixon and all this type of thing. However, the one thing that did disturb me that did occur is that a letter was sent by a man by the name of Harry Oswald, who represented the Arkansas Rural Electric State Association, to the rural electric cooperative managers in our State, and this letter indicated his strong support for the Congressman, and appeared to attempt to encourage Iowa rural electric co-op managers to be strong Mills supporters. And he included in his letter a copy of a draft Mills label.

And when I learned of this information I immediately sent a letter of my own to the rural electric cooperative managers that I knew received it asking them to disregard it and maintain the thrust of the meeting as we had planned it in its initial stages.

Mr. SANDERS. What did Mr. Oswald want the Iowa rural electric co-op managers to do?

Mr. PEPPER. I don't really know. It would be a little difficult for me to determine what his motives were.

Mr. SANDERS. Well, what I mean is, was it explicit in his letter what he wanted them to do?

Mr. PEPPER. May I see it?

Mr. SANDERS. Let me mark this exhibit No. 2, and I will hand this to you for identification.

[Whereupon, the document referred to was marked Pepper exhibit No. 2 for identification.²]

¹ See p. 7726.

² See p. 7727.

Mr. PEPPER. I would suspect that he was soliciting support for the Congressman to be an active Presidential candidate.

Mr. SANDERS. Do you recognize the exhibit No. 2? Have you seen it previously?

Mr. PEPPER. Yes; yes.

Mr. SANDERS. Did you at some point come into possession of a copy of this document?

Mr. PEPPER. Yes; a copy was sent to my office by one of the rural electric managers. And after I saw the copy I was quite concerned and wrote my letter to the same people asking them to disregard it.

Mr. SANDERS. And you are referring to this letter of September 14, 1971, from Harry L. Oswald to Mr. Roger Peterson, manager of Butler County Rural Electric Cooperative?

Mr. PEPPER. Yes.

Mr. SANDERS. Was it Mr. Peterson who sent the copy to you?

Mr. PEPPER. I'm not sure. I assumed that it was, but I don't know that.

Mr. SANDERS. Will you look at the attachment to exhibit No. 2 and identify it, please?

Mr. PEPPER. Well, the attachment was the label that was sent to the Rural Electric Cooperatives in the letter by Mr. Oswald. It is a Draft Mills for President label.

Mr. SANDERS. This came to you with the letter—the attachment came to you?

Mr. PEPPER. Yes; the Xerox of the label came with the letter.

Mr. SANDERS. Would it appear to you from this letter that Mr. Oswald wanted his Rural Electrical Cooperative managers, directors, and employees, to appear at the rally wearing the Mills for President identifications?

Mr. PEPPER. Yes; I think I would agree that that is what he said.

Mr. SANDERS. I'm going to mark as exhibit No. 3 a memorandum of September 18, 1971, from Gerald Pepper to REC managers.

Can you identify that document?

[Whereupon, the document referred to was marked Pepper exhibit No. 3 for identification.*]

Mr. PEPPER. Yes; this is the memo that I sent to these people in regard to persuading them to forget the Oswald letter, and concentrate on the intent of the program that we had originally established.

I might add that that was simply consistent with the original policy of keeping the program a bipartisan event.

Mr. SANDERS. Subsequent to Joe Johnson's departure from Ames, right after the rally, since that time have you had any conversations with him concerning the event?

Mr. PEPPER. Yes; very brief ones in regard to bills that had not been paid. That was about it. Immediately within a couple of weeks, why, bills had come in, and I forwarded the bills to him in Washington. There was a Washington address, as I recall, and we might have talked about one or two of the bills that had come in. But that was the only conversation.

Mr. SANDERS. Did it appear to you that your effort to keep the rally from becoming a partisan event for Mills had any success?

* See p. 7729.

Mr. PEPPER. Yes; I think it was successful in this regard. Until all of this other information came out—Associated Milk Producers publicity and so forth—I thought we had kept the thing pretty much on a bipartisan line, and I thought that it was a good event.

I was really a little shaken after all of these other things came out. I felt it was successful. It was a beautiful day in October and many of our farmers were in the field, and we still got between, around 7,000 people, and I thought that was a success.

Mr. SANDERS. The Des Moines Tribune news account of March 25, 1974, to which I previously made reference, also says this, quote: "But the sponsoring group's executive director, Gerald R. Pepper, of the Iowa Institute of Cooperation, said Mills appeared to be testing the water for a possible Presidential run."

Is that an accurate quotation of what you have said?

Mr. PEPPER. Yes; I think it is an accurate—I know it's an accurate quotation. I did say that. And the only logic for having said it was simply one of sixth sense as to the things that were going on, the conversation and the news at the time. There is nothing to document that statement from my standpoint. I guess it was simply an opinion, really, more than anything else.

But I did say it. I didn't know he was going to print it. But I did say it.

Mr. SANDERS. Did you have personal conversation with Governor Ray concerning the event?

Mr. PEPPER. Prior to it?

Mr. SANDERS. No; prior to 1974.

Mr. PEPPER. No; I talked to one of Governor Ray's administrative assistants.

Mr. SANDERS. Governor Ray is quoted in the Des Moines Register of March 25 as saying that: "Iowa farm cooperatives apparently were used in setting up what amounted to a Presidential campaign appearance by Representative Wilbur Mills in 1971."

Do you have any knowledge that he did in fact say that?

Mr. PEPPER. Could I prove that—no; I read it in the papers like everybody else did.

Mr. SANDERS. Did Governor Ray's aide say something to that effect to you?

Mr. PEPPER. I called Governor Ray's aide after this came out and I asked him if a letter of apology would be appropriate. He indicated that it would be. And I have no reason to doubt that the Governor said that.

Mr. SANDERS. Did you provide any information to the person or persons who spoke with you in connection with the investigation of the Wright law firm doing the audit for AMPI?

Mr. PEPPER. Would you restate that for me?

Mr. SANDERS. In talking with the person or persons from the Wright law firm—

Mr. PEPPER. Mr. Beauford; yes.

Mr. SANDERS. Did you provide to them, any information concerning this event which you have not told us today?

Mr. PEPPER. No. Well, I don't think so.

Mr. SANDERS. No information of substance or significance?

Mr. PEPPER. Not that I can recall. Certainly not that isn't in all those documents that you have.

Mr. SANDERS. I will show you what I have marked exhibit No. 4 for identification.

[Whereupon, the document referred to was marked Pepper exhibit No. 4 for identification.*]

Mr. SANDERS. Off the record.

[Discussion off the record.]

Mr. SANDERS. Back on the record.

I show you what I have marked as exhibit No. 4 and ask if you can identify that for the record?

Mr. PEPPER. This is an advertisement that was placed in a number of papers in the State of Iowa. I believe this specific one was placed in the Ames Tribune prior to the meeting announcing the kickoff activities.

Mr. SANDERS. Let's go off the record.

[Discussion off the record.]

Mr. SANDERS. Back on the record.

I want to refer Mr. Pepper to the report of Wright, Lindsay and Jennings to AMPI, dated March 13, 1974, pages 119, 120, and 121, and I want to ask you just a couple of questions about some remarks that were attributed to you. First, on page 120 it is said that you told the Wright firm that "a few weeks after his conversation with Congressman Mills, Mr. Joe P. Johnson of AMPI contacted him about the rally."

Mr. PEPPER. That's right—that's incorrect.

Mr. SANDERS. As you told us today, it was a day—

Mr. PEPPER. Yes; the following day.

Mr. SANDERS. Second, the Wright report says that at the law firm's request you reviewed the bank statements and checks for the rally account and advised that they reflected a total of \$38,319 deposited to the account. Does that seem to you now to be approximately correct?

Mr. PEPPER. I reviewed the bank statement for them. I did not review the checks for them, and I think the bank statement is accurate.

Mr. SANDERS. In other words, you totaled up the deposits from the bank statements?

Mr. PEPPER. Yes. But I did not review the bank checks for them. I reviewed them for myself.

Mr. SANDERS. I have no further questions.

Mr. MUSE. One second, please. Could we go off the record just briefly?

[Discussion off the record.]

Mr. MUSE. Mr. Pepper, I hope you will excuse me if I am somewhat repetitive. I came in a little bit late. I didn't hear all of the questions.

Mr. PEPPER. You are excused.

Mr. MUSE. When you had the conversations, the telephone conversations with Congressman Mills—

Mr. PEPPER. The first one?

Mr. MUSE. The September, Labor Day call.

Mr. PEPPER. OK.

* See p. 7730.

Mr. MUSE. Did he discuss his candidacy with you at all?

Mr. PEPPER. No.

Mr. MUSE. In any conversation did he discuss his possible candidacy?

Mr. PEPPER. He did not.

Mr. MUSE. In fact, at that time, to your knowledge, had he declared himself a candidate?

Mr. PEPPER. I don't know, not to me.

Mr. MUSE. All right. Did you discuss with any of his aides his possible candidacy?

Mr. PEPPER. I think it was general conversation at different periods of time, but in no hard, no real specific cases. But I do remember hearing people talking about it.

Mr. MUSE. And when you flew on the plane with the other board of directors, was there discussion about Mills' possible candidacy?

Mr. PEPPER. I think there was some speculation.

Mr. MUSE. And was there any discussion about an invitation being extended to him? To come out at that point? You were the only—

Mr. PEPPER. No; only between Joe Johnson and myself.

Mr. MUSE. So the other board members did not have any knowledge of the invitation being extended?

Mr. PEPPER. They did not.

Mr. MUSE. And when you extended the invitation, did you discuss the candidacy with Congressman Mills?

Mr. PEPPER. No.

Mr. MUSE. And when he appeared at the rally, was there any discussion of his candidacy?

Mr. PEPPER. By whom?

Mr. MUSE. By—well first, did he make any pitches in his speech?

Mr. PEPPER. No; not that I am aware of.

Mr. MUSE. Did any of his aides make pitches to anyone that you are aware of at that time?

Mr. PEPPER. No.

Mr. MUSE. And in fact, I think you described the rally itself as turning out to be bipartisan in effect?

Mr. PEPPER. Yes; because we insisted that it be so.

Mr. MUSE. And other than the letter from the electrical workers—the electrical co-op, which was exhibit No. 2, did you have any indication that this was an attempt to move Congressman Mills' candidacy?

Mr. PEPPER. Only the enthusiasm of some of the staff people who were present. It was obvious who they were for.

Mr. MUSE. Whose staff people were those?

Mr. PEPPER. I think Johnny Holmes particularly appeared to be a real pro-Mills man, and I think there were probably a couple of others that were very, very much in favor of the Congressman and would have liked to have seen him run. But as far as anything organized, this would just be like discussion among people considering political affairs.

Mr. MUSE. Would it be much different from any two citizens having a general discussion about a possible candidate?

Mr. PEPPER. No; they were enthusiastic about their support about someone. No; it wouldn't be any different from that.

Mr. MUSE. Now, in regard to this letter which is exhibit No. 2, from Harry Oswald to Roger Peterson, who was with the Iowa Electrical Cooperative, did you ever have any discussion with Mr. Oswald about their efforts to generate activity for Congressman Mills?

Mr. PEPPER. No.

Mr. MUSE. And did you have any discussion with Roger Peterson?

Mr. PEPPER. No.

Mr. MUSE. So the only knowledge you would have had about their attempts would have been this general letter?

Mr. PEPPER. Right.

Mr. MUSE. And with regard to the campaign poster or campaign bill—

Mr. PEPPER. Label, I call it.

Mr. MUSE [continuing]. Label that is appended to the letter, did you have any discussion with any of the people who sent it out?

Mr. PEPPER. No.

Mr. MUSE. And do you know exactly who was sponsoring this, other than the fact it was appended to the letter?

Mr. PEPPER. No.

Mr. MUSE. Did you have any knowledge that anything, that there was any effort by the electrical co-op and AMPI to jointly use this rally as an effort to move Congressman Mills' candidacy?

Mr. PEPPER. Would you restate that?

Mr. MUSE. Do you have any knowledge that there was any joint effort by the electrical co-op and AMPI to jointly sponsor or jointly move Congressman Mills' campaign effort?

Mr. PEPPER. I certainly didn't at that time. Perhaps my opinion is now influenced by what has transpired in—

Mr. MUSE. Aside from your speculations, do you have any knowledge?

Mr. PEPPER. Aside from speculation; no.

Mr. MUSE. Incidentally, did you ever talk to any of Congressman Mills' aides about this I O U draft movement, which is appended to exhibit No. 2?

Mr. PEPPER. No, I've never talked to any of his aides that I know of.

Mr. MUSE. Did you talk to anyone from AMPI about it?

Mr. PEPPER. No. Wait a minute—about the label itself at that time?

Mr. MUSE. Yes, sir.

Mr. PEPPER. Yes, I got mad.

Mr. MUSE. And who did you speak with?

Mr. PEPPER. Well, I don't remember who was in the office at the time. But when this came across my desk, I'm sure that I showed it to Johnson and a few of the others, and I kind of blew my stack a little bit because this was not in accord with the agreement, to begin with. And I know that I let them know my feelings about it.

And it was immediately then that I wrote the memo.

Mr. MUSE. The agreement you refer to is the effort at bipartisan-ship?

Mr. PEPPER. Yes.

Mr. MUSE. Was there any effort to solicit any funds by Congressman Mills at the rally?

Mr. PEPPER. No.

Mr. MUSE. And again, his speech and his actions didn't demonstrate, or didn't seek to generate a candidacy, did they?

Mr. PEPPER. As a matter of fact, I thought it was pretty dry.

Mr. MUSE. Fine, thank you. I have no other questions.

Mr. SANDERS. No further questions. That will be the end of the record.

Thank you.

[Whereupon, at 11:40 a.m., the hearing in the above-entitled matter was adjourned.]

PEPPER EXHIBIT NO. 1



Iowa Institute of Cooperation

Post Office Box 668 • AMES, IOWA 50010

March 26, 1974

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623 Ninth Street

TELEPHONE

Area Code 818
222-0312

Governor Robert Ray
State Capitol Building
Des Moines, IA

Dear Governor Ray,

I read with considerable interest your comment in this morning's Register saying that cooperatives had been "used" in the Cooperative Rally in October, 1971, in Ames.

In retrospect and in light of information provided by AMPI's own investigation, I believe you are right. It hurts to have to admit that I may have made an error in judgement by falling prey to someone's carefully planned strategy. In the beginning I really had no reason to be suspicious of anyone's motives, except perhaps one--and that was--why would Wilbur Mills call Gerald Pepper at home on Labor Day of 1971? (A point his spokesman denied in last night's Des Moines Tribune, and perhaps impossible to prove.) Obviously the public would scoff at such a ridiculous idea, were it made public. And yet, is it not more ridiculous to believe that Gerald Pepper could even get an audience with Wilbur Mills, much less convince him to come to Iowa. To cover this possible challenge to the projects integrity a carefully staged meeting in Washington was held in which I "officially" issued an invitation. This, of course, was documented, filmed and made a part of the record. I believe, now, that I'd been "had"--had by experts in political games, apparently.

Governor, if I have caused you or any of the other dignitaries on the platform that day any grief or embarrassment over this strange episode, I sincerely apologize and hope that you understand that it was in no way intentional nor contrived by myself nor the people I work for. I'm sure that you and the other dignitaries who appeared that day did so on a basis of confidence in the Iowa Institute of Cooperation. Perhaps by this letter we can maintain that basis of integrity.

For myself, I'm expendable--for the thousands of farmer cooperative members across Iowa it must be most embarrassing. I am confident that eventually we will all realize the truth of the matter and that's as it should be.

Sincerely,

Gerald R. Pepper
Gerald R. Pepper
Executive Director

PEPPER EXHIBIT NO. 2

ARKANSAS Electric COOPERATIVES INC.8000 INTERSTATE DRIVE • P.O. BOX 8469 • TELEPHONE: 562-0220
• LITTLE ROCK, ARKANSAS 72209 •MILTON W. SCOTT
President
RALPH B. DITTLE
Vice President
JOHN L. FAULKNER
Secretary
DEAN HODGES
Treasurer

September 14, 1971

HARRY L. OSWALD
General Manager
LELAND F. LEATHERMAN
General CounselMr. Roger Peterson, Manager
Butler County Rural Electric Cooperative
Allison, Iowa 50602

Dear Mr. Peterson:

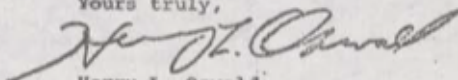
Congressman Wilbur Mills of our Second District has been a close friend of the electric cooperative program throughout his career in the Congress. I have had his influential help since 1948. We would not have had our first or succeeding generating loans without his aid. He has been a vigorous supporter of adequate loan funds for the total program.

He was most important in writing the tax laws that have been most important to the status of the electric cooperatives in his position as Chairman of the powerful Ways & Means Committee. All of us in the rural electrification program, wherever we are, owe him a debt of gratitude.

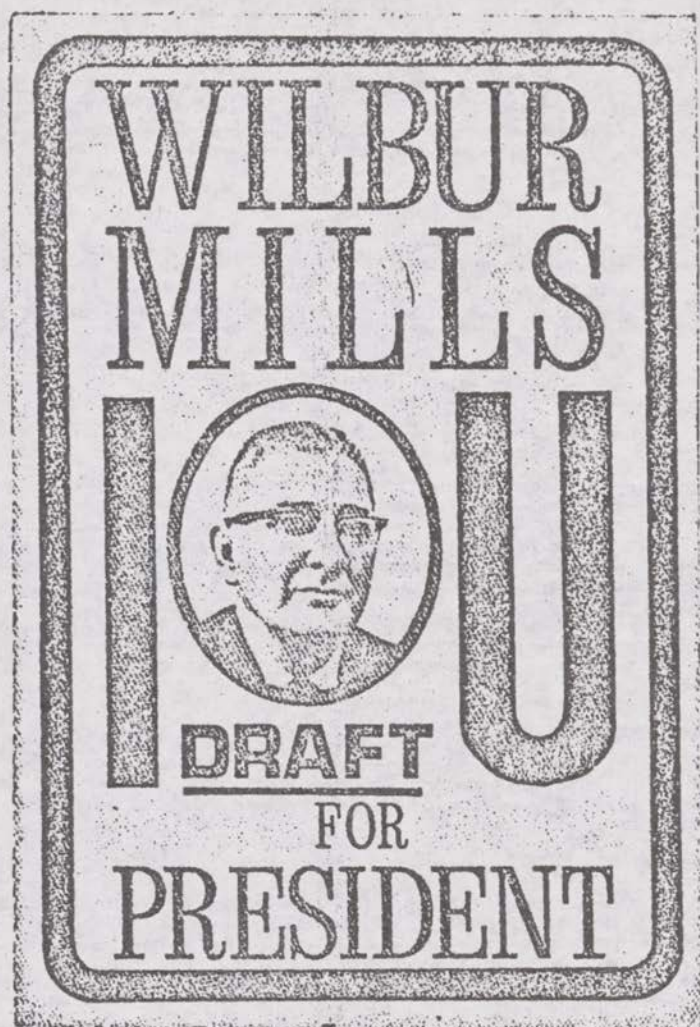
On Saturday, October 2, at 1:30 p.m., Congressman Mills will be the principal speaker at the kickoff meeting for Iowa Co-op Month in the Hilton Coliseum on the campus of the University of Iowa at Ames. Perhaps you know of the efforts of many to persuade him to become an active candidate for the Presidency of the United States. We need a large attendance at this meeting -- it will help our program.

At a similar type of recognition meeting here in Little Rock, over 3,000 managers, directors, employees and members of the electric cooperatives were in attendance. Can you help us in a similar way for the Iowa meeting? We identified ourselves as electric cooperative people with the attached badge. (We will supply these to you if you can help.)

Yours truly,


Harry L. Oswald
General Manager

P.S. Regardless of his decision about running, his strength will help us with whomever is nominated. And regardless, if his part prevails in electing a majority in the House of Representatives, he will again be the Chairman of the Ways & Means Committee.



PEPPER EXHIBIT NO. 3



Iowa Institute of Cooperation

Post Office Box 668 • AMES, IOWA 50010

September 18, 1971

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Jerolyn Carr
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OFFICE

23 Ninth Street

TELEPHONE:

area Code 515
232-2312

To: REC Managers

From: Gerald Pepper, Executive Director

Re: KICK-OFF - OCTOBER IS COOPERATIVE MONTH

Dear Sir:

It has come to my attention that interests outside the State of Iowa have misread the intent of the October 2 kick-off meeting at the James Hilton Coliseum in Ames.

This is a bipartisan meeting to focus attention on agriculture and its problems - and the role cooperatives take in solving these problems.

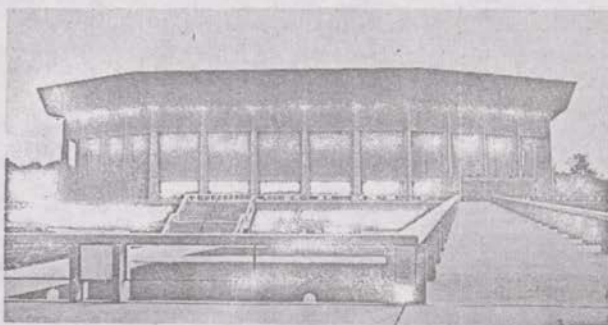
We ask you to disregard any attempt to change the thrust of this meeting and ask you to support this meeting by encouraging all co-op members to participate in a sincere effort to maintain a bipartisan effort. Iowa Institute of Cooperation does not sanction any efforts to divert the original intent of the meeting.

PEPPER EXHIBIT No. 4



IOWA COOPERATIVE MONTH KICK-OFF

Attend the first function at the
new **JAMES HILTON COLISEUM**
1:30 pm Saturday, October 2
Iowa State University — Ames



Hear and Meet



Robert D. Ray
Governor of the State of Iowa



Congressman Wilbur Mills



Senator Jack Richard Miller



Congressman Neal Smith

FREE ATTENDANCE PRIZES —

- Two color television sets
- Clothes washer
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Sponsored By The
IOWA INSTITUTE OF COOPERATION

TUESDAY, MAY 21, 1974

U.S. SENATE,
SELECT COMMITTEE ON
PRESIDENTIAL CAMPAIGN ACTIVITIES,
Washington, D.C.

The Select Committee met, pursuant to notice, at 2:05 p.m., in room G-334, Dirksen Senate Office Building.

Present: Senator Weicker.

Also present: David Dorsen, assistant chief counsel; Alan S. Weitz, assistant majority counsel; Donald Sanders, deputy minority counsel; Deborah Herbst, research assistant.

Senator WEICKER. Would you raise your right hand? Do you swear that the evidence that you are about to give to the committee is the truth, the whole truth, and nothing but the truth, so help you God?

Mr. HANMAN. I do.

Mr. WEITZ. Mr. Hanman, first I would like to serve you with a subpoena from the committee for your appearance here today as previously agreed to by your attorney. Now, I think the record should show that you have already appeared and testified on November 13, 1973, and therefore we will not ask you the background questions that we did, since they will be included in the record for that day. Would your counsel, however, identify himself for the record?

Mr. HOECKER. Wayne Hoecker. I'm a partner in the law firm of Gage, Tucker, Hodges, Kreamer, Kelly & Verner in Kansas City, Mo.

Mr. WEITZ. Mr. Hanman, did you attend a meeting at the Louisville Airport late on the night of the 23d or early in the morning of the 24th of March 1971?

TESTIMONY OF GARY EDWIN HANMAN, ACCOMPANIED BY WAYNE
HOECKER, COUNSEL

Mr. HANMAN. Yes.

Mr. WEITZ. Who attended that meeting?

Mr. HANMAN. To the best of my recollection it was myself, Dave Parr, Harold Nelson, and Paul Alagia at the airport.

Mr. WEITZ. Was Bob Lilly also present?

Mr. HANMAN. He may have been. But my recollection—I am not sure; he may have been.

Mr. WEITZ. Could you tell us who arranged the meeting and how you came to meet at the airport for that meeting?

Mr. HANMAN. As I recall, I believe I had gone to bed that night, and Dave Parr, I believe is the one, woke me up or got me and said: "We are going to Louisville to meet with Paul Alagia."

Mr. WEITZ. You were in Washington at the time?

Mr. HANMAN. Yes.

Mr. WEITZ. Mr. Parr and others were in Washington after the meeting with the President that morning?

Mr. HANMAN. Yes.

Mr. WEITZ. Did he tell you what the purpose of going to Louisville to meet Mr. Alagia was?

Mr. HANMAN. Yes. As I recall, the purpose of the trip was to talk to Alagia—Paul Alagia—about the advisability of attending the Republican fundraiser that was scheduled the next day here in Washington, if ADEPT was to participate, and to talk to anyone alone.

Mr. WEITZ. You mean participate—contribute to the dinner?

Mr. HANMAN. Yes.

Mr. WEITZ. Do you know how much money ADEPT had in its treasury at that point?

Mr. HANMAN. No, I do not.

Mr. WEITZ. Was it at least \$10,000?

Mr. HANMAN. I would surmise it was. I really do not know what the balance was.

Mr. WEITZ. What was the need to go to Mr. Alagia? In other words, what would be the purpose of talking to him about whether people from your organization, or possibly from the Associated Milk Producers, Mr. Parr's organization, would attend the dinner?

Mr. HANMAN. As I recall the circumstances, collectively we had been attempting to get some legislation passed that would have amended the 1949 support law for milk. We had been contacting Congressmen and Senators. We knew this fundraiser was coming up. Tentatively, we thought we would attend this fundraiser.

After the Secretary had made his announcement of no increase in supports, we pretty well agreed that we would not attend, at least not in any significant amount. The reason for going to this meeting—the thought was, maybe we ought to go in a larger amount—buy more tickets than what we originally thought.

Mr. WEITZ. Had you bought any tickets or made any contributions up to that point for the dinner or to the Republican Party?

Mr. HANMAN. I do not think we bought any tickets to the dinner. To the Republican Party, I do not recall.

Mr. WEITZ. How about in March 1971?

Mr. HANMAN. I do not believe that we had.

Mr. WEITZ. How much was contemplated prior to the Secretary of Agriculture's decision on the 12th? Let's start with ADEPT.

Mr. HANMAN. I really do not recall. I think what we were thinking about would be a ticket apiece for the ADEPT Committee members. That would generally be the type of contribution that we would make to something like that.

Mr. WEITZ. How many committee members were there at that time?

Mr. HANMAN. Six, plus myself; it would be seven.

Mr. WEITZ. That would have meant a contribution of \$1,000 a ticket, or \$7,000?

Mr. HANMAN. Right.

Mr. WEITZ. How about the other two co-ops or their trusts? What was contemplated before the Secretary's decision on the 12th?

Mr. HANMAN. I really do not know.

Mr. WEITZ. Did you have any discussions about that with them?

Mr. HANMAN. Beforehand?

Mr. WEITZ. With the representatives of the other two co-ops?

Mr. HOECKER. Prior to March 12?

Mr. WEITZ. Prior to March 12.

Mr. HANMAN. No; I did not.

Mr. WEITZ. You do not know whether they were intending to go or contribute before March 12?

Mr. HANMAN. Not that I recall.

Mr. WEITZ. What about after March 12? Between the Secretary's decision on March 12 and this flight out to Louisville on the night of the 23d, had you had any discussions with them about contributions either to the dinner, the Republican Party in general, or to the President's campaign?

Mr. HANMAN. I do not believe I did with SPACE. My recollection is that TAPE had made some tentative plans to buy a substantial number of dinner tickets before the March 12 decision or immediately thereafter. After the decision was rendered they were having some second thoughts about attending it in that large a number. As I recall, they were talking about six to eight tables, and there are 10 plates to the table.

Mr. WEITZ. That would be 60 to 80 tickets, or \$60,000 to \$80,000.

Mr. HANMAN. Yes.

Mr. WEITZ. Your understanding was that they, too, were having second thoughts about it after the decision on the 12th?

Mr. HANMAN. Yes; that is my recollection.

Mr. WEITZ. Who did you talk to about that? Who indicated that to you?

Mr. HANMAN. I believe that it was Dave Parr. My recollection would be that it would be Dave.

Mr. WEITZ. By the time that you flew out to Louisville on the 23d, did they indicate that they had made any contributions to the dinner or to the Republicans?

Mr. HANMAN. Not that I recall.

Mr. WEITZ. You had attended the meeting with the President the morning of the 23d, is that correct?

Mr. HANMAN. Yes.

Mr. WEITZ. Dave Parr had attended that meeting, too; is that correct?

Mr. HANMAN. Yes.

Mr. WEITZ. I believe you said Harold Nelson had also attended the meeting at Louisville. He also attended that morning, did he not?

Mr. HANMAN. Yes.

Mr. WEITZ. Paul Alagia was also at the meeting with the President, was he not?

Mr. HANMAN. I believe that is correct.

Mr. WEITZ. Can you tell us what the reason was that you flew out from Washington to Louisville for this meeting, rather than having discussed the matter that morning, either before or after the meeting with the President?

Mr. HANMAN. My recollection of it was—the first thought was that the dairy farmers would attend this Republican dinner in substantial amounts. Then after the March 12 decision, the thought was that we would not—maybe even boycott it; not go at all.

Sometime, I believe, between the meeting with the President and the dinner, which was to be the next night, I believe Dave got a call

from somebody—I do not know from whom—who indicated that we should not boycott the meeting; that we should go ahead and go to this dinner as previously planned. And as I recall, the flight to Louisville was to talk to Alagia about what he thought about that.

Mr. WEITZ. Do you know who called Parr?

Mr. HANMAN. I do not know for sure.

Mr. WEITZ. Did he tell you or did anyone else tell you who called Parr?

Mr. HOECKER. Did Parr tell him that?

Mr. WEITZ. Did Parr tell you that or did you know that it was a fact?

Mr. HANMAN. I do not know who called him. But it is my recollection that's why we went.

Mr. WEITZ. Did someone tell you, or do you recall from whatever source who, you were told, had called Parr?

Mr. HANMAN. My understanding was it was a call from Phil Campbell.

Mr. WEITZ. He was Under Secretary of Agriculture?

Mr. HANMAN. Yes.

Mr. WEITZ. Were you told or do you have any recollection of what was supposed to have transpired in that telephone conversation?

Mr. HANMAN. No. My understanding was that the call, in effect, said we should go to the dinner; we should not boycott the dinner; we should go ahead with the plans as previously made.

Mr. WEITZ. Had you ever talked to Phil Campbell about contributions activity, as opposed to the merits of the price-support decision?

Mr. HANMAN. No.

Mr. WEITZ. Do you know whether anyone connected with any of the three principal dairy co-ops had spoken to Campbell about contributions activities or possible contributions?

Mr. HANMAN. Not that I could testify to, no.

Mr. WEITZ. Do you know how Campbell knew about the plans to go to the dinner, the possible boycott of the dinner?

Mr. HANMAN. No; I do not.

Mr. WEITZ. Do you know whether there was any reference by Campbell to the price support matter, either any meetings that were going on within the administration or a review of the price support—the first decision, and so forth?

Mr. HANMAN. No, I do not.

Mr. WEITZ. Do you know whether Campbell indicated to Parr any reason that you should not boycott the dinner?

Mr. HANMAN. No. As I recall, the general statement was, "Progress is being made. We should go ahead and go to the dinner."

Mr. WEITZ. Progress is being made with regard to what?

Mr. HANMAN. To this price-support activity—working on this legislation.

Mr. WEITZ. Campbell was in the administration. He would not have to call you to tell you progress was being made with legislation, would he?

Mr. HANMAN. Normally not. I would think that would be true.

Mr. WEITZ. In fact, was he not referring to the fact that the progress that was being made in the administration was regarding an administrative increase?

Mr. HANMAN. I do not know.

Mr. WEITZ. Is that not what you understood?

Mr. HANMAN. I understood that progress was being made in our objective—to get price support increases, legislatively or administratively.

Mr. WEITZ. What was Campbell referring to?

Mr. HANMAN. I do not know.

Mr. WEITZ. What was your understanding, talking about it with Parr and others?

Mr. HANMAN. I do not know. I do not recollect whether it was legislative or administrative. I think it could have been legislative. I think there would have been some calls to him from Republican Congressmen or Senators with respect to this. One of the things that we asked them to do was to call the administration people—the people in the administration.

Mr. WEITZ. They had been doing that for a number of weeks, had they not?

Mr. HANMAN. That's right.

Mr. WEITZ. The effort had been going on with the dairy people in Congress and elsewhere for a number of weeks or months.

Mr. HANMAN. Intensively since that March decision; yes.

Mr. WEITZ. Did you have any knowledge or were you told of any meetings in the administration or the White House after the morning meeting with the President?

Mr. HANMAN. No.

Mr. WEITZ. Have you ever heard, in connection with that call from Campbell or otherwise, any question put to Nelson or Parr or any of the dairy co-op representatives, about whether the increase—if the administration were to have granted the increase in March of 1971, they would have gotten the dairy people “off their backs”—meaning the backs of the administration?

Mr. HANMAN. If the administration would increase it, would that get the dairy people off their backs?

Mr. WEITZ. Right. Did you ever hear any reference about that in connection with the call from Campbell to Parr?

Mr. HANMAN. No.

Mr. WEITZ. Was that phrase or that understanding talked about at all in March of 1971?

Mr. HANMAN. No; not in my presence.

Mr. WEITZ. Did you understand that the contributions or the requests that you not boycott the dinner and the subsequent meeting in Louisville was for the purpose of raising contributions that would somehow improve your chances of getting a price-support increase?

Mr. HANMAN. In this total environment that we were in, working with Congress and Senators, I think we had some request that we attend this dinner, and I think in that vein would be why we would be going to the dinner; yes.

Mr. WEITZ. Do you recall what time you left Washington for the meeting in Louisville?

Mr. HANMAN. No, I do not. It was late, I know that.

Mr. WEITZ. You were already in bed—close to midnight, before you left Washington?

Mr. HANMAN. I do not know; I suppose.

Mr. WEITZ. You flew to Louisville by AMPI jet?

Mr. HANMAN. Yes.

Mr. WEITZ. This was a special trip; the plane was not going anywhere else on the way?

Mr. HANMAN. That is my recollection. That is right.

Mr. WEITZ. Were you told of any arrangements to try to meet Alagia there—contact Alagia or his wife, or so forth—to make sure he would be there?

Mr. HANMAN. It was my understanding when we took off that was who we were going to talk with.

Mr. WEITZ. Do you know where he was at the time?

Mr. HANMAN. No, I did not at the time.

Mr. WEITZ. Was he there when you arrived in Louisville?

Mr. HANMAN. I do not believe he was.

Mr. WEITZ. How long did you wait before he came?

Mr. HANMAN. I do not know. I don't think very long, because I do not believe we were in the airport very long.

Mr. WEITZ. Was he arriving by plane from somewhere else?

Mr. HANMAN. Yes, that is my recollection.

Mr. WEITZ. When he came, what happened?

Mr. HANMAN. When he came, we sat down in the lobby right out in the foyer of the little airport, on the benches out there, and talked to him about the Republican dinner that was coming up and the fact that we wanted to attend it. We thought it would look better if all three political action trusts bought tickets, and if ADEPT was going to buy a significant amount of tickets, we would have to negotiate a loan. Generally, that was the gist of the discussion.

Mr. WEITZ. Negotiate a loan from SPACE or TAPE—or both?

Mr. HANMAN. Either one.

Mr. WEITZ. How much was needed?

Mr. HANMAN. As I recall, we were talking in the neighborhood of \$40,000 or \$50,000.

Mr. WEITZ. From ADEPT?

Mr. HANMAN. Yes.

Mr. HOECKER. For ADEPT.

Mr. WEITZ. So ADEPT could take the money and contribute it?

Mr. HANMAN. Yes.

Mr. WEITZ. How much was contemplated that would be contributed from the other two co-ops?

Mr. HANMAN. I really do not know; I do not recall.

Mr. WEITZ. At least \$100,000?

Mr. HANMAN. My recollection is that the total we were talking about was like eight tables, which would be \$80,000.

Mr. WEITZ. TAPE was larger than ADEPT, was it not, in terms of membership and cash on hand?

Mr. HANMAN. Yes.

Mr. WEITZ. At that point, at least, SPACE had more cash on hand than ADEPT, too; was that not your understanding?

Mr. HANMAN. I would guess that is right; yes.

Mr. WEITZ. Could you tell me why ADEPT would be targeted, so to speak, to contribute \$40,000 or \$50,000 out of a total of \$80,000 when you had two more wealthy co-ops or trusts that would participate?

Mr. HANMAN. No, I could not.

Mr. WEITZ. Was not the targeted figure actually much more than \$60,000 or \$80,000, all told, not only for the dinner but the total contribution that was being discussed at the airport?

Mr. HANMAN. My recollection of the meeting was with respect to the dinner—in the neighborhood of eight tables. That is my recollection of what we were talking about.

Mr. WEITZ. You do not recall a discussion of perhaps \$200,000 or \$300,000 total contributions from the three trusts?

Mr. HANMAN. For the dinner?

Mr. WEITZ. For the dinner and also to other Republican committees?

Mr. HANMAN. No. My recollection is, we talked to him in the neighborhood of six to eight tables.

Mr. WEITZ. For the dinner?

Mr. HANMAN. For the dinner.

Mr. WEITZ. No other moneys for any other purposes or over a period of time?

Mr. HANMAN. No; that is my recollection of what happened.

Mr. WEITZ. Was SPACE, if they were to loan ADEPT the \$40,000 or \$50,000, would they also make a contribution in addition?

Mr. HANMAN. I think we talked to him about his feelings on attending this dinner at this time. We talked to him about SPACE making contributions. I cannot testify that he made any specific commitment of an amount for SPACE at that meeting.

Mr. WEITZ. Was he asked for an amount or was any amount discussed with him above the loans—the possible loan to ADEPT?

Mr. HANMAN. I cannot recall.

Mr. WEITZ. It may have, but you don't recall either way. It may or may not have?

Mr. HANMAN. Yes.

Mr. WEITZ. Was there any reference at the meeting to the meeting with the President that morning, or about the price-support matter in general?

Mr. HANMAN. I am sure there was.

Mr. WEITZ. What was said?

Mr. HANMAN. I do not know that I could specifically quote anybody as to what was said. I am sure we talked about each other's impressions of the meeting with the President. The reason I say that, right after the President—everybody just scattered. There was not any meeting afterwards that I recall. I am sure we talked to Paul about his impressions at the meeting with the President.

I am sure also that we had discussions with him about what kind of response their people were getting from Congressmen and Senators in their areas that they were contacting in their efforts for the legislation. I am sure that the whole area of the price-support issue was discussed in that context.

Mr. WEITZ. What about Campbell's call? Was that discussed?

Mr. HANMAN. Not in my presence; not that I recall.

Mr. WEITZ. Would that not have been relevant if the Under Secretary of Agriculture calls one of the co-op leaders and tells him not to boycott the dinner? Would that not be one of the first things that you would talk about when you are talking about going to the dinner?

Mr. HANMAN. Yes; it would have been. I do not recall that coming up.

Mr. WEITZ. What was discussed to try to convince Alagia that they should not boycott the dinner, but should contribute?

Mr. HANMAN. What was discussed?

Mr. WEITZ. Right. What points were made to try to convince him that he should participate?

Mr. HANMAN. You have to realize that I was not doing the selling. I was along. As I recall, Harold and Dave were doing most of the talking with Alagia. In some cases they were in a different location than I was. The benches were in a row.

Mr. WEITZ. They were sitting side by side, but on a different side from you?

Mr. HANMAN. Yes.

Mr. WEITZ. Do you remember the arrangement—the seating arrangement?

Mr. HANMAN. No, I do not. I do remember that they were off on one side and I was over in another corner.

Mr. WEITZ. You could not hear the discussion?

Mr. HANMAN. I could hear some of it, but I was not in on all of it, I don't think.

Mr. WEITZ. Do you know whether Nelson told them something that he had not told you?

Mr. HANMAN. I have no reason to believe that; no.

Mr. WEITZ. Conversely, had Nelson or Parr told you something that they did not tell Alagia?

Mr. HANMAN. Not that I know about.

Mr. WEITZ. You don't recall any reference to the call from Campbell to Parr?

Mr. HANMAN. No, I do not recall talking to Alagia.

Mr. WEITZ. How about other contacts with people in the administration? Was anybody else referred to in the Louisville meeting, anybody in the Cabinet or any of AMPI's lawyers or any other White House people?

Mr. HANMAN. Not that I recall.

Mr. WEITZ. No one mentioned John Connally?

Mr. HANMAN. No.

Mr. WEITZ. How about Murray Chotiner?

Mr. HANMAN. Not that I recall.

Mr. WEITZ. How about Charles Colson?

Mr. HANMAN. Not that I recall.

Mr. WEITZ. Did anyone mention John Ehrlichman's name?

Mr. HANMAN. Not that I recall.

Mr. WEITZ. Aside from names of individual officials, did anyone at the meeting, or apart from the meeting—did anyone refer to AMPI's or the dairy co-ops' contacts in the White House in any administration in reference to the contributions and the price-support matter?

Mr. HANMAN. No; I do not recall any individual names being mentioned.

Mr. WEITZ. What was Alagia's response to the request?

Mr. HANMAN. As I recall, he indicated that he would not recommend SPACE making a loan to ADEPT. And I do not even recall making a specific indication that he would make a contribution from SPACE.

My impression of the discussion is that he was favorably inclined to the proposition.

Mr. WEITZ. Of making some contribution?

Mr. HANMAN. Yes.

Mr. WEITZ. Did he indicate that he, or that Morgan and he or John Moser, had already decided to make some contribution for the dinner?

Mr. HANMAN. I do not believe he did; no.

Mr. WEITZ. Did he indicate how much he would be willing to recommend that SPACE contribute to the dinner?

Mr. HANMAN. Not that I recall.

Mr. WEITZ. Did anyone indicate to him at the meeting the timing or the urgency of the request—that is, of the contributions themselves? Any deadlines that had to be met or any timetable to be followed?

Mr. HANMAN. My recollection is, we were talking to him about going to the dinner and the dinner was the next day or the next night. The idea was that we would go and we would have dairy farmers attend from the three groups.

Mr. WEITZ. ADEPT Committee members did attend the dinner, did they not?

Mr. HANMAN. Yes.

Mr. WEITZ. You did attend, also?

Mr. HANMAN. Yes.

Mr. WEITZ. You did not make a contribution the next day, did you?

Mr. HANMAN. I do not believe that we did.

Mr. WEITZ. Therefore, it was not absolutely necessary that SPACE contribute the next day in order to attend the dinner. They would just have to make a pledge or commitment of some sort.

Mr. HANMAN. I think that is right.

Mr. WEITZ. What was the deadline that was told to Alagia or discussed among yourselves about either the actual contribution or the pledge for the contribution?

Mr. HANMAN. As I recall—I am just trying to recall what I think we did in ADEPT. I think that I got our committees' names from Marion Harrison. As I recall, he was the one who had reserved the tables and he needed to know as soon as possible if we were going to use them or not.

Mr. WEITZ. You mean before the dinner?

Mr. HANMAN. Yes.

Mr. WEITZ. You told that to Alagia, or someone that evening probably told that to Alagia?

Mr. HANMAN. I surmise that is what we talked to him about.

Mr. WEITZ. You also had to check before the dinner in order to clear a certain number of seats or tickets with your people, did you not?

Mr. HANMAN. Yes.

Mr. WEITZ. Did you intend to send 40 or 50 people from ADEPT?

Mr. HANMAN. From ADEPT?

Mr. WEITZ. Yes.

Mr. HANMAN. No.

Mr. WEITZ. So that the \$40,000 or \$50,000 would not cover tickets—would be more than enough to cover tickets for Mid-Am and ADEPT?

Mr. HANMAN. For our dairy farmers that were going to attend; yes.

Mr. WEITZ. Would it cover other tickets, or just by way of contribution?

Mr. HANMAN. There were other people that wanted to attend. AA's of Congressmen, AA's of Senators. As I recall, there were other people from the administration we were furnishing tickets for.

Mr. DORSEN. Do you what time the telephone call from Phil Campbell was?

Mr. HANMAN. No.

Mr. DORSEN. Had you heard that it was in the comparatively early evening?

Mr. HANMAN. It was before our flight.

Mr. DORSEN. Was it essentially during working hours?

Mr. HANMAN. I really do not know.

Mr. DORSEN. Was there any reason given why you were not called until close to midnight?

Mr. HANMAN. No; I do not believe there was.

Mr. DORSEN. Was there any reference to any other telephone conversations or contacts, other than the telephone call from Campbell?

Mr. HANMAN. No.

Mr. DORSEN. Was there any discussion among yourselves as to discussing with Alagia the question that was discussed by using a telephone conversation rather than a flight to Louisville?

Mr. HANMAN. Do you mean, why did we not talk to him on the phone?

Mr. DORSEN. Essentially, yes.

Mr. HANMAN. Well now, I do not know that was discussed. However, if you understood the way many times Dave and Harold operated, they would jump in their plane and go see somebody if they wanted to talk to him rather than do it on the telephone. That was not unusual for them—just on the spur of the moment to jump in a plane and go see somebody.

Mr. DORSEN. Even at that hour?

Mr. HANMAN. I guess that was the only time I had been on a plane with them at that hour of the day. But there have been other instances where we get a call and say: "We will be by for you in an hour, we are going to so-and-so."

Mr. DORSEN. The record does reflect that the plane was used extensively. Again, this was a meeting set for or approximately at 4 a.m. at the Louisville airport. The question again is: Is there anything that you know why this could not be done over the telephone? Was there anything discussed to that effect?

Mr. HANMAN. No; I guess it never occurred to me.

Mr. WEITZ. In connection with the flight to Louisville, at the meeting, was Jake Jacobsen's name mentioned?

Mr. HANMAN. Not that I recall.

Mr. WEITZ. How did that meeting end? What was the agreement or result?

Mr. HANMAN. I don't know if we had any agreement. As I say, I came away with the impression that going ahead and attending was favorably received by Alagia. I did come away with the understanding that SPACE would not loan ADEPT the money.

Mr. WEITZ. Therefore, if ADEPT were to make a contribution it would have to receive the money—borrow the money from TAPE?

Mr. HANMAN. Or some other source, yes.

Mr. WEITZ. Was it also your understanding that someone from SPACE was to notify you people as to the amount they would contribute that next day, the 24th?

Mr. HANMAN. No; I did not have any understanding of that, no.

Mr. WEITZ. What did you do as a result of the meeting?

Mr. HANMAN. What did I do?

Mr. WEITZ. Yes. I take it after the meeting you flew back to Washington?

Mr. HANMAN. Yes.

Mr. WEITZ. Did you go back to sleep?

Mr. HANMAN. I am sure I did. I probably slept on the plane coming home. As I recall, my next action was to call the committee members—no, I called my secretary and had her call the committee members, the ADEPT committee members, and see if they could not attend the dinner that night. I believe that is all I recall doing right after that.

Mr. WEITZ. Where were the ADEPT members at that point?

Mr. HANMAN. They were all at home.

Mr. WEITZ. Did they fly in for the day?

Mr. HANMAN. Yes.

Mr. WEITZ. What did they do—come in with the corporate jet?

Mr. HANMAN. Yes.

Mr. WEITZ. Did you go get them?

Mr. HANMAN. No.

Mr. WEITZ. Ultimately, those six members plus yourself attended the dinner for ADEPT?

Mr. HANMAN. Yes.

Mr. WEITZ. Did anybody else for ADEPT and Mid-Am attend the dinner?

Mr. HANMAN. I do not recall. I believe that's all.

Mr. WEITZ. How many from the other two co-ops?

Mr. HANMAN. I do not know. There were quite a few of them.

Mr. WEITZ. As many as 60 or 80—or fewer than that?

Mr. HANMAN. Fewer than that.

Mr. WEITZ. Do you know whether SPACE made a contribution on the 24th?

Mr. HANMAN. From what I read in the paper recently, they did.

Mr. WEITZ. You had no knowledge of that that day?

Mr. HANMAN. No.

Mr. WEITZ. By seeing them at the dinner, you assumed that they had pledged or made some type of contribution?

Mr. HANMAN. Yes; but I did not count their heads to see how many they bought.

Mr. WEITZ. Who did you pledge your commitment to that day?

Mr. HANMAN. Probably Dave Parr or Marion Harrison, one of the two, probably.

Mr. WEITZ. Did you do it on the way home in the airplane after the Louisville meeting?

Mr. HANMAN. I do not know when I did it, whether it was coming home or the next day or when. But we did it.

Mr. WEITZ. How much did you commit?

Mr. HANMAN. I believe we said that we would go up to \$50,000 if we could get the loan, and if the committee members did not veto it.

Mr. WEITZ. Did you ask the committee members that day?

Mr. HANMAN. Well, I do not specifically remember asking them. They did come to the dinner and we did, after the dinner, have some time to discuss the dinner and all that.

Mr. WEITZ. There were only six or seven people from ADEPT attending that dinner. That is \$6,000 or \$7,000. That's different from \$50,000.

Did you raise the question of \$50,000 before the dinner?

Mr. HANMAN. I am not sure that I did.

Mr. WEITZ. Did you talk about it with them after the dinner?

Mr. HANMAN. I assume I did. I am not sure that I did.

Mr. WEITZ. Did you talk with Nelson and/or Parr after the dinner about contributions?

Mr. HANMAN. As I recall, after we had got back from the dinner, when we were in the hotel room, myself and most of my committee members spent a long time in the wee hours of the morning again talking to Harold and Dave. But we did not talk about any specific contributions per se. We talked more in terms of philosophy of involvement in Government, and we had quite a bit of discussion about procedure, how we were going to go about getting the legislation passed. People had a lot of questions relative to involvement in governmental decisions.

Mr. WEITZ. Did you not hear Page Belcher, at the dinner, tell people that the administration was going to raise the price supports the next day?

Mr. HANMAN. No.

Mr. WEITZ. Dave Parr did not tell you that either?

Mr. HANMAN. No.

Mr. WEITZ. Nobody at the dinner told you that?

Mr. HANMAN. No.

Mr. WEITZ. At the conversations at the hotel afterwards, nobody raised the possibility of an administrative increase?

Mr. HANMAN. I am sure that was talked about, yes.

Mr. WEITZ. In what context?

Mr. HANMAN. In the context that our two avenues of getting an increase in milk supports was either doing it through the legislative avenue or having it done through an administrative decision. And the effective date, I believe, of the increase, or the effective date of the new marketing year, was April 1, so the previous announcement was not effective yet at that time.

Mr. WEITZ. In these discussions in the hotel after the dinner on the night of the 24th and into the 25th, you had no inkling or knowledge that there was going to be a price-support increase the next day announced by the administration?

Mr. HANMAN. No, sir. I heard about it when I was in Chicago the next day.

Mr. WEITZ. That is the formal increase. You had no previous notice that there possibly was going to be an increase announced?

Mr. HANMAN. No, sir. I did not.

Mr. WEITZ. Were you with Nelson and Parr the entire evening after the dinner?

Mr. HANMAN. Until we went to bed I was, probably.

Mr. WEITZ. Did you go back to the hotel with Nelson?

Mr. HANMAN. Yes, I think we were staying at the same hotel.

Mr. WEITZ. The Madison Hotel?

Mr. HANMAN. Yes.

Mr. WEITZ. You were with him the entire time—from the time you went back to the hotel until the time that you went to bed?

Mr. HANMAN. I think so. I say I think so because I believe we spent a lot of time after the dinner with Harold and Dave in the room with the ADEPT Committee members.

Mr. WEITZ. Do you recall Nelson being gone for a period of time and then returning, or coming in late to that conversation?

Mr. HANMAN. My recollection is that they were both there, but they may have been gone. My recollection is, we all returned to the hotel and we had this long discussion with both of them.

Mr. WEITZ. Now, when you appeared and testified here in November, you were asked whether you discussed contributions with the representatives of the other dairy co-ops in March of 1971, and your answer was that the only occasion for that discussion was at the dinner on the night of the 24th.

I take it that you now testify that there were discussions about contributions on the night of the 23d and after the dinner on the 24th?

Mr. HANMAN. The discussions after the dinner were not in specifics—in terms of amounts, races or candidates. They were more in lines of philosophical discussion.

Mr. WEITZ. That was not true the night before on the way to Louisville or at Louisville?

Mr. HANMAN. What we were talking about there was that Republican dinner, yes.

Mr. WEITZ. Could you tell us why you did not testify to the discussions that took place at the Louisville Airport at your first appearance here in November?

Mr. HANMAN. No. I guess I forgot it.

Mr. WEITZ. Do you know what has refreshed your recollection since that time?

Mr. HANMAN. Well, I believe the first time that I recall this meeting—or the first time that this meeting came up—was in my discussion before the grand jury, when they raised it. Then I saw in the newspaper an article that Alagia had testified about the meeting.

Mr. WEITZ. Since that time or before that time, have you discussed this meeting, the meeting at the Louisville airport, with any of the participants?

Mr. HANMAN. Since my grand jury appearance?

Mr. WEITZ. Since the night of the meeting, I should say.

Mr. HANMAN. Who have I talked about the Louisville airport with?

Mr. WEITZ. Yes. First of all, any of the participants?

Mr. HANMAN. I may have talked to Dave Parr about it. I do not believe I have with Alagia. I do not believe I have with Nelson. But I may have with Dave.

Mr. WEITZ. Do you know in what context that you discussed this with Parr?

Mr. HANMAN. In what context?

Mr. WEITZ. Shortly after the meeting in the series of events that followed, recently with respect to the testimony?

Mr. HANMAN. My recollection would be, recently since I testified at the grand jury.

Mr. WEITZ. Did he recall any additional facts that you had not recalled in your grand jury testimony?

Mr. HANMAN. No. I think I asked him if Bob Lilly was along. He did not recall whether he was or not.

Mr. WEITZ. You also testified in November—rather, you were asked whether you had committed on the day of the 24th the \$50,000 contribution for the dinner and other Republican committees. And you answered that you were not sure whether it was that night or not.

I take it from your testimony today that you did commit the \$50,000 on the 24th?

Mr. HANMAN. The 24th?

Mr. WEITZ. The day of the dinner.

Mr. HANMAN. I am sure that is when we would have told either Dave or Marion Harrison that we would go to the dinner, yes.

Mr. WEITZ. In order for you to make that commitment, would you not have to be sure of the source of the loan?

Did not Parr or Nelson more or less assure you that TAPE would lend you the money?

Mr. HANMAN. I am sure they did.

Mr. WEITZ. On the 24th before you made the commitment?

Mr. HANMAN. I am sure that is right, or it would have been a contingent commitment, contingent on getting a loan. I doubt that that kind of a commitment would mean much.

Mr. WEITZ. As part of the discussion on the night of the 23d or the night of the 24th after the dinner, did you discuss contributions to the Presidential campaign?

Mr. HANMAN. I am sure that we did talk about the job that the President was doing, because we talked about all such matters that night.

Mr. WEITZ. Was it agreed that perhaps contributions should be made to the President's campaign if there was a price-support increase by the administration?

Mr. HANMAN. No, I do not think that type of an agreement was reached. It would have been a philosophical or a political action approach as to whether you would support the President in his reelection effort down the road or whether you would support somebody else.

Mr. WEITZ. As part of the philosophy that was discussed that night or as part of your philosophy in general, would it have been your feeling that you would have been more inclined to support the President and contribute to his campaign if, in fact, a price-support increase was granted by the administration?

Mr. HANMAN. I would say that our committee would have been more inclined to support his reelection effort if this action had been taken. I think you have to recognize also that there were several favorable administrative decisions during his first term in office, prior to this price support, that our committee would have been looking at in trying to evaluate a candidate for President.

Mr. WEITZ. What would those include?

Mr. HANMAN. The price supports were increased the year before, there was money appropriated for school lunch, and the administration—school milk, I mean—there were some decisions on imports. Those are the ones that come to my mind readily.

Mr. WEITZ. You said that you did not recall this meeting in the Louisville airport at the time that you testified in November.

Are you foreclosing recollection of any other facts with regard to the meeting other than what you testified, or do you believe that you have recalled all the facts in connection with that meeting and have testified to them here today?

Mr. HANMAN. Do you mean, am I saying that my memory is absolute?

Mr. WEITZ. Absolutely correct, now, and complete.

Mr. HANMAN. I do not know whether anybody could say that their memory is absolutely correct in 1974 as to what happened one night in 1971. I think generally I have testified to the content of what we talked about.

Mr. WEITZ. Mr. Sanders?

Mr. SANDERS. Do you have any recollection, before you left for Louisville on the night of the 23d or during the flight, that Nelson made any mention of an obligation he had in Florida the next day?

Mr. HANMAN. I believe he did indicate that he had to get up early and go to Florida. That is all I recall about it.

Mr. SANDERS. You returned directly to Washington from Louisville?

Mr. HANMAN. I believe that is right.

Mr. SANDERS. Did he come back into town from the airport with you, or did he fly on from National?

Mr. HANMAN. I do not recall.

Mr. SANDERS. Without respect to time, without respect necessarily to the night of March 23 or 24, 1971, did you at any time—did you personally at any time—have any agreement or understanding with anyone that ADEPT or Mid-Am would make certain contributions to the reelection of the President in consideration with the administrative decision more favorable than the one rendered on March 12?

Mr. HANMAN. No.

Mr. SANDERS. To your knowledge, did any other officials of ADEPT or Mid-Am have any such agreement or understanding?

Mr. HANMAN. No.

Mr. SANDERS. To your knowledge, did any officials of AMPI or of Dairymen Inc., have any such understanding?

Mr. HANMAN. Not to my knowledge.

Mr. SANDERS. To turn it around, to put it the other way, do you have any information that would indicate that any officials of the White House or the Department of Agriculture indicated that they would be of assistance in obtaining a decision more favorable than the one on March 12, provided that certain contributions were made by any of the dairy co-ops?

Mr. HANMAN. Not to my knowledge.

Mr. SANDERS. Or any person within the Committee To Re-Elect the President?

Mr. HANMAN. Not to my knowledge.

Mr. SANDERS. Aside from contributions which might have been made by ADEPT to the Presidential campaign of Senator Humphrey in 1972 or 1971, did Mid-Am to your knowledge provide any other contributions to his campaign?

Mr. HANMAN. Run that by me again? You are talking about Humphrey and Mid-Am?

Mr. SANDERS. Yes.

Mr. HANMAN. Did we provide any money?

Mr. SANDERS. Any moneys to the Presidential campaign of Senator Humphrey besides those that were furnished from the ADEPT account?

Mr. HANMAN. Did Mid-Am contribute moneys?

Mr. SANDERS. Yes.

Mr. HANMAN. No.

Mr. SANDERS. Did Mid-Am provide any goods or services to the Presidential campaign of Senator Humphrey?

Mr. HANMAN. As I recall, there was one airplane trip that he was on.

Mr. SANDERS. What were the circumstances of that?

Mr. HANMAN. Well, trying to recollect; I believe we had a call from his office and he had some speeches to make and wondered whether we would provide some transportation. And a fellow from my staff, Glen Davis, did go with him in a company plane. I do not know the date. I believe it was before the nomination of 1972.

Mr. SANDERS. Do you know where they traveled to?

Mr. HANMAN. Somewhere in the Midwest.

Mr. SANDERS. Do you know who called from Senator Humphrey's office?

Mr. HANMAN. No, I do not.

Mr. SANDERS. That was the Mid-Am airplane?

Mr. HANMAN. Yes.

Mr. SANDERS. Do you know of any other such flights?

Mr. HANMAN. For Humphrey?

Mr. SANDERS. Yes.

Mr. HANMAN. No. That is the only one I recall right now.

Mr. SANDERS. On the flight that you just mentioned, were those Presidential campaign appearances?

Mr. HANMAN. I really do not know whether they were Presidential candidate's appearances or not. He was making some speeches, I know that.

Mr. SANDERS. Do you know of any other goods or services provided to Senator Humphrey's Presidential campaign by Mid-Am?

Mr. HANMAN. Not that I recall, just that one.

Mr. SANDERS. Were any moneys or goods or services provided by Mid-Am, as opposed to ADEPT—provided to the Presidential campaign of Congressman Mills?

Mr. HANMAN. Yes. I recall one plane trip that he was on.

Mr. SANDERS. Would you explain that?

Mr. HANMAN. As I recall, it was a similar circumstance. We received a call wondering if we could provide some transportation, and our plane did fly somewhere in the Midwest again, and I believe Glen Davis of our staff did go on that trip with Mr. Mills.

Mr. SANDERS. Was the request from Congressman Mills, the congressional office, do you know?

Mr. HANMAN. I really do not know where the call came from.

Mr. SANDERS. Was it during the time that he was a Presidential candidate?

Mr. HANMAN. Could you define that period?

Mr. SANDERS. The draft Mills campaign began in about the summer of 1971.

Mr. HANMAN. Between then and when was it? When was the convention—August? Yes, it would have been during that period.

Mr. SANDERS. Is that the only flight that you know of for Mills?

Mr. HANMAN. Yes.

Mr. SANDERS. Was that the Mid-Am corporate jet aircraft?

Mr. HANMAN. Yes, the one that we had leased. Yes.

Mr. SANDERS. Do you know of any other moneys or goods or services provided for Congressman Mills?

Mr. HANMAN. From Mid-Am?

Mr. SANDERS. Yes.

Mr. HANMAN. None.

Mr. SANDERS. That is all I have.

Mr. WEITZ. Mr. Hanman, were you aware of meetings in March 1971, or contacts during that period, between representatives of AMPI and people in the White House, other than the meeting with the President?

Mr. HANMAN. Only a vague recollection. I do not know of any specific meeting or who attended.

Mr. WEITZ. That would include Mr. Colson, for example.

Mr. HANMAN. I do not know whether I ever heard his name mentioned.

Mr. WEITZ. Mr. Kalmbach, who would not have been in the administration, or who would have been a Republican fundraiser at that time?

Mr. HANMAN. No, I do not believe his name came up.

Mr. WEITZ. Therefore, if the record indicates, or if there is evidence, that there were meetings between AMPI representatives and, say, Mr. Colson and Mr. Kalmbach during that period, you were not told, either of the meetings or the substance of the meetings?

Mr. HANMAN. That is right.

Mr. WEITZ. I have no further questions—excuse me, I do have one further question.

The same question would apply to Secretary Connally. Are you aware of any contacts or meetings in March of 1971, between AMPI representatives or their lawyers and Secretary Connally?

Mr. HANMAN. My recollection is, Jacobsen did indicate at one meeting I was at, that he had talked to Connally.

Mr. WEITZ. Do you recall where you were when this meeting took place, the meeting with Jacobsen?

Mr. HANMAN. As I recall, it was in the Madison Hotel.

Mr. WEITZ. Do you recall who else was present?

Mr. HANMAN. As I recall, it was in the AMPI suite of rooms, and Jake did come in when I was there and said that he had talked, that he had come back from talking to Connally.

Mr. WEITZ. Do you recall when this occurred?

Mr. HANMAN. I do not know whether it was before or after the first decision.

Mr. WEITZ. And were Nelson and Parr there?

Mr. HANMAN. My recollection is, one of them was there, maybe both of them.

Mr. WEITZ. How about Bob Lilly? Was he there?

Mr. HANMAN. I cannot testify about whether he was there or not. As I recall, the instance was when Jake had come back from this meeting and he was reporting to Harold and/or Dave.

Mr. WEITZ. What did he report?

Mr. HANMAN. He reported that he had talked to Connally, Connally understood our problem and was sympathetic to the problem, and would talk to the President about it.

Mr. WEITZ. You do not recall whether it was before or after the Secretary's decision on March 12?

Mr. HANMAN. No, I do not.

Mr. WEITZ. Was there an attempt to reach, get information to, or talk to the President about this before the 12th, or was the emphasis with regard to the administration mostly on the Secretary of Agriculture?

Mr. HANMAN. We had prepared a position paper, as you know, on the economic justification for the price support, and that was presented, as I recall, to the Secretary. And I think an effort was made to get that to the President. I think we mailed some copies of it to the President.

Mr. WEITZ. Did Harrison do that?

Mr. HANMAN. I do not know. I believe he mailed it to him.

Mr. WEITZ. Was there any discussion at that meeting about contributions—the meeting where Jacobsen reported back?

Mr. HANMAN. No.

Mr. WEITZ. Do you recall any meeting at which contributions were discussed in connection with the assistance of Secretary Connally?

Mr. HANMAN. No. The only time that I have ever talked to Mr. Connally or had any meeting with respect to contributions was after he was organizing the Democrats for Nixon.

Mr. WEITZ. How about without Mr. Connally present, but with Jacobsen present, or with others of the dairy co-ops about contributions and the assistance of Secretary Connally in the price-support matter?

Mr. HANMAN. Not that I recall.

Mr. DORSEN. Since you testified in November 1973 before this committee, has your recollection been refreshed as to any other events than the events to which you have testified here today?

Mr. HOECKER. Regarding political contributions?

Mr. DORSEN. Regarding his earlier testimony.

Mr. HANMAN. No; not that I recall. I was trying to think what I read in the papers. I do not recall anything.

Mr. DORSEN. I have no further questions.

Mr. WEITZ. We have no further questions.

Thank you, Mr. Hanman. We will recess for today.

[Whereupon, at 3:50 p.m., the hearing in the above-entitled matter was adjourned.]

FRIDAY, MAY 31, 1974

U.S. SENATE,
SELECT COMMITTEE ON
PRESIDENTIAL CAMPAIGN ACTIVITIES,
Washington, D.C.

The Select Committee met, pursuant to notice, at 9:15 a.m., in room G-334, Dirksen Senate Office Building.

Present: Senator Talmadge.

Also present: David Dorsen, assistant chief counsel; Alan S. Weitz, assistant majority counsel; Donald Sanders, deputy minority counsel.

Senator TALMADGE. Phil, raise your right hand please. Do you solemnly swear that the evidence you shall give the Select Committee to Investigate Presidential Irregularities in the Campaign Year of 1972 shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. CAMPBELL. I do.

[Recess.]

Mr. WEITZ. Mr. Campbell, I think the record ought to first reflect that you have been interviewed informally by the staff on October 3, 1973, and also January 8, 1974. We thank you for your returning at our request for this session.

In that regard, I don't believe we are going to cover all of the points we have gone over with you before, but rather focus on certain particular events.

TESTIMONY OF J. PHIL CAMPBELL, UNDER SECRETARY OF THE
U.S. DEPARTMENT OF AGRICULTURE

Mr. CAMPBELL. All right.

Mr. WEITZ. I would like also to indicate—off the record.

[Discussion off the record.]

Mr. WEITZ. Back on the record.

In connection with the private civil action of *Nader v. Butz* in the Federal District Court in the District of Columbia, you executed an affidavit on March 10, 1972. Is this a copy of your affidavit?

Mr. CAMPBELL. Yes.

Mr. WEITZ. I would like to enter that as exhibit 1 to your testimony today and that, of course, covers many of the points relating to this matter.

[Whereupon, the affidavit referred to was marked Campbell exhibit No. 1.*]

Mr. WEITZ. Mr. Campbell, I take it you were familiar and are familiar with the Associated Milk Producers, Inc.?

Mr. CAMPBELL. Yes.

* See p. 7791.

Mr. WEITZ. There are also several others, namely, the Mid-America Dairymen, Inc., and Dairymen, Inc.? Those are three dairy cooperatives?

Mr. CAMPBELL. Yes.

Mr. WEITZ. And I take it also you are familiar with and have met one or more times with several of them, at least some of them, with the now past leaders of those cooperatives, including Harold Nelson and David Parr?

Mr. CAMPBELL. Yes.

Mr. WEITZ. Would that also include Gary Hanman?

Mr. CAMPBELL. I don't identify the name immediately. I met with several different people at different times, and I don't remember that name specifically, but there were some people that I met in Assistant Secretary Dick Lyng's office one time that included all three of these co-ops. I don't remember the specific names, though. I remember that name but I don't exactly identify who he was with.

Mr. WEITZ. He is an executive with Mid-America Dairymen and I believe records in our possession as well as his testimony indicate he met with you at least on one occasion.

Mr. CAMPBELL. Well, I am sure he was probably in the group if he is one of their high-level people because, as I remember, all three of them came down once and I don't even remember what year or day it was that we met in Assistant Secretary Lyng's office. I could have seen him on other occasions, too. But I don't remember specifically.

Mr. WEITZ. Now in connection with the milk price-support matter in March 1971, did you have occasion to meet with one or more of the dairy representatives before the Secretary's first decision on March 12?

Mr. CAMPBELL. Oh, I saw the dairymen regularly—well, not regularly, but I saw them on occasion here and there, and they were in town and out on occasion and they would call me or come by, but I can't give you any specific dates. Also, I was out meeting with dairymen on speaking engagements that did not involve these three groups but other dairymen in Ohio, Pennsylvania, and New York. So I was seeing dairymen on occasion and talking to them on occasion just in the pursuit of my business and on occasions when they came to town. But, as I say, I don't remember the dates.

Mr. WEITZ. In the course of your contacts with them and their contacts with others at the Department of Agriculture prior to March 12, 1971, was it your understanding that they had urged an increase of milk price supports and had pressed their various arguments in favor of an increase?

Mr. CAMPBELL. Yes.

Mr. WEITZ. And did they do so with you as well as others?

Mr. CAMPBELL. Yes.

Mr. WEITZ. And their arguments to support an increase included reference to an increased cost to dairy farmers?

Mr. CAMPBELL. Yes.

Mr. WEITZ. I take it your position, before the first decision and at the time of the first decision, was of concern over the fact that an increase would cause overproduction of milk for the coming year?

Mr. CAMPBELL. Yes, and also—well, yes; that is essentially correct.

Mr. WEITZ. And I take it also that that was the concern of those in the Department who recommended no increase?

Mr. CAMPBELL. Yes.

Mr. WEITZ. And Secretary Hardin, as well as the other Directors of the Commodity Credit Corporation, concurred in that recommendation?

Mr. CAMPBELL. Yes; it was a close call, though, because the dairymen had had increased costs. There were arguments on both sides, but our judgment came down on the side against.

Mr. WEITZ. Before March 12, 1971, before the first decision was announced, did you have any contact with anyone in the White House on this matter?

Mr. CAMPBELL. Well, when you say White House, I am not sure. I know that we dealt with the OMB.

Mr. WEITZ. Who did you deal with there?

Mr. CAMPBELL. I believe—I was trying to think of the name.

Mr. WEITZ. With Don Rice?

Mr. CAMPBELL. Don Rice? That is correct. And I don't know, but I possibly could have had one conversation with Secretary Shultz, but I don't know whether it was before or after the increase—when he wanted to know what the issues were. As I say, I don't know, but I possibly could have.

Mr. WEITZ. Before or after the increase or before or after the first decision?

Mr. CAMPBELL. Well, both.

Mr. WEITZ. I see.

Mr. CAMPBELL. Yes, both; but he wanted to know what the issues were, I believe.

Mr. WEITZ. Was it the position of Mr. Rice—or Dr. Rice—that they concurred, that the OMB concurred in the position of no increase?

Mr. CAMPBELL. Yes.

Mr. WEITZ. Now you referred to the OMB. I take it there may also have been contacts with the Council of Economic Advisers?

Mr. CAMPBELL. I don't recall personally having had any contact, but I am certain that possibly some of the people in the Department did, or I guess they did. You see, we have lower echelon working people that work with these people daily and I assume they did, but I don't recall personally having had any contact; no.

Mr. WEITZ. Do you know whether the recommendation for no increase before the March 12 decision—do you know if that is reviewed by OMB as a regular matter?

Mr. CAMPBELL. Yes; they review everything we do.

Mr. WEITZ. So therefore the recommendation of OMB from USDA in March 1971 was for no increase?

Mr. CAMPBELL. Yes.

Mr. WEITZ. That was concurred in?

Mr. CAMPBELL. Yes; we always come to a mutual position. We don't move without their concurrence on anything and we have to meet with them.

Mr. WEITZ. How, apart from OMB and the CEA, what about the President's own staff, the White House staff—for example, people on the domestic council or Mr. Ehrlichman's staff or Mr. Colson's staff; did you have any contact with them prior to March 12?

Mr. CAMPBELL. I don't remember any, very frankly. I could have, but I don't recall that I did. It is possible that I could have talked to

Mr. Ehrlichman, but I do not recall whether I did or not; I really don't know. I do remember a conversation with Secretary Shultz. Well, he was not Secretary at that time—

Mr. WEITZ. He was Director of OMB?

Mr. CAMPBELL. He was Director of OMB.

Mr. WEITZ. You had a conversation with him sometime in March and you are not sure whether it was before or after the first decision?

Mr. CAMPBELL. That is correct.

Mr. WEITZ. Was anyone else present at that conversation?

Mr. CAMPBELL. This was a telephone conversation.

Mr. WEITZ. And what was the purpose of this call?

Mr. CAMPBELL. Oh, he wanted to know the issues—what the issues were and what our position was, and, you know, it was the fear of overproduction, which would then impact on the Treasury.

Mr. WEITZ. Was there any discussion during that conversation of the political impact of the decision?

Mr. CAMPBELL. No; not that I recall. I don't recall discussing political impact with Secretary Shultz. No; not than I can remember.

Mr. WEITZ. Do you remember discussing the political impact of the first decision—discussing it prior to the first decision—with anyone, either in USDA or in the White House?

Mr. CAMPBELL. Oh, well, in the USDA we—well, it depends on how you define "politics." We were well aware that they had the push on to increase the prices. They were pressuring us, as I have answered previously, to raise the prices.

Mr. WEITZ. Before the first decision?

Mr. CAMPBELL. Oh, yes. And then people from the Hill were also doing the same thing—the Members of Congress—and we were getting calls from dairymen here and there, not limited to these three groups, but from my own State and elsewhere, for example. They were pressing their case to have the price raised.

Mr. WEITZ. And did you discuss that with anyone in the White House?

Mr. CAMPBELL. Oh, I don't recall that I did, but I just don't know. I don't recall discussing that particular pressure. I could have, but I don't recall it. I didn't have that many discussions with the White House, very frankly.

Mr. WEITZ. Did anyone in the White House indicate that they were concerned about the pressure or the activity of the dairy people, or had other contacts and concerns, about this issue?

Mr. CAMPBELL. Prior to the decision?

Mr. WEITZ. Yes.

Mr. CAMPBELL. No; not that I recall. They could have, but I don't recall. No; not that I remember. As I say, I didn't have that many conversations with them. I don't recall. I don't recall having that type of conversation; no.

Mr. WEITZ. How about Mr. Chotiner; did you have any contact with him about the price-support matter before March 12?

Mr. CAMPBELL. I don't recall having one, no. I don't know the gentleman that well—don't know if I ever met him. I could have talked to him on the phone a time or two, but don't recall any conversation in regard to this.

Mr. WEITZ. Do you know whether Secretary Hardin had any such contacts prior to March 12 with anyone in the White House?

Mr. CAMPBELL. I don't know. No, I can't speak for him. I really don't know.

Mr. WEITZ. Did he discuss any of his contacts with you?

Mr. CAMPBELL. Well, I am sure we discussed generally—well, when you say the White House, you are separating it from the OMB?

Mr. WEITZ. Yes.

Mr. CAMPBELL. Well, I just don't recall him discussing anything with me in that respect, although he could have. I just don't recall.

Mr. WEITZ. Did he indicate that he talked to the President about the decision before March 12?

Mr. CAMPBELL. No, I don't recall that, no.

Mr. WEITZ. Was this a type of decision that normally, from your experience would have been reviewed by the President?

Mr. CAMPBELL. No; I don't think so. I don't know.

Mr. WEITZ. Do you know whether Secretary Hardin—do you know whether he discussed with you, or did you otherwise know, whether he had requested that the President review this particular decision before it was issued?

Mr. CAMPBELL. If I did, I don't recall him ever telling me. I don't recall any such—no. I just don't recall it.

Mr. WEITZ. Now, you have distinguished—or rather I have distinguished between the White House and, for example, OMB. Do you know whether Secretary Hardin discussed this with Director Shultz or anyone from OMB or CEA?

Mr. CAMPBELL. I am sure we discussed it with OMB, because anything that impacts on the budget we do discuss with them, and I would assume he did because I think we had a conference, as I said, with Don Rice.

Mr. WEITZ. About that conference, who was present at that?

Mr. CAMPBELL. I don't know.

Mr. WEITZ. Was Secretary Hardin present?

Mr. CAMPBELL. I don't remember.

Mr. WEITZ. Were you?

Mr. CAMPBELL. I would assume I was. I don't remember, very frankly, who was there. I don't really remember the conference, but it is on the schedule, and in my office the records show that I was there, but I don't remember the conference. I do know that it is routine procedure for us to go over all of these with OMB, and I am certain we did.

Mr. WEITZ. Do you recall from your records what date that conference took place?

Mr. CAMPBELL. No; I don't. It can be ascertained.

Mr. WEITZ. Would you? Would you do that when you return, and provide us the date of that conference?

Mr. CAMPBELL. Yes. The date of the Don Rice conference?

Mr. WEITZ. Yes, and indicate in your notes those who attended and where it took place.

Mr. CAMPBELL. OK. It was doubtlessly over in his office in the Executive Office Building, but I will find out.

Mr. WEITZ. Now I have here a copy of the docket that was prepared in connection with the March 12 decision not to increase the price-support level.* This is already an exhibit to an affidavit in our records and I won't enter it as an exhibit, but I do want to ask you a question about it. Did you review or have anything to do with the preparation of the press release for March 12 announcing the decision?

Mr. CAMPBELL. I don't recall participating in that press release.

Mr. WEITZ. Would you have reviewed it or at least seen a copy of it?

Mr. CAMPBELL. I don't know. We have a system of OKing press releases and the assistant secretaries generally do that; if they are out of town, they may push them into my office, but I don't remember seeing that one and I do not remember participating in the preparation of it. I did participate in the decisionmaking to keep the support price where it was.

Mr. WEITZ. Now, in the March 12 press release issued by the Department and reflecting the announcement by Secretary Hardin, after a discussion of the milk price-support matter, it refers to the fact that the Secretary had noted that the President had directed the Tariff Commission to review imports of certain cheese products.

Mr. CAMPBELL. Yes.

Mr. WEITZ. Was that considered at the same time in March, and earlier, as the price-support matter?

Mr. CAMPBELL. The dairymen had been disturbed ever since we had been in office and prior to that in the preceding administration, they had been disturbed with the level of imports and that was always a constant topic of discussion, along with other matters, whenever the dairymen came in. That was one of the things that they were wanting to do—to close up the imports. And the imports were discussed and—

Mr. WEITZ. With the dairy people? By the dairy people, I mean?

Mr. CAMPBELL. Oh, yes.

Mr. WEITZ. Was the fact that the announcement of a commencement of an investigation of the proper level of imports of certain cheese products—the fact that that would be announced together with the milk price-support matter—was that discussed with anyone in the White House or OMB?

Mr. CAMPBELL. I don't know. Not to my knowledge. I didn't have any such discussions that I can recall with the White House. It could have come up in the Don Rice discussion because the dairymen all had the push on with regard to the imports and we have to worry about this on all of our commodities. This isn't just peculiar to milk.

Mr. WEITZ. When I say discussions, I am also referring to any memorandums that were circulated to or from USDA. Do you recall any memorandums that refer to both of the matters together?

Mr. CAMPBELL. I don't recall. That doesn't say there was not one, but I don't recall seeing one.

Mr. WEITZ. Is it unusual to have a press release that refers to two separate matters together?

Mr. CAMPBELL. No; I don't think so. I don't think that is unusual because this is one of the concerns of the dairymen and they had taken the previous administration over the rough path—to get the previous administration to close up some of the imports.

* See p. 7847.

This was a continuing issue that the dairymen pressed constantly, and they are also concerned with it today. So it is not unusual that that occurred, in my opinion.

Mr. WEITZ. No, not the announcement. My question is, was there anyone who linked—

Mr. CAMPBELL. Linked the two together?

Mr. WEITZ. Yes.

Mr. CAMPBELL. I don't recall that there was. If there was, it didn't arouse any significance in my mind. It doesn't arouse any particular significance to me except it was an issue the dairymen were concerned about.

Mr. WEITZ. And you recall no discussion of issuing this part of the announcement as an offset or somehow to appease the dairy people for the adverse price-support decision?

Mr. CAMPBELL. No; I don't recall that being discussed but I can see where that would be kind of a bone thrown to them, you know; it would appear that way, but I don't recall it being discussed in that context; no.

Mr. WEITZ. Now after—Sorry, did you want to add something?

Mr. CAMPBELL. I can say I personally would have been in favor of trying to close the imports to an extent because the imports we were receiving were highly subsidized and our dairy farmers have a very difficult time competing against highly subsidized imports from Europe, where their governments, out of their treasuries, subsidize them. I would personally be in favor of doing that for that reason because the dairymen in America operate at a disadvantage against imports highly subsidized by their governments.

Mr. WEITZ. Between March 12 and 23, that is, between the time of the announcement of the first decision and the meetings with the President and dairy people and his advisers on March 23, was there any review of the economic merits of the first decision in the USDA?

Mr. CAMPBELL. Well, the only way I can answer that is that things are constantly at our attention. We are aware of situations. We had the corn blight the year before. We knew the dairymen were in a bind on cost. And there was, as I said, a close decision there.

I don't recall any specific meeting where we did this, but we had the cost figures already as to the situation with the increased cost to the dairymen because of the corn blight the preceding year which had shortened the corn supply and raised their concentrate price. We had these figures; and, of course, we were well aware of the fact that the cost had gone up. We keep these figures on a day-to-day, ongoing basis.

Mr. WEITZ. You mentioned that the first decision was a close decision. Can you name anyone in USDA who favored an increase?

Mr. CAMPBELL. No, I cannot. You see, the real issue was whether or not the market price, which had already escalated into the \$4.90 range—the question was whether or not that market price would be sufficient to sustain the dairymen rather than us also raising the support price above the \$4.66 level. And we were of the opinion that the market price should be adequate without us moving the support price. I don't recall anyone in the Department opposing that decision. There could have been some that disagreed, but I don't recall any that did, just now.

Mr. WEITZ. Between the 12th and 23d, can you tell us who engaged or who you were aware of was reviewing the wisdom of the first decision?

Mr. CAMPBELL. I can't tell you anyone who got down and took statistics and laid them out on a table and did it. It had to be a mental review because we already knew what the facts were.

Mr. WEITZ. Well, did you discuss this with anyone?

Mr. CAMPBELL. I don't recall any particular discussion, no; I do not.

Mr. WEITZ. So to your knowledge if anyone was reviewing it, it would have been individually and it is your surmise that they were reviewing it?

Mr. CAMPBELL. That is right. And I am sure I had conversations, you know, with others in the Department, the Secretary, but I can't recall specific conversations. It was just a daily subject. We talked about it off and on because these dairymen really had the push on and after the decision on the 12th, the pressure on the Hill increased considerably.

Mr. WEITZ. In that period between the 12th and the 23d, did you have any contacts with anyone in the White House on this matter?

Mr. CAMPBELL. I don't recall any, no.

Mr. WEITZ. Do you know whether Secretary Hardin did?

Mr. CAMPBELL. He could have but I don't remember.

Mr. WEITZ. Well, this meeting with Mr. Ehrlichman or this discussion—

Mr. CAMPBELL. No, I don't know anything about his schedule. I don't recall what meetings the Secretary had.

Mr. WEITZ. No, I am saying, I think you indicated you may have discussed this matter at some point in March with Mr. Ehrlichman. Was that discussion during this period?

Mr. CAMPBELL. I could have. I don't remember whether I did or not. I was saying it was a possibility. I was trying to think of the names I possibly could have talked to—George Shultz, I am positive I did have a telephone conversation with; Don Rice, according to the logbooks—we did have a meeting with him; and there is a possibility that I talked with John Ehrlichman, but I don't know that I did. I won't say whether I did or did not, but if I did talk with somebody else, it might have been him.

Mr. WEITZ. What about John Whitaker, his assistant?

Mr. CAMPBELL. Well, John was our contact over in the Domestic Council. I am sure John knew what was going on. I don't know who he had conversations with. I don't know whether I talked to John. He was our contact, so he had daily conversations with people in the Department I am sure.

Mr. WEITZ. The same question for Charles Colson—any contact with him?

Mr. CAMPBELL. I don't recall any contact with him.

Mr. WEITZ. Did you see any memorandum from Mr. Colson, or reviewed by Mr. Colson, and circulated?

Mr. CAMPBELL. I don't recall. I was just going to add that as far as my decision was concerned, I was still out making speeches—telling the dairymen "Don't do this," during that period of time.

Mr. WEITZ. Do you know whether Secretary Hardin had such contacts as I questioned you about?

Mr. CAMPBELL. No, I do not.

Mr. WEITZ. That would be for the period of the 12th to the 24th.

Mr. CAMPBELL. That is right. I do not know.

Mr. WEITZ. I believe you said that you were making some speeches in March with regard to the dairy farmers' position?

Mr. CAMPBELL. Yes.

Mr. WEITZ. What was your position and what was the essence of your speeches that you were making?

Mr. CAMPBELL. Well my position was that history, for the past 20 years, had shown that when the support price was escalated to too high a level, it automatically stimulated over-production which got the dairy farmers in trouble with surpluses which it usually took 4 or 5 years to get rid of. And as a result of the buildup of surpluses twice previously before this administration, the Department had had to actually lower the prices because of the surpluses after they had raised the prices, and I was urging them to look at history and "Let's not do this again by raising this support and possibly having you over-produce, which will then cause the Department to have to lower it, as happened twice in the two preceding administrations—one each." And I was trying to urge them, "Let's learn something from the history of the past," and that the market price already was substantially up.

Mr. WEITZ. In that regard, let me show you a press release from the Department of Agriculture, which I would like to mark as exhibit 2. It is a copy, or excerpts from a speech you gave at State College, Pennsylvania, March 22, 1971. Is that a copy of that release reflecting excerpts from your speech?

[Whereupon, the document referred to was marked Campbell exhibit No. 2.*]

Mr. CAMPBELL. Yes; I am sure it is. The first paragraph sure looks like it. Yes; this is a copy.

Mr. WEITZ. And that substantially reflects the position you just discussed?

Mr. CAMPBELL. Yes; that is correct.

Mr. WEITZ. Wasn't there, in fact, a concern on the part of the Administration that if there was to be an increase in either 1971 or 1972, it should come in 1972, during an election year, rather than a decrease in 1972?

Mr. CAMPBELL. I didn't hold that viewpoint. If anybody else did, I don't know about that.

Mr. WEITZ. No one discussed that with you?

Mr. CAMPBELL. I wouldn't say they didn't, but I mean if they did, I didn't accept it. I didn't think that was—I mean, it could have been discussed with me but I didn't hold that.

Mr. WEITZ. Do you know who may have discussed that?

Mr. CAMPBELL. No; I don't. But I didn't, as I say, accept that. The speech is the proof of that.

Mr. WEITZ. Well, the position you just said is—your fear was that an increase one year, in fact, would lead to overproduction, which would lead to a decrease in some subsequent year.

Mr. CAMPBELL. Yes; but not necessarily the immediately following year, because dairy production doesn't change that quickly. It is not a cash crop where you can plant it in the spring and greatly expand

*See p. 7801.

production. You don't get the buildup that fast. You have to increase the number of cows and expand—

Mr. WEITZ. But if—sorry, go ahead.

Mr. CAMPBELL. I was thinking of the dairymen and their welfare. I wasn't thinking of the political impact.

Mr. WEITZ. Did anyone else ever seem to take the other aspect into consideration—the political impact on the election?

Mr. CAMPBELL. At what period? When?

Mr. WEITZ. In March of 1971. Let's take up to March 23, at this point, and then later.

Mr. CAMPBELL. I don't know that anyone in the Department took that viewpoint. If they did, I am not aware of it. I don't recall anybody putting any pressure on me because of that, or anybody else; no.

Mr. WEITZ. Were you aware of any such position or arguments from the White House?

Mr. CAMPBELL. I was not aware of anyone in the White House putting any pressure on at that time; no, I was not.

Mr. WEITZ. Besides putting on pressure, though, did anyone state that position or discuss that possibility?

Mr. CAMPBELL. I don't recall it. I don't recall they did. They could have, but if they did, I don't recall it.

Mr. WEITZ. Do you know Marion Harrison?

Mr. CAMPBELL. Yes.

Mr. WEITZ. Did he take that position?

Mr. CAMPBELL. I am sure he did because he was representing—legally, I mean—some of the dairy groups. He was pressing their cause the same as the dairymen.

Mr. WEITZ. And one of the arguments he made was the adverse impact of a decrease the following year?

Mr. CAMPBELL. No; he didn't take that position on that point. His position was just for an increase—let's increase. No, to me, as I recall, he never made that statement.

Mr. WEITZ. And did you ever see any letters from him that reflected that argument?

Mr. CAMPBELL. I don't recall any. He could have done it, but I don't recall it. If he did, I don't recall. You see, if anybody gave that to me, I was so much on the other side of the fence, I didn't accept it. I did not accept it.

Mr. WEITZ. Do you recall attending a meeting at Mr. Ehrlichman's office on March 19, 1971?

Mr. CAMPBELL. No, I don't. Could have, but I don't recall.

Mr. WEITZ. A meeting to discuss the price-support matter?

Mr. CAMPBELL. No; I could have, but I don't remember.

Mr. WEITZ. Do you remember a meeting sometime during the period of March or prior to March 23 at which—

Mr. CAMPBELL. When I say "I could have"—

Mr. WEITZ. Just a second. A meeting that Mr. Ehrlichman attended, together with Secretary Hardin and Director Shultz?

Mr. CAMPBELL. I don't recall it, but I could have. I just don't recall it.

Mr. WEITZ. Do you recall Secretary Hardin, if you did not attend, reporting back to you about such a meeting?

Mr. CAMPBELL. No; I don't recall, but I still can't say it didn't occur. I just don't remember.

Mr. WEITZ. Do you recall Secretary Hardin discussing with you any of his contacts or meetings or conversations with anyone in the White House or OMB prior to March 23?

Mr. CAMPBELL. No; I don't recall any conversation. There could have been, but I don't recall any.

Mr. WEITZ. Did he do so, even if you don't recall the specifics of the conversation?

Mr. CAMPBELL. I just don't know.

Mr. WEITZ. Do you remember attending a meeting on the morning of March 23 with the President and the dairy leaders?

Mr. CAMPBELL. Yes.

Mr. WEITZ. Prior to that meeting, you had sent over to Mr. Whitaker proposed opening remarks for the President. Is that correct?

Mr. CAMPBELL. I am not sure I did that. I don't know. I may have transmitted it, but I didn't prepare it.

Mr. WEITZ. Did Assistant Secretary Lyng prepare that?

Mr. CAMPBELL. I think that is correct.

Mr. WEITZ. At whose request?

Mr. CAMPBELL. I don't know who requested it.

Mr. WEITZ. If it was sent to Mr. Whitaker, would Mr. Whitaker have requested it?

Mr. CAMPBELL. I think—I am trying to recall to the best of my memory, and I am not sure, but it seems to me I do recall Assistant Secretary Lyng bringing it to me and showing it to me. And I didn't prepare it and I don't know whether I transmitted it or whether he transmitted it. It was his memo. And I don't remember who transmitted it. I may have or he may have. I don't recall.

Mr. WEITZ. Do you recall whether there was any reference in the memorandum, in the proposed remarks, to the political impact of the decision?

Mr. CAMPBELL. No; I don't recall exactly what was in the memo. I do not. I know he prepared one, but I don't recall exactly what was in it.

Mr. WEITZ. Now, this meeting on the 23d, of course, had been scheduled several weeks and had been discussed months beforehand?

Mr. CAMPBELL. That is right.

Mr. WEITZ. But it did come 11 days after the adverse decision, from the dairy people's point of view?

Mr. WEITZ. Now was there any discussion or were you aware of any consideration of canceling the meeting because of the adverse decision?

Mr. CAMPBELL. No, I had nothing to do with setting the meeting up, or at least I don't remember having any conversations with regard to setting up the meeting or canceling it, either one. Somebody else made those arrangements.

Mr. WEITZ. But did anyone discuss with you, or mention to you, the possibility that that was considered?

Mr. CAMPBELL. I don't recall that they did, but it is possible. I don't remember it.

Mr. WEITZ. What was your understanding of the position of the administration that would be taken vis-a-vis the dairy people, at the meeting on the 23d?

Mr. CAMPBELL. Well I don't think we established—do you mean prior to the meeting or during the meeting?

Mr. WEITZ. No; in other words, in entering the meeting—going into the meeting.

Mr. CAMPBELL. What was the purpose of the meeting?

Mr. WEITZ. No; the meeting had been arranged sometime beforehand—

Mr. CAMPBELL. Yes.

Mr. WEITZ. The meeting, however, occurred during a period when the dairy people were actively seeking an increase that the administration, 11 days before, had not granted them. My question is: What was your understanding—what did you and Secretary Hardin understand or discuss as to the position that the President and the administration people would take with regard to the price-support matter in meeting with the dairy people on the 23d?

Mr. CAMPBELL. Well, our position was still that we were sticking by our original decision and that this was a courtesy meeting as far as we were concerned.

Mr. WEITZ. In other words, your understanding was that the meeting would be used, to the extent it referred to price supports, to more or less defend and try to win over the dairy people to your point of view?

Mr. CAMPBELL. No, I didn't take it in that context. The context in which I took it was that the President had invited them many months before, while we were in Chicago at a meeting, by a long-distance telephone call from San Clemente, to Secretary Hardin and to Harold Nelson on the stage, before we went out to the meeting of the dairymen who were assembled there. So I didn't consider the meeting in any other light other than that the President had said: "Get some of your leaders together and bring them down to see me."

And to me the meeting was held for that purpose—as a courtesy call of the dairymen being able to come in and meet with the President. And I did not view the meeting as one to—of course I expected the dairymen to try to make an argument at the meeting, but I did not consider the meeting as one to change our decision, but merely as a courtesy call of the dairymen to present their arguments.

Mr. WEITZ. Well, as you say yourself and as the White House has discussed in its own white paper, the meeting was first discussed or mentioned many months before March 23 and it had been delayed and it had taken a number of months to arrange it.

Now, it being originally scheduled as it was right at the peak period when the dairy people were seeking an increase, partly on the Hill and perhaps still in the administration, was there any discussion that you understood to have taken place to either delay the meeting or, on the other hand, to vigorously defend the administration's position at the meeting?

Mr. CAMPBELL. No, I don't recall any of that appearing. All I recall was that the meeting had been set up maybe 60 days or 4, 5, or 6 weeks prior to the date it was actually held and that it was a courtesy call.

I don't remember any effort to cancel the meeting or any effort to use it as a meeting to defend our position, although I did expect the dairymen to press for their position. At the same time, very frankly, in the meeting I argued against them.

Mr. WEITZ. In other words, you did defend the first decision?

Mr. CAMPBELL. I did, yes.

Mr. WEITZ. Did you discuss that with Secretary Hardin before you went into the meeting, knowing that the dairymen would, in fact, press their position?

Mr. CAMPBELL. I don't recall I did, but he and I were very close and like minded, and I didn't feel compelled to discuss it with him because I know his views.

Mr. WEITZ. And no one in the White House, knowing the dairymen would press their position and that you would be there and had contrary views—no one in the White House checked with you and no one in USDA checked about what should be said or what position should be taken?

Mr. CAMPBELL. I think that is probably when Secretary Shultz called me to find out what the issues were, to refresh his memory.

Mr. WEITZ. Prior to the March 23 meeting?

Mr. CAMPBELL. Yes; I think that was the call when he asked what the issues were.

Mr. WEITZ. Did Director Shultz defend the position or state any position at the meeting?

Mr. CAMPBELL. Well, I don't recall Secretary Shultz saying anything other than—because I could talk their language so well, he turned around and complimented me on my ability to talk the dairymen's language. This is the only remarks I remember him making.

Mr. WEITZ. Did the President discuss the price-support matter? Did he defend the position? Did he address himself to it?

Mr. CAMPBELL. No, I don't recall the President getting into that at all, and we certainly hoped he would not; I mean, that was my personal hope. I say "we" meaning I, personally, hoped he wouldn't, and he didn't.

He just had pleasantries and casual conversation and told them—as I recall, he told the dairymen before he ever goes to bed at night he drinks a glass of milk. That was all I remember the President saying, really.

Mr. WEITZ. Did he then ask you to comment on their position?

Mr. CAMPBELL. No, I don't think the President called on me for anything. I think I voluntarily spoke for whatever I had to say.

Mr. WEITZ. Did he have any comment on either their position or your comments?

Mr. CAMPBELL. I don't recall that he did.

Mr. WEITZ. Did he stay for the entire meeting?

Mr. CAMPBELL. Oh, yes; that was the purpose of the meeting. I think we all got out just as soon as he got out.

Mr. WEITZ. Did the President indicate that he would reconsider the position, or he was reconsidering the position, or that he would discuss it with his aides or anything of that nature?

Mr. CAMPBELL. I don't recall him saying anything like that. I don't recall that he did.

Mr. WEITZ. So as far as you understood, nothing had changed as a result of the meeting?

Mr. CAMPBELL. No.

Mr. WEITZ. As a result of the meeting with the President?

Mr. CAMPBELL. No, not then; no.

Mr. WEITZ. And at the time of the morning meeting with the President, you did not know of an afternoon meeting—of a scheduled afternoon meeting with the President?

Mr. CAMPBELL. No.

Mr. WEITZ. Did you, in fact, have any knowledge that a reconsideration was underway, or that the price supports would be increased?

Mr. CAMPBELL. Well, I had the knowledge of the terrific pressure on the Hill. But no, I had no knowledge that I was fully aware of, being in public life as long as I have and being an elected official previously, but the pressure on the Hill was building and building—

Mr. WEITZ. But no one—sorry.

Mr. CAMPBELL. They were actually pushing for 90 percent—a good many of the Members of the Hill were pushing for that, rather than the 85 percent, to which we did eventually raise the price.

Mr. WEITZ. How many bills asked for a minimum of 90 percent?

Mr. CAMPBELL. There were some, I know. The Congressman that I remember specifically was Congressman Ed Jones on the Agriculture Committee from Tennessee who said that 85 percent is not enough.

Mr. WEITZ. Did he sponsor a bill for 90 percent?

Mr. CAMPBELL. I don't recall, but he was on the committee and was pressing for 90 percent. He could have held a hearing, but I don't remember.

Mr. WEITZ. Before the 23d?

Mr. CAMPBELL. Well, I don't know when.

Mr. WEITZ. So in light of this terrific pressure, you didn't discuss the matter—you don't recall specifically discussing the matter with either Secretary Hardin or anyone in the White House?

Mr. CAMPBELL. Oh, well, I am sure that in our conversations casually around in the Department where we see each other every day we discussed the buildup on the Hill, and I was aware that the Hill might actually, you know, force a change; but I considered it from that direction rather than from other directions.

Mr. WEITZ. But you didn't discuss it with anyone or you are not aware of any discussions between Secretary Hardin and anyone in the White House with respect to an administrative change, as opposed to a legislative increase?

Mr. CAMPBELL. No, I don't know that he did. He could have, I don't know. When you get into a battle of this type with the Congress, it is a question of whether you fight it out to the bitter end or whether you seek some in-between position or whether you give in totally to Congress. We have this type of thing happen on a regular basis. It isn't peculiar just to this case.

Mr. WEITZ. You attended the afternoon meeting with the President?

Mr. CAMPBELL. Yes.

Mr. WEITZ. When did you first learn of that meeting?

Mr. CAMPBELL. When Secretary Hardin called and asked me to go over with him.

Mr. WEITZ. And that was just preceding the meeting?

Mr. CAMPBELL. Yes, and I don't know the exact time, but it was an afternoon meeting.

Mr. WEITZ. I believe the records show that the meeting was scheduled for 4:45. How much before that time did you learn of the meeting?

Mr. CAMPBELL. Oh, just a few minutes before we got into the corridor to go over.

Mr. WEITZ. Did it come as a surprise to you?

Mr. CAMPBELL. Yes; I was busy working at my desk and I got a call from the Secretary and he said: "Come over and go with me," and any call from the Secretary to me to accompany him, when I am very busy and it is not on my calendar, is a little bit of a surprise, because I am busy working. I mean, I have had that happen to me.

Mr. WEITZ. What did he tell you was the purpose of the meeting?

Mr. CAMPBELL. To discuss the dairy situation—the dairy price situation.

Mr. WEITZ. Did he indicate that the President was considering reversing his position?

Mr. CAMPBELL. No; well, I will have to say I don't recall it. I don't know whether he did say it or not. I do not recall it.

Mr. WEITZ. Who else attended the meeting?

Mr. CAMPBELL. As I remember, the President was there and Secretary Hardin and I was there and George Shultz and John Connally and one or two others, and I just never have ever been able to remember who these other two were.

Mr. WEITZ. Was Dr. Rice there?

Mr. CAMPBELL. I don't remember, but he probably was, but I am not sure.

Mr. WEITZ. How about John Whitaker?

Mr. CAMPBELL. He could have been there, but I don't know that either. I can't identify the others. There are the ones I definitely remember being present that I stated to you, but there were, I think, two more people.

Mr. WEITZ. On the way to the meeting, what did you discuss with Secretary Hardin?

Mr. CAMPBELL. Well, I don't recall what we discussed, very frankly.

Mr. WEITZ. I would assume you would discuss price supports, the price support?

Mr. CAMPBELL. Probably, but as I say, I don't recall the conversation.

Mr. WEITZ. In fact that would have been, to your best recollection, the only meeting you had with the President about price supports?

Mr. CAMPBELL. The only one. I have only been in the President's presence not more than three or four times, except at social occasions.

Mr. WEITZ. But is it likely that you and Secretary Hardin reviewed your positions before you went into the meeting?

Mr. CAMPBELL. I am sure we probably did, but I just don't remember the conversations.

Mr. WEITZ. Do you recall if he indicated that he had discussed the positions of others or that he had discussed his position with anyone else?

Mr. CAMPBELL. I don't remember.

Mr. WEITZ. Did he indicate who had contacted him to set up the meeting?

Mr. CAMPBELL. No, I don't recall that either.

Mr. WEITZ. Would you tell us what transpired at the meeting?

Mr. CAMPBELL. Well it was a general meeting about the pressure from the Hill. It was a relatively short meeting, as I remember it, in which we discussed the extreme pressures from the Hill and the fact that the dairymen had reversed the previous Presidents, such as President Johnson, on imports. That it was probably a better situation for us to raise it—to raise the support to 85 percent rather than 90 percent,

rather than not take any action at all, because if we did not take action there was a danger of Congress raising the support level to 90 percent, which would have been above the then market level, which was in the \$4.90 range. If we could raise it to 85 percent, it would have little impact—the raising of the support level would have little impact on the Treasury, whereas if we did nothing and Congress were to take action and go to 90 percent, well then, that would have impact on the Treasury.

This is what I remember, generally, about the meeting and the fact that very strong Members of Congress were involved.

Mr. WEITZ. How do you square that with the fact that only two of some 100 or so legislators have supported bills for a minimum of 90 percent, and all of the rest were for 85 percent that had already been introduced?

Mr. CAMPBELL. Just by my knowledge of how the Congress operates and what they do and what they have done in previous times when the dairymen usually got what they wanted from Congress.

Mr. WEITZ. So you are saying the bills that provided for 85 percent were not likely to pass, but only the two with the 90 percent?

Mr. CAMPBELL. Knowing how Congress operates, I personally thought, when they got into the committee and with Congressman Ed Jones wanting 90 percent, the others wouldn't resist it. I mean, they just don't resist the dairymen that greatly in Congress, according to past performance.

Mr. WEITZ. Isn't it easier not to resist when you introduce a bill than when you vote a bill in the committee? In other words, if Congress was, in fact, supportive of a 90-percent level as a minimum, would they not have indicated their support, at least by way of supporting a bill's introduction, for 90 percent, rather than supporting a bill at 85 percent and working for a higher level in the committee or on the floor?

Mr. CAMPBELL. I can't argue with that, because this is a matter of judgment as to how things work on the Hill. I have been on the legislative body and I have dealt with the legislative bodies for the past 20 years, and in my judgment when the committee got down to its deliberations within the committee, with the corn blight we had the year before, with the escalated seed cost, I just think—to my knowledge of how it operates. I would predict that they would probably have gone to 90 percent. That doesn't mean they would. This is just a judgment. I can't argue the point with you.

Mr. WEITZ. Who made that point, by the way? Did you make the point in the meeting with the President?

Mr. CAMPBELL. I don't recall who made what points. It was a general discussion of all of the people present.

[Discussion off the record.]

Mr. WEITZ. OK; 5-minute recess.

[Recess.]

Mr. WEITZ. Aside from the specific points made by each individual, could you tell us who, of the people you mentioned at the meeting, favored an increase, or what positions were taken generally by the people present?

Mr. CAMPBELL. We didn't really have any argument about it. We just all came to the conclusion verbally, as I remember, that we were in a bad position and that we could go to 85 percent and probably

have no impact on the Treasury. It was better to do that than to fight it out in Congress and probably lose.

Mr. WEITZ. In that regard, by the way, you referred a number of times to the market price. Aside from the price-support increase that was then obtained in March of 1971, were you aware of allegations that AMPI had purchased cheese in February to drive up the price prior to their effort to—

Mr. CAMPBELL. Oh, I heard someone in the Department say that and I don't know who said it, but I did hear that.

Mr. WEITZ. If that were true, that would have some impact on the viability of the market price aside from an increase?

Mr. CAMPBELL. If they were able to purchase enough. I do not know whether they did purchase enough to have that impact.

Mr. WEITZ. Now, at the meeting in the afternoon with the President, do you recall any reference to the political power or lobbying power of the dairy people?

Mr. CAMPBELL. That is what we were talking about; yes.

Mr. WEITZ. And did Mr. Connally talk about that?

Mr. CAMPBELL. I think everybody in the room did. And I am sure he did too. I don't remember specifically what he said, but I think I recall that being his position. That was everybody's position. None of us denied they had that power. No one argued and said they don't have it.

Mr. WEITZ. The power included their lobbying effort on the Hill. Did it also have some impact on the 1972 campaign? In other words, was that discussed?

Mr. CAMPBELL. I don't recall that that was discussed. I don't recall. It may have been, but I don't recall that was discussed.

Mr. WEITZ. That would be a natural corollary, though?

Mr. CAMPBELL. It would be natural that it would be discussed, but I don't recall it being discussed.

Mr. WEITZ. What about campaign contributions; were they discussed?

Mr. CAMPBELL. I don't recall any campaign contributions being discussed.

Mr. WEITZ. In any context?

Mr. CAMPBELL. No, sir.

Mr. WEITZ. And the fact that the white paper says that they were discussed with regard to congressional candidates—you don't remember that?

Mr. CAMPBELL. No, I don't, but I am not saying they were not discussed, but I don't recall it.

Mr. WEITZ. You don't recall Secretary Connally referring to their contribution activity or their contribution potential?

Mr. CAMPBELL. No, I don't recall that.

Mr. WEITZ. Did anyone else refer to that?

Mr. CAMPBELL. No, I don't recall that.

Mr. WEITZ. Were you aware of that?

Mr. CAMPBELL. Of what?

Mr. WEITZ. Of their contribution activity?

Mr. CAMPBELL. To whom?

Mr. WEITZ. Their contribution activity in general, whether to the President or elsewhere?

Mr. CAMPBELL. Yes, sir, I was aware of that; sure. I was aware of it through the press primarily. I wasn't aware of it personally in that I was not involved in any at that time, with regard to the Members on the Hill anyway, but I was aware they were out and around. Everybody knew they were out and—

Mr. WEITZ. You had discussed this more directly with David Parr, hadn't you? You were aware, though, aside from the press?

Mr. CAMPBELL. Well, they made a lot of wild statements which I paid no attention to.

Mr. WEITZ. What were they? What were some of those?

Mr. CAMPBELL. Oh, "These are the things we want," and "We want to go all out for President Nixon. We were on Humphrey's side before but we want to go all out for Nixon now." And they said: "We want to contribute to his campaign," and I remember them saying something about \$2 million. Well, that was so up in the blue that I couldn't conceive of that.

Mr. WEITZ. Do you recall when that was first mentioned? Do you recall when this series of conversations took place?

Mr. CAMPBELL. Every time they came to town they would give us the same arguments: "We want to be for President Nixon. We want imports restricted. We want price supports." And so on. They would tick off the things they wanted, but I didn't pay any attention to that as evidenced by my position. I mean, they were beyond me. I mean, I wouldn't even discuss it with them when they would talk about that. I would just talk about something else. I never discussed this with them. It was a matter of one-way talk on their part.

Mr. WEITZ. Do you know, when they discussed their intention to support the President and contribute large amounts of money—do you know whether they discussed that with anyone in the White House?

Mr. CAMPBELL. No; I do not, and frankly I don't remember when they said it. I mean, it was mentioned but I didn't take it seriously, frankly.

Mr. WEITZ. Why?

Mr. CAMPBELL. Well, it wasn't my business.

Mr. WEITZ. Well it may not have influenced your decision, but you said you didn't take it seriously. I am asking you why you didn't take it seriously.

Mr. CAMPBELL. Well, that wasn't in my arena. I wasn't in that business and I wasn't going to have anything to do with anything of that nature.

Mr. WEITZ. But there was nothing that led you to question their seriousness though?

Mr. CAMPBELL. Well, they were doing a lot of loose talk and I discounted it.

Mr. WEITZ. Did you know if they made the same talk with Charles Colson?

Mr. CAMPBELL. No, sir, I don't know.

Mr. WEITZ. And did Secretary Hardin ever discuss this with you or was he ever present during any of these conversations?

Mr. CAMPBELL. I don't recall that he did, but I am sure, doubtlessly—well, I am sure that I mentioned to Secretary Hardin, and I can't remember specifically when and on what occasions, but I am sure I did, because I kept him as totally informed as I possibly could, so I might have mentioned it to him.

Mr. WEITZ. These conversations were in 1970 and 1971, preceding March of 1971?

Mr. CAMPBELL. Yes; and I am sure I did mention it, although I can't remember doing it.

Mr. WEITZ. Didn't you also discuss with David Parr some particular contributions that you suggested his group make?

Mr. CAMPBELL. Not at that time.

Mr. WEITZ. Not at what period?

Mr. CAMPBELL. During this period.

Mr. SANDERS. Does this relate to the Presidential campaign activities?

Mr. WEITZ. I think it is relevant to indicate whether or not he in fact did, from time to time, discuss more than wild speculation or allegations with respect to their contribution activities without getting into specifics.

Mr. SANDERS. Of course I can't prevent you from asking the question, but I think you know very well that contribution does not relate to the 1972 Presidential campaign, and I think that is clearly beyond the mandate of this committee. Now you can go ahead and do what you want to.

Mr. WEITZ. Is it not true that you have discussed particular contributions with representatives of the dairy co-ops?

Mr. CAMPBELL. I relayed one request in 1970 to them—one only. It wasn't instigated by me. I received a call from someone in Georgia and I relayed the request and I left it at that. That is the only time.

Mr. WEITZ. Did that take place before or after Mr. Parr or others had indicated their intention to support the President?

Mr. CAMPBELL. Oh, I can't give you the time sequence. I don't know. But it didn't originate with me. I received a call from George requesting financial help in the campaign and I relayed the request and that was all.

Mr. WEITZ. Was your motivation to relay it? Did that have anything to do with your understanding of their intention to contribute to the President's campaign?

Mr. CAMPBELL. It had nothing to do with it because the President wasn't even in the campaign and I wasn't aware of any contributions to the President.

Mr. WEITZ. But were you aware at that time of Mr. Parr's—

Mr. CAMPBELL. Let me just say here I do not remember the time sequence at all.

Mr. WEITZ. Did the President, at the afternoon meeting on the 23d, refer to the contribution activity of the dairy people?

Mr. CAMPBELL. I do not recall if he did; no.

Mr. WEITZ. Did he in any way refer to the 1972 campaign?

Mr. CAMPBELL. I don't recall that he did.

Mr. WEITZ. Did anyone else?

Mr. CAMPBELL. I just don't recall that. It would be natural, possibly, that they did, but I do not recall it.

Mr. WEITZ. Did he indicate—

Mr. CAMPBELL. I might say the conversations that I recall primarily had to do with: "Can we hold our position? Is the Congress going to overcome us?" and "What can we do to have the least impact on the Federal Treasury?"

Mr. WEITZ. What about the veto? Was that discussed?

Mr. CAMPBELL. I don't recall that; no.

Mr. WEITZ. Well, that would be relevant, wouldn't it?

Mr. CAMPBELL. As to whether he would or would not veto?

Mr. WEITZ. Right. In other words, to hold the administration's position, it would make it more difficult to change it if he were to veto.

Mr. CAMPBELL. I don't recall that being discussed. It could have been, but I don't recall that.

Mr. WEITZ. What about losing farm support in the 1972 campaign, was that discussed?

In other words, if he kept the position or exercised his veto—losing farm support.

Mr. CAMPBELL. I don't remember, but it could have been, I am sure; I just don't remember it.

Mr. WEITZ. Well, the President could have vetoed the legislation.

Mr. CAMPBELL. Oh, sure, he could have vetoed it.

Mr. WEITZ. What would have been the impact of that on the 1972 campaign?

Mr. CAMPBELL. I couldn't estimate.

Mr. WEITZ. And that wasn't discussed?

Mr. CAMPBELL. Politics operates on a day-to-day basis, and I couldn't analyze the impact on a campaign that far ahead; no.

Mr. WEITZ. Did anyone else in the meeting try to estimate the impact of that on the 1972 campaign?

Mr. CAMPBELL. I just don't recall. I don't recall that type of conversation. It could have occurred, but I just don't recall it.

Mr. WEITZ. How did the meeting—well, were there any other points that were made, that you can recall, that you haven't mentioned?

Mr. CAMPBELL. No—well, I do recall something about someone making a statement—I thought, perhaps, Secretary Hardin—that we may have to sue AMPI.

Mr. WEITZ. May have to sue?

Mr. CAMPBELL. Yes.

Mr. WEITZ. For what?

Mr. CAMPBELL. For antitrust action in the way they were operating—running over some little dairy outfits down in the Southwest.

Mr. WEITZ. Had anyone brought that up before in the meeting?

Mr. CAMPBELL. No; I just remember that statement being made. And subsequently they were sued and that case is, I guess, currently being tried.

Mr. WEITZ. Do you recall what the relevancy of his comment was, or what topic he raised it in?

Mr. CAMPBELL. No. I think it was imparting information and, as I recall, I think he made the remark to someone before we sat down—when we first came in the meeting, as I recall it.

Mr. WEITZ. Whom did he say that to?

Mr. CAMPBELL. I don't remember.

Mr. WEITZ. Was it Secretary Connally?

Mr. CAMPBELL. I don't remember.

Mr. WEITZ. John Ehrlichman?

Mr. CAMPBELL. I don't know, but I do remember him making that statement. There was an imparting of that information.

Mr. WEITZ. Wasn't that in relation to what the administration's posture would be, vis-a-vis AMPI, over the next 2 years?

Mr. CAMPBELL. I don't know why it was. It was just imparting information.

Mr. WEITZ. Had he ever talked about it with you?

Mr. CAMPBELL. I was aware this was being discussed because Assistant Secretary Dick Lyng, under whose jurisdiction this operates, mentioned it and—

Mr. WEITZ. Were you aware of an investigation being planned or that had begun—an antitrust investigation of the co-op?

Mr. CAMPBELL. Oh, there were complaints from the local people that they were being harassed and adversely affected by AMPI in the Southwest area. I was not personally involved and complaints did not come to me, but they were to Assistant Secretary Dick Lyng. You see, that was his area of administration and I was aware of that through him. I don't recall them coming to me personally, although they could have.

Mr. WEITZ. Did the President announce the decision or indicate his position?

Mr. CAMPBELL. No; as I recall at the meeting we just all agreed this was what we should do and after the meeting broke up it was incumbent upon us in Agriculture to go back and institute it.

Mr. WEITZ. Well, would that include the President?

Mr. CAMPBELL. Yes; I don't remember a dissent in the room as to the consensus which we finally arrived at.

Mr. WEITZ. And the President was included in that consensus?

Mr. CAMPBELL. Yes.

Mr. WEITZ. Did he, in fact, announce or state what he thought the consensus was?

Mr. CAMPBELL. I can't remember how it went; I just remember that this was what everybody concluded and this is what the decision was. I can't remember any direct order being given. No, I can't remember that.

Mr. WEITZ. And your understanding at the end of the meeting was that the President had agreed to have a price-support increase?

Mr. CAMPBELL. Yes.

Mr. WEITZ. To 85 percent?

Mr. CAMPBELL. Yes.

Mr. WEITZ. By the way, was it in terms of percentages—of 85, 80, 90 percent?

Mr. CAMPBELL. Yes, sir; 85 or 90, and we did not want to go to 90 percent because of the impact on the Treasury and also the danger of further increasing surpluses.

Mr. WEITZ. If Ed Jones wanted 90 percent, why did you think 85 percent would do?

Mr. CAMPBELL. Well, we didn't want 85. We thought 75 percent would do—

Mr. WEITZ. No—politically would do. I know you thought economically 75 would do, but why did you go to 85?

Mr. CAMPBELL. I thought 90 percent would stimulate overproduction. The worst thing that could happen to the dairymen was to get into a surplus position, as they had previously which, by the records, indicates it takes 4 or 5 years to get out of. They are then harmed in

the price of their product and the support level. And my feeling was for the dairymen and I did not want overproduction.

Mr. WEITZ. Well, when you say it was then incumbent upon USDA people at the end of the meeting to implement the decision, exactly what was decided about getting out the decision? Was there any discussion of who would draft it or who would review it or what the process would be?

Mr. CAMPBELL. No, it was just for us to go back to the Department and put it in the proper channels to do it. We have the personnel over there who regularly attend to this type of thing.

Mr. WEITZ. Who would that be?

Mr. CAMPBELL. Whoever does that in the Commodity Credit Corporation—ASCS—that area of the Department. I don't know specifically who would have done it.

Mr. WEITZ. That would have been under Mr. Frick's jurisdiction?

Mr. CAMPBELL. Yes, sir, that is correct.

Mr. WEITZ. And under him was Sidney Cohen for one?

Mr. CAMPBELL. The dairy division is under him. I don't know who actually does it.

Mr. WEITZ. But they would have been the ones to have been involved?

Mr. CAMPBELL. Yes.

Mr. WEITZ. Was there any reference at the close of the meeting about Charles Colson?

Mr. CAMPBELL. I don't recall. There could have been, but I don't recall.

Mr. WEITZ. How about contacting the dairy people?

Mr. CAMPBELL. I requested the privilege of making a telephone call, because I said I want to try to get these boys off of our back and get them to leave us alone. And I requested the privilege personally of making a call to Harold Nelson to ask him "Now, will you get off our backs and leave us alone?" I didn't tell him we were going to raise the price, if we do consider the price, and I don't recall telling him, and I do not think I did tell him that—

Mr. WEITZ. Wait, I don't understand; in other words, you had just arrived at a consensus that increases to 85 percent would be granted in the hopes that that would prevent any further increase?

Mr. CAMPBELL. Yes.

Mr. WEITZ. And that was decided, and it was decided USDA would work that up in the normal processes in ASCS and get it out. Now, what was the purpose of your call again?

Mr. CAMPBELL. To ask him to leave us alone and quit pressuring us for all of these things because it was to the harm of the dairymen, that was my judgment. Of course, he was on the other side of the fence. I said, "Now, please leave us alone. If we do decide to go, will you leave us alone? Will you stop all of this pressure?"

Mr. WEITZ. Was the announcement contingent upon his agreeing?

Mr. CAMPBELL. No, it was not; no. I just wanted the privilege of trying to stop him and trying to use my influence to stop him. No, it was not contingent in any respect. The decision had already been made. What I wanted to do was to stop this because I thought it was harmful to the dairymen.

Mr. WEITZ. Why didn't you wait until the decision was announced to do this?

Mr. CAMPBELL. Well, I just wanted to get hold of him and pressure him as much as I could to get him to stop this type of thing, this pressure on us to do what I thought was harmful to the dairymen.

Mr. WEITZ. No one asked or no one raised the possibility of your doing this before you requested it?

Mr. CAMPBELL. No, sir. I personally requested that privilege to be able to call him to try to get them off of our backs and also to stop them from doing things that I thought were harmful to the dairymen.

Mr. WEITZ. That is to seek an increase?

Mr. CAMPBELL. Yes.

Mr. WEITZ. Anything else?

Mr. CAMPBELL. No, that was primarily it.

Mr. WEITZ. Was there anything else? You say primarily.

Mr. CAMPBELL. Because I agreed with trying to slow down the imports, which I have already testified to, because the imports were substantially subsidized by the European governments, and our dairy farmers have a hard time competing. They can't compete with subsidized imports on a grand scale. But I was thinking primarily of "Leave us alone on this price situation," because it was harmful to the dairymen.

Mr. WEITZ. You say primarily, but was there anything else you thought was harmful to dairy farmers or to dairy farmers' interests?

Mr. CAMPBELL. Well, at that time, that is all I had in mind.

Mr. WEITZ. And before you volunteered or after you volunteered or requested the permission to call Nelson, did anyone raise the possibility or discuss how or whether the dairy people would be contacted prior to the announcement of the decision?

Mr. CAMPBELL. I don't recall that specifically. It seems to me that that probably was, but I just don't recall it specifically.

Mr. SANDERS. I am sorry. Could you restate that question or else have her read it back?

Mr. WEITZ. Let me restate the question. You said that you requested permission to contact Nelson to give him the message or ask him the question you stated.

Mr. CAMPBELL. I wasn't going to give him the message because I did not tell him we were going to raise the price.

Mr. WEITZ. But ask him the question?

Mr. CAMPBELL. In other words: "If we do raise the price, if we do change our minds, and if we do raise the price, would you and the dairymen stop pressing for this type of thing because in my opinion you are hurting the dairymen."

Mr. WEITZ. OK. Now, at the meeting, either before or after you asked that permission, my question was: Did anyone discuss whether or how the dairy people would be contacted before the announcement was publicly announced? That was my question.

Mr. CAMPBELL. Yes, it seems to me vaguely as though somebody said: "Well, they ought to be alerted" or something. I can't remember specifically. It just seems to me though, vaguely, that was discussed, and it was at that time that I asked permission to do what I wanted to do, which I thought was good for the dairymen.

Mr. WEITZ. So that did precede your request?

Mr. CAMPBELL. I don't know.

Mr. WEITZ. I thought you just said it was at that time.

Mr. CAMPBELL. Yes, I think that is what happened. I am just a little bit vague. But I do think that is what happened. I don't recall specifically how it went, though.

Mr. WEITZ. Did either the President or Ehrlichman refer to Charles Colson?

Mr. CAMPBELL. Well, I don't remember Ehrlichman being there, as I said. And you know I told you who I did remember being there, and I don't know who made that or I don't know how the conversation went.

Mr. WEITZ. Do you recall anyone at the meeting referring to Colson though?

Mr. CAMPBELL. No, I don't specifically remember. No, I don't.

Mr. WEITZ. Do you remember anyone referring to Chotiner?

Mr. CAMPBELL. No, I don't remember that.

Mr. WEITZ. Did Connally make any reference to getting in touch with the dairymen?

Mr. CAMPBELL. I don't remember he did, no. I don't remember.

Mr. WEITZ. So you don't know who did, in other words?

Mr. CAMPBELL. No, I don't. Somebody did say they ought to be alerted but I don't remember.

Mr. WEITZ. Did the President say it?

Mr. CAMPBELL. I don't think so. I don't remember. I said I just don't remember really.

Mr. WEITZ. Now was the suggestion that the dairy people—or the comment rather—that the dairy people be alerted, was that intended to be the same thing as your contact with them or was that something different?

Mr. CAMPBELL. I don't know. I think—I just have no idea. I think they were just going to, as I remember it, and as I said—and this is very vague to me, but it seems as though somebody said, "Well, we need to tell the dairymen we are going to raise the support." I mean somebody had to let them know.

Mr. WEITZ. Before the public announcement?

Mr. CAMPBELL. Well, I don't know when.

Mr. WEITZ. Well, after the public announcement they would obviously know.

Mr. CAMPBELL. That is correct, so I would assume it would have been before.

Mr. WEITZ. Is there anything else that you can recall about that afternoon meeting?

Mr. CAMPBELL. No, I don't recall anything else. As I said, as I remember it, it was relatively brief. Maybe 20 minutes. I am not sure how long. We weren't there too long though.

Mr. WEITZ. Was there any understanding when the decision would be announced?

Mr. CAMPBELL. No, they left it up to us, as I remember, to go on back and implement it.

Mr. WEITZ. How long did you think it would take?

Mr. CAMPBELL. Oh, I didn't even think. I mean we turned this over to the people and they handled it. It is just put into the machinery and it is handled in that manner. I didn't make any determinations, that I can recall, as to how long it would take. I didn't even think in those terms.

Mr. WEITZ. On the way back to your office did you discuss either the meeting or the implementation with Secretary Hardin?

Mr. CAMPBELL. I don't remember discussing it, but I think that he was to be at Camp David and he left it in my hands to go ahead and put the machinery in gear to implement the decision.

Mr. WEITZ. Secretary Hardin was to be at Camp David?

Mr. CAMPBELL. I think that is right. He left town I know.

Mr. WEITZ. With the President?

Mr. CAMPBELL. Oh no, no. Well, I don't know who was at Camp David. I think he was up there by himself. I am not sure though but with his family, taking a rest. I have no idea who was there.

Mr. WEITZ. He left right after the meeting or shortly after the meeting?

Mr. CAMPBELL. Yes. I didn't see him again, as I remember. After we got back to the building, as I recall it and I got with Assistant Secretary Lyng and we went ahead and went through the procedures and got the press release out.

Mr. WEITZ. When did you call up Nelson?

Mr. CAMPBELL. I called him as soon as I got back to the office that day.

Mr. WEITZ. And did you reach him directly?

Mr. CAMPBELL. Oh, yes.

Mr. WEITZ. Directly?

Mr. CAMPBELL. Yes.

Mr. WEITZ. Where was he?

Mr. CAMPBELL. He was in San Antonio. I called him long distance.

Mr. WEITZ. He had met with the President that morning, therefore, he had flown back to San Antonio?

Mr. CAMPBELL. I assume that is right, yes. I put in a call and got him and I assume he was in San Antonio. I don't know where he was. I would think he was there. It is my opinion.

Mr. WEITZ. Well, what we have as Nelson exhibit No. 6* is a record of phone records, messages for Mr. Nelson in the home office in San Antonio. And at 4:50 central standard time which would be 5:50 eastern standard time which would be the time in Washington on March 23, 1971, there is a record of a phone call from Mr. Phil Campbell to Mr. Nelson with the message to return the call to your home. Is your number area code 703-360-5789?

Mr. CAMPBELL. Yes.

Mr. WEITZ. That would indicate then, that at 5:30 in the afternoon, which would have been shortly after the 4:45 meeting, you placed a call that did not reach Mr. Nelson.

Mr. CAMPBELL. Maybe I didn't. All I know is I placed the call and talked to him. I can't give you the details. I mean you have the records and I will have to accept when it was on there.

Mr. WEITZ. Do you recall him returning the call at your home that evening?

Mr. CAMPBELL. I recall I talked to him. I don't recall under what circumstances.

Mr. WEITZ. Did you talk to him after dinner?

Mr. CAMPBELL. I thought I talked to him at the office. My memory may be wrong on that.

*See Book 15, p. 6710.

Mr. WEITZ. You see the records show he was still in Washington that day.

Mr. CAMPBELL. I see. I don't know where I talked to him but I placed the call and talked to him but I can't tell you exactly when.

Mr. WEITZ. Did you have your secretary place the call?

Mr. CAMPBELL. I don't remember how it was done.

Mr. WEITZ. But it is likely that the only number you would have had in your records would have been his office in San Antonio?

Mr. CAMPBELL. That is correct. Yes. Possibly his home. I don't know.

Mr. WEITZ. But not his hotel room in Washington?

Mr. CAMPBELL. No. I recall I had the call placed, I did talk to him, but I don't know how or when the call was completed.

Mr. WEITZ. Could you tell us what you told him on the telephone?

Mr. CAMPBELL. Yes. I asked him to—well I said, "Now Harold, if we do change our mind and do raise the price, will you and the other dairymen stop asking us for price increases"—well, not price increases but price-support increases—"because I don't think it is good for the dairymen. Will you get off our backs?" And he agreed and said he would.

Mr. WEITZ. You recall using that language, "Get off our backs?"

Mr. CAMPBELL. Yes, I asked him to get off our backs and he agreed that if we did raise the price support that he would.

Mr. WEITZ. Did you indicate that you had met with the President?

Mr. CAMPBELL. No.

Mr. WEITZ. The "we" was just a collective we referring to the administration?

Mr. CAMPBELL. That is correct. To the Department. To the Secretary. The Secretary makes the decision. We don't.

Mr. WEITZ. But the President made this decision?

Mr. CAMPBELL. Well, we made it collectively in his office. We agreed to the position we were in politically up on the Hill, because of—you used the term "politics" and I guess that is a bad term. I look upon Congress as the highest policy setter we have and they were setting their policy—setting different from ours—if that is politics, yes, that is it.

Mr. WEITZ. When you said, "Get off our backs," were you referring to 1971 or for future years?

Mr. CAMPBELL. I was referring to then and anytime in the future. Short term future. I couldn't say what period of time, you know. I just said I wanted them to quit pressing when the market price was rising and taking care of the dairymen. I couldn't say any specific time limit. I just wanted them to leave us alone. And the dairymen were doing real well in the market with the price having escalated. I didn't have in mind 1972 if that is what you are referring to.

Mr. WEITZ. And what was his response?

Mr. CAMPBELL. He said that—well, he agreed and said: "We will leave you alone."

Mr. WEITZ. If it is increased?

Mr. CAMPBELL. Yes. That is correct.

Mr. WEITZ. To what level? Did you discuss a level?

Mr. CAMPBELL. I don't remember whether I did or not frankly. I don't remember what—I probably said: "If we increase it to 85." That is probably what I said, I don't remember but I would assume

that is what I said. That would have been the natural thing for me to have said but I don't recall specifically.

The main thing I remember is asking him, "Will you get off our backs if we do make an increase in the support level?"

Mr. WEITZ. Now, as of that morning there had been no indication, at least that you were aware of, that there was going to be a reconsideration at least, by the administration, for an increase and actually granting it?

Mr. CAMPBELL. No; but I was aware of the pressure from the Hill and I did wonder whether or not we were going to be able to hold out. That was the question in my mind as to whether we would be able to.

Mr. WEITZ. The natural understanding of your conversation with Nelson would have been that at least an active reconsideration of the problem was underway—

Mr. CAMPBELL. Yes.

Mr. WEITZ [continuing]. If not a decision to actually increase having been made?

Mr. CAMPBELL. Well, I didn't imply that. I did not tell him that it had been made.

Mr. WEITZ. Did you discuss anything else in the conversation?

Mr. CAMPBELL. No; that was a very short conversation.

Mr. WEITZ. Did you ask him not to boycott the Republican fundraising dinner the next night?

Mr. CAMPBELL. No, sir. I don't recall even talking to him about that. I don't recall any conversations with him in regard to that fundraising.

Mr. WEITZ. Did you attend that dinner?

Mr. CAMPBELL. No, sir.

Mr. WEITZ. Were you aware on the 23d the dinner was going to be held the next evening?

Mr. CAMPBELL. I was aware because I got a letter soliciting me to buy a \$1,000 ticket, which I was not financially able to do. I get these letters each year and I have never bought a ticket because I am not financially able to.

Mr. WEITZ. Were you aware that the dairy co-ops were planning to attend the dinner—representatives of the co-op were planning to attend the dinner?

Mr. CAMPBELL. I don't know when I knew. I heard afterwards that they were there and I don't know how many tickets they bought or anything about it, but I had nothing to do with them purchasing the tickets.

Mr. WEITZ. Were you aware that after the March 12 decision they had started to change their minds about attending the dinner and in fact some of them wanted to boycott the dinner?

Mr. CAMPBELL. I don't recall that; no. I do not recall that because I was not involved in initiating or instigating the purchase of any tickets to that dinner.

Mr. WEITZ. Well, whether or not you were involved in initiating or instigating the purchase of the tickets, were you aware or were there people telling you or inferring the fact that there was a change of sentiment on the part of the dairy people?

Mr. CAMPBELL. I don't recall it. I don't recall when I knew they were even thinking of buying tickets. I do remember hearing, as I remember, that they had two or three tables. I don't know how many

people that would be but I assume that is 10 people to a table. I don't recall the time sequence of when I heard this because, frankly, I was not involved in the dinner, I was not involved in trying to sell tickets and did not attend the dinner and as a result it wasn't of prime importance to me in my mind and I don't remember when I heard anything of that type but I do remember hearing afterward that they did have two or three tables.

Mr. WEITZ. Before the dinner you didn't discuss with any one the likelihood of the dairy people either attending or not attending the dinner?

Mr. CAMPBELL. I don't remember any such discussions, although I may have heard that just like I heard this other thing of donating \$2 million to the President's campaign. I could have heard that but I don't recall it.

Mr. WEITZ. Did you know of any plans by the dairy people to contribute as much as \$60,000, \$80,000, or \$100,000 to the dinner or to the dinner committees?

Mr. CAMPBELL. I had no personal knowledge of this. I don't recall anyone telling me and saying, "We are going to do these things," although I did hear afterward that they had. I could have very easily been told by somebody, "Well, they are going to buy tickets to the dinner," but that wasn't important to me. I wasn't involved. And I don't recall it. It could have been told to me but I just don't recall it.

Mr. WEITZ. Is there any way that you can pinpoint the time when you talked to Nelson on the 23d other than the fact it apparently was after 5:50 p.m.?

Mr. CAMPBELL. No; there is not. I remember placing the call and then, until you corrected me, I thought I got the call through but I evidently did not and I just don't know when I talked to him but I thought it was that same day. It might not have been, it could have been the next day but I did talk to him. And I thought it was the same day but it may not have been.

Mr. WEITZ. Assuming it was the same day though, you don't recall talking to him at home versus at your office?

Mr. CAMPBELL. No.

Mr. WEITZ. When you talked to Nelson, did you get the impression from anything he said or from his reaction, that he had talked to anyone who had given him some type of similar message from the administration or who had discussed the price-support matter with him?

Mr. CAMPBELL. I don't recall him mentioning that, no. No, I do not.

Mr. WEITZ. Did you report the outcome of the conversation to anyone?

Mr. CAMPBELL. I am sure that I probably told Secretary Hardin, the first chance I got, that I did call Harold Nelson and he did promise to get off our backs. I would think I told Secretary Hardin that because I try to keep him completely informed of everything that I did and I would assume that I told him this. I don't remember specifically doing it but I would think that I did because that is the way I operate.

Mr. WEITZ. Did you tell Assistant Secretary Lyng?

Mr. CAMPBELL. I probably did, but I don't recall it.

Mr. WEITZ. Anyone else that you can recall?

Mr. CAMPBELL. No, I don't know that I did tell Assistant Secretary Lyng very frankly. I don't know that I would have any particular compulsion to but he and I were very close and I probably did tell him but I don't remember.

Mr. WEITZ. Did anyone discuss with you in March of 1971, the fact that the dairy co-ops hadn't given to the Republican Party or the Presidential campaign?

Mr. CAMPBELL. I don't recall any such conversations.

Mr. WEITZ. Do you recall any conversations that referred to the fact that these particular dairy co-ops were the most politically aggressive organizations in agriculture?

Mr. CAMPBELL. Well, I think I could have said that because at that time they were politically aggressive. I didn't say they were politically successful but they were politically aggressive. I mean, that was my general opinion.

Mr. WEITZ. Did you tell that to Nelson?

Mr. CAMPBELL. I don't know whether I did or not.

Mr. WEITZ. There probably would have been no need because he, himself, was aware of it?

Mr. CAMPBELL. I don't recall. That was just general talk in the Department you know. It was evident by all of the activity—the contributing to both parties on the Hill and everyone else.

Mr. WEITZ. Were either of those two phrases, "politically aggressive organization" or "didn't give," were either of those or the substance of those discussed at the afternoon meeting with the President?

Mr. CAMPBELL. I don't recall it being discussed.

Mr. WEITZ. What about after or before the meeting?

Mr. CAMPBELL. No, I am sure we probably imparted information that these boys were very politically active, that they were up on the Hill working, and all. I am sure we discussed that with OMB in trying to analyze our position and deciding what to do. I can't remember specifically talking about it, but I am sure it would have been natural for me to do so. But I still thought they were harming the dairymen.

My position was still that we shouldn't raise the price support.

Mr. WEITZ. What action did you take to have the decision announced, the price-support increase announced?

Mr. CAMPBELL. I don't remember who I contacted when I got back to the Department, to put it in gear, but then we did have to have a draft of a press release and I think that I either participated or helped draft the press release but I don't remember who handled the mechanism to put it into gear.

Mr. WEITZ. Was there any instructions that you were aware of to keep the press release and the subsequent docket as short as possible or as brief as possible?

Mr. CAMPBELL. I don't recall that. It could have occurred but I just don't recall it.

Mr. WEITZ. Was the docket prepared and did the CCC review the docket before the announcement?

Mr. CAMPBELL. I don't recall that. That can be ascertained from the records though.

Mr. WEITZ. Is that the normal procedure?

Mr. CAMPBELL. Oh, we do do that at times when we don't have time for the CCC meeting. This isn't the first or only time. If we did make the announcement before the CCC meeting, and I don't know whether we did or not, I would assume we made the announcement before we did have another meeting and then confirmed it with a CCC meeting but this does occur from time to time with different items before the Commodity Credit Corporation and decisions are made and then they are confirmed by docket with the Commodity Credit Corporation because the Secretary has the authority to do this.

Mr. WEITZ. If we could try to follow the process until the decision was announced, the record shows it was announced on the 25th and the meeting ended late on the afternoon of the 23d. Could you tell us, to the best of your recollection, exactly what steps you took when the press releases were drafted?

Mr. CAMPBELL. I don't recall any of the steps except being involved in the drafting of the press release.

Mr. WEITZ. Why wasn't the press release the next day?

Mr. CAMPBELL. I can't tell you that. It isn't always done that way. In fact when the machinery goes in gear with Commodity Credit, after we have had a meeting there, they have to go back down and get all of the dockets in order and prepare the press releases and sometimes have them prepared ahead of time and sometimes they don't. And you have these timelags. I don't remember any specific reason for it not being released the next day.

Mr. WEITZ. There was no discussion that you were aware of, of a certain day or timing for the release of the announcement?

Mr. CAMPBELL. I don't recall that but there could have been. I just don't recall it though.

Mr. WEITZ. Who would have been involved in that if you weren't?

Mr. CAMPBELL. Oh, the Secretary.

Mr. WEITZ. He was in Camp David?

Mr. CAMPBELL. Yes, but we were in contact with him by telephone. Assistant Secretary Lyng or I or people in the Department, but I don't recall any discussions as to how they went or to the fact that there was any reason to make it the next day or the following day.

Mr. WEITZ. You are certain you talked to Lyng about this shortly after the meeting and well in advance of the announcement on the 25th?

Mr. CAMPBELL. Oh, I would assume that I did. Yes, he and I talked and I know that I did because, very frankly, we decided because we didn't like the parity concept so well, that we would add 1 penny on the price above the 85 percent and make it \$4.93 instead of \$4.92.

Mr. WEITZ. Why not 1 penny less?

Mr. CAMPBELL. Well, we could have done that but there wasn't any reason one way or the other. It was just to put a penny difference in.

Mr. WEITZ. Wasn't Assistant Secretary Palmby the one responsible for the commodity aspect of USDA?

Mr. CAMPBELL. Yes, he is.

Mr. WEITZ. Why wasn't he consulted instead, or in addition to Lyng?

Mr. CAMPBELL. Consulted about what?

Mr. WEITZ. With respect to issuing the press release.

Mr. CAMPBELL. Well, I don't know where Secretary Palmby was at that time. I don't know whether he was in town or out of town, but

Secretary Lyng has responsibilities with the dairy industry also and—

Mr. WEITZ. But not in the commodity area.

Mr. CAMPBELL. Not in the price support, but he has other responsibilities. And as I indicated, he was concerned about the treatment of some groups of dairymen in the southwestern part over there but I don't think there was anything peculiar about Secretary Lyng being involved. He had gone to the meeting in Chicago when Secretary Hardin spoke. I don't think that was unusual I mean. I don't know where Secretary Palmby was. He could have been in town or he could have been out of town.

Mr. WEITZ. When did OMB sign off on the press release?

Mr. CAMPBELL. I don't know, probably just before it was issued.

Mr. WEITZ. On the 25th?

Mr. CAMPBELL. Probably but I don't know really.

Mr. WEITZ. Were you involved in meeting with them or having them sign off?

Mr. CAMPBELL. Probably by telephone. I am just guessing now. I don't really recall. It would have had to be by telephone. I do not think I had a meeting with them.

Mr. WEITZ. Did anyone at the White House sign off on the press release?

Mr. CAMPBELL. Not that I know of. They could have but I certainly don't think they did. And I don't know positively whether OMB did, but I assume they did.

Mr. WEITZ. Do you know of any contacts either between yourself or Secretary Hardin after the afternoon meeting and the press release?

Mr. CAMPBELL. I think we cleared the press release by telephone with him.

Mr. WEITZ. With Hardin?

Mr. CAMPBELL. Yes.

Mr. WEITZ. But my question, did either you or Hardin have any contact during that period with anyone in the White House?

Mr. CAMPBELL. I don't recall one but I could have talked about the press release with someone. I don't know whether he did or not.

Mr. WEITZ. Who might you have?

Mr. CAMPBELL. I don't know. I would assume John Whitaker, because he was our contact man, but I do not say I did, but I would assume it would have been, if I did, with John Whitaker or Don Rice, because they are the ones that normally would have handled it.

Mr. WEITZ. Did you ever talk about dairy contributions with John Whitaker?

Mr. CAMPBELL. I could have but I don't remember. I could have told him that these boys are throwing money all over the place. It would have been a casual conversation. I wouldn't have made a point of it because that was totally irrelevant to me as to the things I was hearing because I was not involved directly or indirectly in these and—

Mr. WEITZ. Do you know Pat Hillings?

Mr. CAMPBELL. I don't recall him.

Mr. WEITZ. So you wouldn't have been—

Mr. CAMPBELL. Who is he?

Mr. WEITZ. Patrick J. Hillings. He is a lawyer for the dairy people and also a former Congressman.

Mr. CAMPBELL. No, I don't recall him. I don't recall knowing him at any time.

Mr. WEITZ. Do you recall his attending the morning meeting on the 23d with the President?

Mr. CAMPBELL. No, I don't remember that.

Mr. WEITZ. You don't recall the President referring to Hillings' propensity not to drink milk?

Mr. CAMPBELL. No, I don't remember that.

Mr. WEITZ. Therefore, you would not have been the source for any knowledge on the part of John Whitaker that Hillings and Chotiner were involved in the dairy people's contribution activity?

Mr. CAMPBELL. No, I don't recall anything of that nature.

Mr. WEITZ. Do you know what source Whitaker had for that information?

Mr. CAMPBELL. No, sir.

Mr. WEITZ. Now, based on your involvement in the deliberations during March in the first and second decisions, was it your understanding that the second decision announced on March 25 was based solely on the statutory criteria?

Mr. CAMPBELL. Well, the statutory criteria gave us the authority but it was based also on what the Congress might do.

Mr. WEITZ. Was it based on the political considerations that were discussed at the meeting with the President on the afternoon of the 23d?

Mr. CAMPBELL. In my mind it was based on the fact that Congress might substitute their policy judgment for ours and that to me was the basis of the change in the decision.

Mr. WEITZ. Would that also include possible impact on the President's reelection campaign?

Mr. CAMPBELL. Well, it could have, but I am just giving you what was in my mind.

Mr. WEITZ. I am asking you what was discussed at the meeting though.

Mr. CAMPBELL. Well I already answered that, I think, previously. You have asked me that previously, and I do not recall that being specifically, but it would have been natural for it to have been discussed, but I don't recall the exact statements.

Mr. WEITZ. Now we referred previously to your affidavit in the *Nader v. Butz* litigation, a copy of which has been entered as exhibit 1. Secretary Hardin also executed an affidavit at about the same time in March 1972 in connection with that same case. Could you tell us how your affidavit, and if you know, Secretary Hardin's affidavit, was prepared?

Mr. CAMPBELL. Well my affidavit was prepared by the lawyers in the Department of Agriculture, the general Counsel's office.

Mr. WEITZ. Did you consult with them?

Mr. CAMPBELL. Yes, I did.

Mr. WEITZ. And do you know whether Secretary Hardin consulted with them in regard to his affidavit?

Mr. CAMPBELL. I do not know.

Mr. WEITZ. Did he discuss his affidavit with you?

Mr. CAMPBELL. I do not recall him specifically discussing his affidavit. I do not remember.

Mr. WEITZ. Did you discuss your affidavit with him?

Mr. CAMPBELL. Oh, I don't recall it but I am sure that I was aware that he was going to have one prepared and also he was aware that I was having to have one prepared. I am sure because we were very close. And I just don't recall any discussion about it but I am positive he knew it and I know that I knew he was having one prepared. But the lawyers prepared mine and I assume the lawyers also in the Department prepared his.

Mr. WEITZ. Aside from the particular affidavit in the *Nader v. Butz* case that was filed which the record indicates was in January 1972, did you have occasion to discuss the price-support increase with either Secretary Hardin or anyone else at Agriculture?

Mr. CAMPBELL. Would you repeat that? I am trying to get your time sequence.

Mr. WEITZ. After the suit was filed in January 1972, did you have occasion to discuss the litigation and the underlying matter, the price-support increase in 1971, with Secretary Hardin or anyone else at the Department?

Mr. CAMPBELL. Well, I am sure we discussed it, but the decision had already been made and it was already set.

Mr. WEITZ. Yes, but the suit challenged the legality of the increase. What I am asking you in that connection, did you discuss the deliberations and the March 25 decision after the suit was filed?

Mr. CAMPBELL. You mean discuss the deliberations that we had previously?

Mr. WEITZ. That is right, the reasons for it, the legality of it, and so forth?

Mr. CAMPBELL. Oh, I can't remember. I don't remember doing it. I could have, but I don't remember.

Mr. WEITZ. I would ask the same question with regard to anyone in the White House. Did you discuss the past year's deliberations, the reasons for the price-support increase, with anyone in the White House?

Mr. CAMPBELL. Well, I can't remember doing so, but it is certainly possible that I did.

Mr. WEITZ. Did you discuss it with David Wilson?

Mr. CAMPBELL. Who is David Wilson?

Mr. WEITZ. Do you know David Wilson?

Mr. CAMPBELL. I don't recall him.

Mr. WEITZ. Did you discuss it with anyone on John Dean's staff?

Mr. CAMPBELL. Not to my knowledge because I don't know John Dean, either. No, I haven't discussed anything with anybody over there that I can recollect and I do not know these gentlemen. May I make one additional point for the record?

Mr. WEITZ. Certainly.

Mr. CAMPBELL. You talk to people by telephone, you know. You get a call and you don't know who the fellow is. He identifies himself. And I don't recall having any conversations, but that isn't to say I didn't have, but I can't recall them.

Mr. WEITZ. I understand. Now paragraph 11, which is the next to last paragraph in Hardin's affidavit, reads as follows:

Neither the decision to reevaluate the \$4.66 per hundredweight support-price level nor the ultimate decision to establish the price-support level at \$4.93 per hundredweight was based on any consideration other than those outlined in

this affidavit. Specifically at no time did any person or organization promise or lead me to believe that funds of any kind or anything of value would be paid to me or any other person, or organization in return for a reevaluation of or increase in the price support level.

Now I would like you to look at the paragraph because I know it is sometimes difficult to take it all in.

Mr. CAMPBELL. No, I heard every word you said.

Mr. WEITZ. My question is this. In your affidavit, there is no disclaimer or nothing that approaches that particular paragraph. There is no reference, in fact, to contributions either by way of disclaimer or otherwise. My question is this: Do you have any knowledge that would either contravene that paragraph or any other knowledge that bears on the relationship between contributions and the price-support increase in March 1971?

Mr. CAMPBELL. No, sir, I do not have. I could say that I insisted to the lawyers that they put in my affidavit the activities on the Hill because they were compelling and you have noticed in my affidavit that these are alluded to.

Mr. WEITZ. Oh, yes, there are other matters but no reference to contributions. That is why I wanted to ask you about it. That is all. [Discussion off the record.]

Mr. SANDERS. I would like to have a break before I proceed.

[Recess.]

Mr. SANDERS. Mr. Campbell, there are allegations being made, allegations have been made of a very serious nature, that the decision by the Nixon administration, in fact by the President to increase the price support for milk on March 25, 1971, over and above what had been decided on March 12 was influenced by or based on contributions which had been made to his reelection or commitments which were being made for contributions to his reelection.

Now, it appears from the White House white paper and from your testimony today, that whatever decision was reached by the administration on March 23 was arrived at in a meeting that afternoon, in a meeting with the President, at which you were in attendance. So what happened during that period of time, I think, would be very, very important to the allegations which are being made. You have told us that you are not aware of any direction by the President to Secretary Hardin or to you to order an increase in the price level but rather that some consensus was reached by those who were in attendance.

The white paper does say on page 6 at the top: "After the President announced his decision, there was discussion of the great power of the House Democratic leadership." This is in the context of what occurred at the March 23 afternoon meeting. And you have been asked here today whether you have any recollection of the President actually stating at the meeting, in your presence, a decision by him that the price support should be increased.

Mr. CAMPBELL. Well, I guess in my testimony I would have to say that we didn't walk in the room and receive an order to increase the support level and then walk out of the room.

When I say there was a consensus we went in and analyzed the situation in Congress and made a judgment collectively and all seemed to agree in the room. I do not remember any dissent. And the President could have easily said, "Well, that is what we will do, let's do it." Of

course he is the final authority. But what I was trying to relay was, that we didn't walk in and sit down and then have him give us an order to do it. We discussed it and then when it came that everybody was in general agreement that this was our position, well, then, the President probably said, "Well, let's do it." I don't remember what he said. But what I am trying to say is we just didn't go down and get an order and then leave the meeting. We made an analysis of the situation in Congress and got, to me, what was a consensus. I can't remember the conversation. I can't remember what the President specifically said.

Mr. SANDERS. Well it appeared to you that at the beginning of the meeting there was not yet any decision on the part of the Department of Agriculture or on the part of the President that the price support would be increased?

Mr. CAMPBELL. That certainly was the case with Secretary Hardin and me. So far as I know, I mean, that was Secretary Hardin's position and what the position of the other people in the room was before we got there, I don't know, because I had no conversations with them.

Mr. SANDERS. From the tenor of the President's remarks as the meeting progressed, did it appear to you that he decided what he would do before the meeting with you?

Mr. CAMPBELL. I could not make that analysis or judgment. I just couldn't. That thought never struck me and I didn't ever analyze it. I didn't get any such impression.

Mr. SANDERS. Now if the President's decision evolved from the discussion which occurred at that meeting and if there was no mention during the meeting of contributions which had been made or commitments which had been made to his reelection, then the allegations that he based his decision on such contributions and commitments would have to fail. And what I would like you to tell us now is your best recollection of what was said at the meeting, if anything, concerning contributions or commitments.

Mr. CAMPBELL. I do not recall any discussion of that type of specific contributions to anyone.

Mr. SANDERS. Furthermore at the close of the meeting it was incumbent upon you and Secretary Hardin to return to the Department of Agriculture and to implement the decision.

Mr. CAMPBELL. Yes.

Mr. SANDERS. And you did so?

Mr. CAMPBELL. Yes.

Mr. SANDERS. Did anyone at the meeting or after the meeting, before you returned to the Department, tell you that the decision had been based on any commitments or contributions to the President's reelection?

Mr. CAMPBELL. No sir.

Mr. SANDERS. Were you told to have any discussion with any officials of AMPI or any other co-ops concerning contributions or commitments to the reelection?

Mr. CAMPBELL. No sir.

Mr. SANDERS. Do you have any knowledge that any White House officials were to have any discussion with AMPI or other dairy co-ops concerning contributions or commitments?

Mr. CAMPBELL. No sir.

Mr. SANDERS. During your conversation with Harold Nelson, soon after the meeting, did he mention contributions or commitments to you?

Mr. CAMPBELL. I do not recall Harold Nelson making any such statement, sir. If he did they were not important to me and I do not recall him making any such statement.

Mr. SANDERS. In any event the final decision which was rendered by the Department of Agriculture to increase the price support to \$4.93 cents, which was given final approval by you and Secretary Hardin, had no basis whatever in any contributions already made by the dairy producers or contributions to be made by the dairy producers.

Mr. CAMPBELL. No.

Mr. SANDERS. The white paper mentions a discussion in the meeting of the great power of the House Democratic leadership. Do you have any present recollection of what was said in that regard?

Mr. CAMPBELL. No; I don't have any recollection, but this was the topic of discussion, that Congress was responding to the efforts of the dairymen in their contact with the individual members on the Hill. And I do not remember specific names being brought out, but, of course, some of the most powerful Members of Congress on the Hill were supporting the dairymen's position.

Mr. SANDERS. The white paper adds to that:

The discussion included an appraisal of the support which the legislation had on Capitol Hill and the fact that the legislation had the support of two of the most powerful legislators in the country, Speaker Albert and Chairman Mills.

Do you recall any further details in that connection?

Mr. CAMPBELL. No; I do not recall any details but I did personally know that the dairymen had the support of these two Members.

Mr. SANDERS. The white paper continues by saying:

The discussion covered how the power of the Democratic leadership might be enlisted in support of certain of the President's key domestic legislation if the administration acknowledged the key role these leaders played in securing a reversal of the March 12 decision.

Do you have any present recollection of any details in connection with that?

Mr. CAMPBELL. No; I do not remember that. I do not remember that discussion.

Mr. SANDERS. And finally the white paper says that: "The meeting concluded with a discussion of the manner in which the decision would be announced and implemented." Can you elaborate on that?

Mr. CAMPBELL. Oh, that area is a little vague. And I cannot remember it specifically. But as I have already testified, it seems as though someone said they had to alert the dairymen and at that time I asked as we were breaking up, or sometime, maybe not at the specific time, I asked permission to call the dairymen in order to request that they stop the pressure for price-support increases.

Mr. SANDERS. You have told us that the decision which was rendered on March 12 was a close call. I don't recall whether those were the exact words but that was the import?

Mr. CAMPBELL. Yes; that is the meaning of what I said.

Mr. SANDERS. Would it be fair to say that it is one on which reasonable men could differ?

Mr. CAMPBELL. Oh, yes.

Mr. SANDERS. Would you explain—well, let me back up just a moment.

In March 1971, I can't pinpoint the time more precisely than that, but market price for fluid milk, I believe, was \$5.05 sometime in that period. At any rate it was up around \$5. If, on March 12, the support price had then been fixed at \$4.93, would this have affected the cost to the Government at that level?

Mr. CAMPBELL. To the best of my recollection, at the time, the price was approximately \$4.90 rather than \$5.05, but this would be subject to check on the records. The answer the question, as I believe it was, whether it would have an impact on the Treasury of costing the Federal Government money?

Mr. SANDERS. Yes.

Mr. CAMPBELL. Raising the price from \$4.66 to \$4.93 was a 27-cent per hundredweight increase and with the market price where it was in that same range, the impact on the Federal Government would be infinitesimal. And in the news media there had been statements all of the way from \$300 million to \$700 million worth of benefits to the dairy farmer. Mathematically there is no way, taking the \$4.66 support level which was raised to \$4.93, there is no way mathematically that this could have assisted the dairymen. By multiplying the production by this 27 percent increase—

Mr. SANDERS. 27 percent increase?

Mr. CAMPBELL [continuing]. 27-cent increase, by more than—slightly in excess of \$300 million, if the 27-cent increase were all taken from the Federal Treasury because there was a production level down of approximately 116 billion pounds of milk—if you multiply the 27 cents by this figure you get slightly in excess of \$300 million. However the market price was already in this range of \$4.90 cents. So to assume any impact or drain from the Treasury from this action, would have to assume that the market price would drop below that figure during the marketing year. And with the assumption that the price would drop during the spring flush, which is in April and May, or that the price would drop at seasonal times of lessening demand, such as in the summer or at Christmas when schools are out, it is my opinion that there is no way, with this assumption, that the price would have dropped some, that there is no way that the impact on the Treasury would have been more than \$50 million to \$100 million.

Mr. SANDERS. Are you aware of whether any calculation has been made of the difference which would have resulted in the cost to the Federal Government between the support level, which was fixed on March 25, and the cost to the Government if the March 12 decision had been maintained for that marketing year?

Mr. CAMPBELL. If I understand the question, you are asking: Had we not raised the price?

Mr. SANDERS. No. I am asking if the hindsight there has been a calculation of the difference which would have resulted in the cost to the Government between the \$4.66 and the \$4.93?

Mr. CAMPBELL. Well, you have to assume to what level the market price would drop. If the market price had been at \$4.66, it would have been \$300 million, but the market price was not at \$4.66. It was at the \$4.90 range. So that had the market price for the ensuing 12 months stayed at the \$4.90 range the impact on the Federal Treasury would

have been practically zero. But you could assume though, that the price, had we not raised the support to \$4.93, could have dropped during the spring flush. My estimation of the impact on the Treasury under that circumstance would be \$50 million to \$100 million.

Mr. SANDERS. Do you have knowledge of whether the Department of Agriculture made an economic analysis of the difference in impact?

Mr. CAMPBELL. I think that the economic research service perhaps has but I have not seen it in writing. I have not seen such a study but I think possibly a study was made. I am not sure.

Mr. SANDERS. Was there not also a concern that the legislative increase could have rippled to other commodities and caused an even greater drain on the Treasury in that manner? In other words, if Congress saw fit to statutorily raise the support price for milk to such a very high level, that this attitude might have extended to some other commodities?

Mr. CAMPBELL. I am not certain that would be true, no. I wouldn't personally have that particular feeling, because this effort was brought about as a result of the corn blight, which we had in the preceding year which had given us a short corn crop and the farm act is a 4-year act or a 5-year act and I am not certain that that was taken or that that came into consideration at all. I don't—it didn't come into my consideration.

Mr. SANDERS. No further questions.

Mr. WEITZ. Mr. Campbell, you were asked by Mr. Sanders with regard to your knowledge of any relationship between the price-support decision in March 1971 and the promise of, or the actual giving of, contributions to the President's reelection campaign. In that connection or in general were you aware during March 1971, of any contacts between people in the White House and the dairy industry aside from the meeting you attended on the morning of the 23d?

Mr. CAMPBELL. I don't recall any knowledge of any meetings. I did not attend any that I can remember and I don't recall hearing of any. I would have had to be told second or third hand. I don't recall any. That isn't to say it didn't occur but I don't recall any though.

Mr. WEITZ. Similarly, were you aware of any communications between the President and any of his aides, other than the two meetings you attended on the 23d with regard to the price-support matter.

Mr. CAMPBELL. No, I don't recall any.

Mr. WEITZ. Were you aware of any contacts between people in the White House and Republican fundraisers with regard to milk price supports?

Mr. CAMPBELL. No.

Mr. WEITZ. Were you aware of any contacts between Republican fundraisers such as Mr. Kalmbach on the dairy price supports?

Mr. CAMPBELL. No, I am not familiar with Mr. Kalmbach and I am not aware of anything in that connection.

Mr. WEITZ. So whatever transpired, if anything transpired, between those individuals with regard to the price-support matter, you have no knowledge with regard to that?

Mr. CAMPBELL. No, sir.

Mr. DORSEN. I gather, Secretary Campbell, you have not heard the tape recording of the afternoon meeting?

Mr. CAMPBELL. No, I haven't heard it.

Mr. DORSEN. For that matter the morning meeting?

Mr. CAMPBELL. No.

Mr. DORSEN. Did you play any role in the preparation of the white paper?

Mr. CAMPBELL. Oh, yes, I looked at the white paper. I didn't play a role in it. I looked at it for accuracy from my viewpoint of what I knew, yes.

Mr. DORSEN. Do you know who prepared the white paper?

Mr. CAMPBELL. I can't—I don't know who specifically did. There is somebody over there in the Executive Office Building and I don't know the fellow's name. I don't know who did it. I looked at it for accuracy from our viewpoint in the USDA.

Mr. DORSEN. And is it fair to say that the economic analysis that was contained in the white paper reflected your views?

Mr. CAMPBELL. Economic analysis?

Mr. DORSEN. Of the impact of the March 1971 price-support decision, if that reflected your views?

Mr. CAMPBELL. I don't recall what is in the white paper on that point. I would have to see what the figure is. This is speculation as to impact because nobody knows, but I have at times previously, used the figure of \$100 million to \$300 million, personally but it was just coming out of my head and I finally got a pencil and paper and personally made mathematical calculations and when I did—I have used what I said to you people here today—of \$50 million to \$100 million but that is only after I took the pencil and paper and did it. Now, I have used the personal figure before without doing any mathematical calculations of \$100 million to \$300 million. I don't know what the figures are in the white paper.

Mr. DORSEN. So, I guess your position is, that based on varying types of analyses, different people could come to different conclusions as to the impact?

Mr. CAMPBELL. Yes, because we don't know totally what would have happened in the marketplace with regard to the price of milk.

Mr. DORSEN. And I gather you know Dr. Don Paarlberg?

Mr. CAMPBELL. Yes.

Mr. DORSEN. And would he be qualified in addition to yourself?

Mr. CAMPBELL. Yes, he would be qualified. He and I don't always agree and I don't always agree with my wife and my wife and I have differences but they are pleasant differences with my wife and pleasant with Dr. Paarlberg. But I do disagree sometimes with studies that come out of the Economic Research Service.

Mr. DORSEN. But he would be qualified?

Mr. CAMPBELL. He is qualified certainly. More qualified than I, I would dare say.

Mr. DORSEN. Anything else, Mr. Sanders?

Mr. SANDERS. I think it might be fair to say, Mr. Campbell, that the thrust of the economic arguments in the white paper issued by the White House would be, that by hindsight the validity of the decision to increase the price support was borne out by all of the economic factors during that marketing year. For example, the rate of increase in the cost of milk to the consumer was at a lesser rate in that year than it had been for many years previous. I won't go over all of these arguments now, but is it your conclusion that by

hindsight the increase was a wiser decision than if the support price had been left at the March 12 level?

Mr. CAMPBELL. I must frankly reluctantly admit that with hindsight, the decision to increase was the better decision, in view of the fact that we have continued to have a dropout of dairymen and a reduction in cow numbers. And I have heard Secretary Hardin say on many occasions, that on hindsight the decision to increase after having first announced no increase was the better decision, based on the record of milk production and the price of milk to the consumer.

Mr. SANDERS. Better for whom?

Mr. CAMPBELL. Better for the Government and better for the consumer as well. The law specifically charged that the Secretary of Agriculture set the price levels, the support level for milk in order to insure an adequate supply to the consumer. And in hindsight, enforcement of that law tells us that the second decision, reversing the first decision, was the better decision. And Secretary Hardin has expressed that opinion to me on several occasions since and he is speaking strictly as an economist having done his Ph. D. degree work in dairy marketing.

Mr. SANDERS. Your affidavit, referred to earlier in this interview, mentioned that the decision of March 25 was based on a reevaluation of the same information, I think, meaning the same economic information which had been—

Mr. CAMPBELL. The facts hadn't changed.

Mr. SANDERS [continuing]. Which had been known as of March 12.

Mr. CAMPBELL. Yes, the facts had not changed.

Mr. SANDERS. So what you and the other officials of the administration were doing was reanalyzing the information already available, reevaluating it with respect to the pressures which were developing in Congress?

Mr. CAMPBELL. Yes.

Mr. SANDERS. And at the afternoon meeting with the President, where he made his final decision, there was consideration of economic factors?

Mr. CAMPBELL. Yes, because we did not wish to go above 85 percent because of the impact on the Federal Treasury.

Mr. SANDERS. No further questions.

Mr. DORSEN. Mr. Campbell, I think you indicated in summing up with respect to hindsight evaluation, that you must reluctantly agree, that in hindsight it was the correct decision. Is that the substance of your testimony?

Mr. CAMPBELL. Yes.

Mr. DORSEN. Why do you say reluctantly?

Mr. CAMPBELL. I hate to admit I was wrong. The reluctance was on my personal admission.

Mr. DORSEN. I see. So that as of the moment when you and Secretary Hardin walked into the afternoon meeting you were taking the opposite position, but now you are convinced it was the correct position in hindsight?

Mr. CAMPBELL. Yes, and if I may add for the record, this confirms a prediction that I made in 1966 or 1967, while still in Georgia before joining the U.S. Department of Agriculture, when the dairymen had the biggest surplus on hand that we ever had and the highest produc-

tion that we had ever had—when I predicted that we were headed downhill on milk production and that we were going to have a shortage in the United States. I made that personal prediction and was laughed at by the professionals in the U.S. Department of Agriculture. So it was a real bit of consternation for me, you know, to then appear on the scene at a higher level. The only reason I relate that story to you is that it was my long-range prediction and it is still my long-range prediction, that we are going to continue to have a non-flow of milk. But in making the decision which we made at this time, we already had the market price up there and we did not want to substitute the Government for the market price.

Mr. DORSEN. Now in talking about the valuation a year or 2 or even 3 years afterwards, of the economic consequences of the second March price decision, we are making evaluations as to the effect of certain economic data, the impact of certain things, and of course, as we have indicated this is hindsight. But at the afternoon meeting, at which time the decision was made to increase the price, was there anyone other than yourself and Secretary Hardin who were equipped to consider the sophisticated economic arguments that had to be taken into account under the statute?

Mr. CAMPBELL. I am sure there was no one else in the room that had lived with the dairy industry as have I and had Secretary Hardin. On the other hand if Donald Rice was in that meeting, he would have had some basis on which to have made that type decision because of all the tools at his command over in the Office of Management and Budget, although I am assuming he was at the meeting. I don't remember whether he was or he was not because I don't recall. But if he were there he would have been equipped with the tools at his hand in the OMB.

Mr. DORSEN. And he was in regular touch with the USDA?

Mr. CAMPBELL. Oh, yes.

Mr. DORSEN. So that you were aware of all of his arguments and positions well before the March 23 afternoon meeting?

Mr. CAMPBELL. Yes.

Mr. DORSEN. So I gather nothing new was said in that afternoon meeting in the way of economic analysis?

Mr. CAMPBELL. No, I don't think so at all. We were just wondering whether we could hold our position with Congress substituting their policy decisionmaking for ours.

Mr. DORSEN. I believe the white paper also points out that the long-range philosophy of the Republican administration in Agriculture was a minimum of governmental interference in the marketplace, is that correct?

Mr. CAMPBELL. We still hold to that philosophy.

Mr. DORSEN. And this is contrary to the Democratic position on the Hill, is that right?

Mr. CAMPBELL. Yes, from the standpoint of parties, you know, party attitudes, but you do have variances within the parties, I mean, you've got the same type of people within each party: Conservatives, middle-of-the-roads, liberals, on any economic or social issue. So I would say you've got people on both sides of that fence because you have Members of Congress, Republicans, that were also introducing bills and pressing us. I don't think you can put the party label on it.

Mr. DORSEN. Well, comparing, let us say on the one hand—

Mr. CAMPBELL. Let me go further, because Democratic Presidents have also resisted dairymen's efforts, not only the Republican President, Richard Nixon.

Mr. DORSEN. I gather you do subscribe to the fact that the Nixon administration policy had been one of reducing the Government's involvement?

Mr. CAMPBELL. Yes, sir; and I subscribe to that.

Mr. DORSEN. Well, at least the congressional leadership on the Democratic side was somewhat contrary, is that correct?

Mr. CAMPBELL. Oh, yes; I think it is a fair statement. That is not all inclusive though because you have personalities.

Mr. DORSEN. I realize I am making a general statement, and as a general statement I gather you would subscribe to it?

Mr. CAMPBELL. Yes.

Mr. DORSEN. I have no further questions.

Mr. SANDERS. No further questions.

Mr. WEITZ. That concludes today's hearing.

[Whereupon, at 11:55 a.m., the hearing in the above-entitled matter was adjourned.]

CAMPBELL EXHIBIT NO. 1

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

RALPH NADER, et al.,
Plaintiffs,
v.
EARL L. BUTZ, et al.,
Defendants.

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Civil Action No. 148-72

AFFIDAVIT

FILED

MAR 13 1972

DISTRICT OF COLUMBIA)
:
WASHINGTON, D. C.)

JAMES F. DAVEY, Clerk

J. Phil Campbell, being first duly sworn on oath deposes and says that:

1. I am the Under Secretary of Agriculture of the United States. I have held this office since January 22, 1969. Before becoming Under Secretary of Agriculture, I served 14 years as the Commissioner of Agriculture of the State of Georgia. I was a dairy farmer for years. As Under Secretary of Agriculture, I participated fully in the dairy price support determinations involved in this litigation.

2. Section 201 of the Agricultural Act of 1949, as amended (7 U.S.C. 1446), authorizes and directs the Secretary of Agriculture to make available price support to producers for milk "at such level not in excess of 90 per centum nor less than 75 per centum of the parity price therefor as the Secretary determines necessary in order to assure an adequate supply."

Section 204 of the Agricultural Act of 1954, in re-enacting section 201(c), set forth the following Congressional policy:

The production and use of abundant supplies of high quality milk and dairy products are essential to the health and general welfare of the Nation; a dependable domestic source of supply of these foods in the form of high grade dairy herds and modern, sanitary dairy equipment is important to the national defense; and an economically sound dairy industry affects beneficially the economy of the country as a whole. It is the policy of Congress to assure a stabilized annual production of adequate supplies of milk and dairy products; to promote the

increased use of these essential foods; to improve the domestic source of supply of milk and butterfat by encouraging dairy farmers to develop efficient production units consisting of high-grade, disease-free cattle and modern sanitary equipment; and to stabilize the economy of dairy farmers at a level which will provide a fair return for their labor and investment when compared with the cost of things that farmers buy.

The "parity price" for milk and other agricultural commodities is the dollars-and-cents price computed under a statutory formula (7 U.S.C. 1301(a)) which will give farm commodities the same purchasing power, in terms of goods and services bought by farmers, that the commodities had in a specified base period.

Section 406 of the Agricultural Act of 1949, as amended, requires the Secretary insofar as practicable to announce the level of support for milk "in advance of the beginning of the marketing year or season" (7 U.S.C. 1426). The level of support so announced may not be reduced.

3. The question of the level at which milk should be supported was subject to considerable debate even before the initial decision, and it was known that there was strong sentiment in favor of a higher level of support. For example, on March 9, 1971 - before the announcement of March 12, 1971 - Senator Hubert H. Humphrey of Minnesota in an address to the Senate, said:

THE PLIGHT OF OUR DAIRY FARMERS

Mr. HUMPHREY. Mr. President, the Associated Press reported on March 7 that the Secretary of Agriculture is preparing to set milk price supports at \$4.92 per hundredweight. . . .

* * * * *

Mr. President, because farm expenses have risen since the Secretary announced the support level last year, the actual price support level has deteriorated to a little more than 80 percent. And the overall parity for American agriculture at this time is about 69 percent, which is only a few percentage points above the alltime low depression period of the thirties. . . .

* * * * *

The number of dairy farmers has been dropping year after year. The per capita consumption of milk has not kept up with the amount the producers would like, and the price that the farmers are receiving for their milk has not kept pace with the overall rise in production costs and costs of living.

I want to make it clear that I do not think the price indicated in this Associated Press report of \$4.92 per hundredweight is adequate. Surely it is not adequate for the investment of capital and labor that our dairy families put into the production of milk. It may not even compensate them for the erosion of income resulting from lost inflation for the last 12 months. However, it is at least a move in the right direction if the Secretary should take it.

I wish to encourage Secretary Hardin to set the price at least at the level indicated in the Associated Press dispatch, which is considerably less than a fair and reasonable price. And it is my hope that he will go substantially higher than the 85-percent price support level. (117 Cong. Rec S 2692 (daily ed.)).

4. Others in the Senate took similar positions before the level of \$4.66 per hundredweight for manufacturing milk was announced on March 12, 1971. See, for example, remarks by Senator Hartke on March 9 (117 Cong. Rec. S 2711 (daily ed.)); Senator Mondale on March 10, 1971 (117 Cong. Rec. S 2849 (daily ed.)); and Senator Humphrey's further remarks on March 10, 1971 (117 Cong. Rec. 2854-2858 (daily ed.)).

5. About the same time, similar speeches were being given in the House of Representatives. The Honorable Ed Jones of Tennessee, for example, on March 10, 1971, said in his extended remarks:

Mr. JONES of Tennessee. Mr. Speaker, I read an Associated Press article yesterday which indicated that Secretary of Agriculture Hardin is considering a dairy price support announcement of \$4.92 per hundredweight. I think this price is too low for our Tennessee dairy farmers. It is, I feel sure, too low for any dairy farmer.

* * * * *

By 1980, the Department of Agriculture predicts there will be only 200,000 dairy farms and only 110 billion pounds of milk production.

* * * * *

This contraction of numbers is expected to continue. This trend is summarized in the following table:

* * * * *

Number of U. S. farms selling milk and cream

<u>Year:</u>	<u>Thousands</u>
1950	1,959
1955	1,475
1960	1,032
1964	641
1969	400
1980	200

Thus, there are now only 400,000 dairy farms in this country. Four-fifths of the dairy farms operating in 1950 have gone out of business. The Department of Agriculture considers that in 1980 there will be only one-tenth as many dairy farms as there were in 1950.

This contraction has not simply been a consolidation of dairy herds into larger farms. The number of milk cows on U. S. farms has also been declining sharply. In 1950, there were almost 22 million milk cows on American dairy farms. By 1970, this number had decreased by nearly 10 million cows to a total of 12.5 million. By 1980, milk cows on farms are expected to decrease by another one-third or some 4 million cows, to a total of 8 or 9 million.

Decreases in cow numbers have been offset in part by increases in milk production per cow. Thus the decreases in number of farms and cows does not always mean an absolute reduction in milk production. In the early years of the downtrends in numbers, offsetting increases in efficiency have tempered its impact upon output. Yet efficiency gains are increasingly hard to come by. As the number of cows decreases, capacity to maintain aggregate output becomes more difficult. Dairy cows cannot be replaced quickly and inexpensively and it is increasingly difficult to increase output per cow.

Mr. Speaker, I sincerely hope that the Department of Agriculture does not intend to sit idly by and watch our dairy industry decline into oblivion. Unless dairy price supports are set at a level high enough to guarantee 90 percent of parity, that is exactly what we are inviting. (117 Cong. Rec. E 1689 (daily ed.)).

Also see the remarks on the floor of the House by Representative Thomson of Wisconsin, March 11, 1971. 117 Cong. Rec. H 1473 (daily ed.).

6. The decision of March 12, 1971, to continue the dairy support level at \$4.66 per hundredweight was based upon information available at that time and upon the Secretary of Agriculture's interpretation of that information. The later decision of March 25, 1971, to revise the support upward to \$4.93 was based on the Secretary's re-evaluation of that same information as it related to the legislative goal of achieving an adequate supply. The economic data on which price support determinations such as this are made rarely support only one conclusion. For example, the Commodity Credit Corporation docket of March 3, 1971, on which the March 12 announcement was based, showed that the \$4.66 per hundredweight level of support would represent only 80 percent of

parity as of the beginning of the marketing year whereas, at the beginning of the previous marketing year, \$4.66 per hundredweight represented 85 percent of parity. This demonstrates that dairy farmers had been experiencing increasing costs of production during the marketing year. The higher such costs, the smaller the return to the farmer for his milk and the greater likelihood of further reductions in the number of dairy producers.

The index of prices paid by farmers for the various goods and services they buy are shown for the years 1967 through 1971 in the following table:

Index of Prices Paid by Farmers as of February 15 since 1967 (1967=100)*

	<u>1967</u>	<u>1968</u>	<u>1969</u>	<u>1970</u>	<u>1971</u>
Prices paid by farmers commodities and services, interest, taxes and wage rates	99	102	108	113	119
Prices paid	99	101	105	110	115
Family living items	99	102	107	112	117
Production Items	100	101	104	109	113
Feed	103	96	96	101	108
Feeder livestock	98	102	109	125	124
Interest	100	110	119	128	138
Taxes	100	111	124	134	144
Wage rates	94	103	114	124	130

* These figures as of February 15 of each year are expressed as a percentage of the average of the prices during all of the base year 1967. Source: Based on SRS Agricultural Prices (Pr 1) for February, 1967 through 1971.

Similarly, the docket disclosed that while the downtrend in the number of milk cows on farms had slowed, cow numbers did continue to decline. During the previous 5 years, U. S. milk production had been trending downward. U. S. milk production had dropped from a high of 126.9 billion pounds in 1964-65 to a low of 116.5 billion pounds in 1969-70. Although there had been some small and somewhat erratic monthly production increases in 1970, they were by no means conclusive. These facts suggest the possibility that further reductions in the number of dairy animals might so reduce milk production as to leave an insufficient quantity of milk

available not only for commercial consumption but also to meet the needs of the domestic food assistance and other programs. Continued reductions in the number of dairy cows would have a serious impact on the supply of milk. Although increased production was reflected in the docket, it was not sufficient to provide any substantial margin of confidence. The support increase of 38 cents per hundredweight during the previous marketing year had apparently just begun to bring about a halt in the sharp production declines. The further increase to \$4.93 - continuing the level at about 85 percent of parity - would provide assurance against the resumption of a downward trend in milk production.

The docket also shows that uncommitted CCC inventories of cheese were about 7 million pounds on January 31, 1971, and that CCC purchases of cheese for the 1971-72 marketing year were projected at 75 million pounds. This quantity of cheese was inadequate in view of the demand for cheese in USDA family feeding and child nutrition programs. An additional 61 million pounds were needed to fulfill these program requirements. At the time the docket was considered, it was contemplated that the additional cheese required would be purchased for program outlets under the authority of section 709 of the Agricultural Act of 1965 (7 U.S.C. 1446a-1). Section 709 authorizes the Secretary to use funds of CCC to purchase sufficient supplies of dairy products at market prices to meet the requirements for schools (other than fluid milk), and for domestic relief distribution, community action, and such other programs as are authorized by law, when insufficient stocks are acquired through price support operations for these purposes. However, the exercise of this authority at times when cheese factories are paying more than the support price for manufacturing milk tends to disrupt the usual flow of milk going to manufacturers of butter and nonfat dry milk. The quantity of cheese which would be purchased under the price support program as a result of the higher level of support for manufacturing milk would permit domestic food assistance needs for cheese to be filled without having to use section 709 authority.

The Agricultural Act of 1970, enacted shortly before consideration of the 1971-72 support program, had suspended the mandatory requirement to

support the price of butterfat as a separate commodity. By virtue of this change in the law, the Secretary could establish that combination of prices for butter and nonfat dry milk which would result in a value equivalent to the price support for milk, yet not add unduly to the CCC inventory of butter, for which there are fewer outlets. Since, as the docket pointed out, there was a desire to reduce butter prices to more competitive levels, at the time the Secretary increased the support level for manufacturing milk he did not announce a concomitant increase in the price of butter. Although it was necessary to raise the price of nonfat dry milk produced by the same plants which produced butter in order that the combined value of the two products made from 100 pounds of milk would be equal to the support price for milk plus manufacturing costs, it was felt that the resulting increased inventories of nonfat dry milk could easily be utilized to meet anticipated program needs.

Moreover, the estimates on which price support for dairy products is determined are at best uncertain. For example, milk production is measured in terms of over 100 billion pounds. An error of only 1 percent in the estimate of production for the marketing year could result in over a billion pounds less of milk available during the marketing year. The estimates are, of course, based on normal weather conditions; adverse weather conditions would result in lower production than estimated. Even if the price farmers will receive for milk is known in advance, predicting their response in terms of production is, at best, uncertain and difficult. This is because price, important as it may be, is only one consideration which often-times may be overshadowed and outweighed by other factors such as production costs, availability of labor, availability and cost of capital, age and health of the producer, the attractiveness of alternative opportunities - both on and off the farm - and other factors.

Estimating consumers' response to price changes in dairy products likewise is difficult. The problem is compounded by the fact that estimates must be made of not only fluid milk consumption, but also the consumption of all products manufactured from milk and the milk equivalent of those products.

Another important consideration is the fact that milk production is not turned on at will. While cows can be slaughtered and production turned off nearly as soon as producers decide to discontinue dairy farming, a minimum of three years is required after decisions are made before production can be increased. The gestation period of a cow is about 9 months and another two years or more may be required before the heifer (female) calves can be bred, reproduce, and themselves begin to give milk. This time lag in restoring milk production is well illustrated by the fact, referred to above, that only after five years with price support levels ranging from 83 percent to 89 percent of parity, following a period when price support was at or about the legal minimum, did production begin to increase.

It must also be borne in mind when determining the level of support necessary to assure an adequate supply of milk, that the CCC inventory stocks of dairy products are a significant part of our nation's food reserves. It is from this supply that foods - including dairy products - are drawn by State and local governments in the event of national disasters such as hurricanes, floods and tornadoes.

Against such a background, the Secretary of Agriculture must make his determination each year as to what support will be needed to assure the adequate supply required by the statute. Needless to say, he has no magic formula to provide him with an unfailingly accurate and unchanging answer to his problem, and he must rely upon his own knowledge and judgment. The Secretary of Agriculture in March 1971 was extraordinarily qualified to deal with the dairy price support question. An eminent agricultural economist himself by virtue of his education, training, and distinguished

experience, he understood the economic intricacies and imponderables which surrounded the problem.

7. Notwithstanding the existence of some factors from which it could have been concluded that a higher level price support was necessary to assure an adequate supply, on March 12, 1971, the initial announcement was issued establishing the support price of \$4.66 per cwt., which was the same dollars-and-cents level as was in effect for the previous year but a lower percentage of parity since the costs of goods and services bought by farmers had increased since the previous year. A level of price support could always be increased, but as pointed out in paragraph 2, once announced the level of support may not be reduced.

8. Subsequent to the announcement of the \$4.66 per cwt. price support on March 12, it was strongly urged by various representatives of the dairy industry that the support level be increased, because of increased production costs to farmers. A number of bills were introduced to increase the level of price support for milk. On March 19, 1971, Senator Humphrey introduced S. 1294 to increase the rate of price support to at least 85 percent but not more than 90 percent of parity. 117 Cong. Rec. S. 3379 (daily ed.). Senators Nelson and Hughes sponsored S. 1277, a similar bill. 117 Cong. Rec. S. 3455 (daily ed.). Some 21 like bills were introduced in the House of Representatives.

9. Following Secretary Hardin's March 12 announcement of \$4.66 there was a continuing appraisal of the cost-price squeeze on dairymen and its effect on dairy farmers and milk production. On March 25, 1971, the Secretary announced that the support level would be established at \$4.93 per cwt., which maintained the level at 85 percent of parity - the same percentage-of-parity level which had been in effect the previous year. Such action was not novel or unusual. Price support determinations for particular marketing years had been increased in the past even after the marketing years had begun. Such prior actions are summarized below:

<u>Marketing Year</u>	<u>April 1</u>	<u>Date and Change</u>
1956-57	\$3.15	April 18 - \$3.25
1960-61	\$3.06	September 17 - \$3.22 (Congress)
		March 10 - \$3.40
1966-67	\$3.50	June 30 - \$4.00

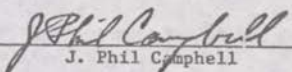
10. The actual results of the program have confirmed that the Secretary's judgment that a higher price support was necessary in order to assure an adequate supply was correct. As of January 31, 1972, CCC's inventories of dairy products were not only considerably lower than they were a year ago, they also are about as low as they have been for a number of years. This is illustrated by the following table:

CCC Uncommitted Inventory as of
January 31, 1962-72*

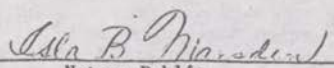
<u>Marketing year</u>	<u>Butter</u>	<u>Cheese</u> Million pounds	<u>Nonfat dry milk</u>
1962	188.2	52.3	222.6
1963	327.5	43.7	521.6
1964	132.8	28.5	272.5
1965	20.1	4.8	113.5
1966	3.7	--	26.7
1967	21.0	2.2	28.9
1968	124.7	67.9	208.4
1969	73.0	23.1	221.1
1970	35.2	--	116.5
1971	61.8	6.6	18.7
1972	37.1	1.9	1.4

*Sources: USDA Press Releases of CCC Dairy Price Support Activities for January, 1962 through 1972.

CCC Docket MCP 98a, Milk Price Support Program, 1971-72, and CCC Docket MCP 98a, Amendment 1, Milk Price Support Program, 1971-72, are attached hereto, marked Exhibits A and B, respectively.


J. Phil Campbell

Subscribed and sworn to before me, a Notary Public in and for the District of Columbia, this 10th day of March, 1972.


Notary Public

My Commission Expires Sept. 14, 1974

CAMPBELL EXHIBIT No. 2

UNDER SECRETARY CAMPBELL CAUTIONS DAIRY FARMERS

[U.S. Department of Agriculture press release]

STATE COLLEGE, PA.,

March 22, 1971.

Under Secretary of Agriculture J. Phil Campbell today told U.S. dairy farmers that the decisions they make this year can be critical in shaping the future of the dairy industry over the next 10 years.

Speaking at the Sixth Annual Meeting of the National Dairy Herd Improvement Association, Inc., on "The Future of Dairying," Mr. Campbell said:

"The decisions made now and during the next 12 months as to the amount of milk produced in the United States will have far-reaching effects. If dairymen adjust realistically to market conditions they can enjoy relative prosperity. If they fail to adjust, depressed prices will result and it might be impossible for most dairymen to meet production costs and have enough net dollars left over to maintain a decent standard of living.

"For the past five or six years I have been predicting better times for dairying, and during this period conditions have improved. Supply and demand have come into much better balance and prices have responded.

"Tonight, however, I must strongly urge caution and serious thinking on the part of dairymen and their leaders."

Pointing out that, among U.S. livestock producers, only dairy farmers and wool producers have government programs to help determine their welfare, and Under Secretary said, "All other livestock producers have consistently maintained opposition to any suggestion of Congressional action which would regulate the supply or price of beef cattle, swine, poultry or poultry products.

"Through the years dairymen have had Federal or State milk marketing orders to set minimum prices for Class I milk, and in some States to establish quotas or milk bases. In addition, a support price on milk for processing or manufacturing purposes has guaranteed a minimum price for milk.

"I have strongly defended these state and Federal programs for dairy farmers. I have done so because the production of milk is unique among all farm enterprises. First, milk must be produced under rigid sanitary conditions established by law—and this is as it should be.

"Second, dairying is an enterprise requiring a large capital investment, approaching \$2,000 per cow, with low financial returns—so low, in fact, that they do not permit the recovery of the capital investment during the occupational lifetimes of most dairymen.

"Third, dairy production is the most confining of all types of farming. The cows will not stay milked—it's twice a day, every day, including Saturday, Sunday, the Fourth of July, Thanksgiving, and Christmas.

"Fourth, starting from scratch, no dairy farm operation, unless it's the feed lot type in which all the feed and the cows are purchased annually—can be satisfactorily established in less than five years.

"Fifth, dairy farmers can't shop around from market to market seeking a better price as producers of other commodities can. Milk is a perishable product. It must go to market regularly. It can't be stored by the farmer or hauled from one town or one street corner to another and taken out of the tank and put back in as you can do with cotton, corn, wheat, fruits, vegetables, and most other commodities.

"Finally, dairying is a lifetime business that a person does not jump into and out of every few years. Not only does it take years to establish but the life cycle of the cow is a strong factor. The cow has only one calf a year, and every other year it's a bull which doesn't add to the milking herd.

"For these reasons among others, I have always defended State and Federal programs to assist dairy farmers. Without such programs eventually there would not be enough milk produced for the consumers of this Nation."

With the help of these programs, but mainly because dairymen made the production changes the market called for, dairy income has improved steadily for the past six years, Mr. Campbell continued. "Beginning in 1965, every year has seen a decline in the production of milk until 1970 which brought an upswing in production. Whether the increased output last year resulted from decisions by dairy farmers based on expectations of profits or from some such factors as mild weather and better than average forage, we do not know,"

Reviewing the history of the 1960's, Mr. Campbell pointed out that in 1961 U.S. milk production climbed to a near all-time high of 126 billion pounds, causing the Federal Government to purchase more than \$600 million worth of milk products from July 1961 to June 1962. In 1962, the support price of milk was reduced from \$3.40 per hundredweight to \$3.11 in order to discourage continued overproduction. As a result of reduced prices and other factors, milk production dropped from the all-time high of 127 billion pounds in 1964 to 116.3 billion pounds in 1969. But last year production swung upward to 117.4 billion pounds, and a further moderate increase is expected in 1971.

"Dairymen will again be in serious trouble if milk production during the next few years increases beyond the capacity of the market to absorb it," the Under Secretary said.

"In fact, overproduction in the 1970's would be even more burdensome than it was during the early 1960's, because higher support prices will increase government costs per 100 pounds of milk removed from the market. For example, CCC costs for the removal of dairy products during the current fiscal year are estimated at about \$380 million—and this is for what is regarded as a very manageable surplus.

"I want to cite a little more history—and point out that it seems to be repeating itself. Do you recall that when Secretary Benson took office in 1953 dairymen had been pressing for high support prices? Milk production and government stocks shot up and dairy prices and cash receipts went down. And the support price had to be lowered.

"When Secretary Freeman took office, the same thing happened. Dairymen pressed for higher supports and got them. And again production and stocks soared and farm prices for milk fell below the support level and the support had to be lowered.

"When Secretary Hardin took office, dairymen again sought higher supports and last year production turned up again. Admittedly, the situation is not as bad as it was in the early 1950's and early 1960's. But in the light of this history, I must urge dairymen not to be their own worst enemies and push for higher supports at this time. Let's watch the situation carefully for the next few months until we get a clearer picture as to whether a new trend of increased production is becoming established."

Farmers today have recently acquired other tools which they have fought for through many frustrating years, the Under Secretary said. "I urge you to look at these tools closely to see how you can best use them.

"First, under the Agricultural Act of 1970, Class I base plans can be established in Federal market areas. These base plans can influence production upward or downward as conditions dictate and allow each dairyman to tailor his output to market requirement.

"Second, the new dairy promotion legislation signed into law by President Nixon in January gives dairymen the opportunity to determine whether they want a check-off system to be established for the promotion of milk sales. This provides hope of reversing the decreasing trend of per capita milk consumption in America.

"Third, dairymen have been pushing for an economic formula for pricing milk. However, the formula proposed in hearings last year was formulated without Department consultation and it appears to be so constructed as to have unnecessary price inflation tendencies built into it. Surely the dairy industry has suffered enough from inflation, not to promote more of it. The Department is more than willing to work with dairymen to perfect a better pricing formula."

With reasonable foresight on the part of the producers, the dairy industry can work out its present problems and take advantage of the Nation's economic growth during the 1970's, Mr. Campbell said.

"The future of dairying over the next 10 years will be determined in part by the addition of 25 million persons to our national population and by a 50 percent increase in consumer purchasing power. This, plus the expansion of food aid and enactment of President Nixon's Family Assistance Program, will mean a substantial increase in demand for dairy foods.

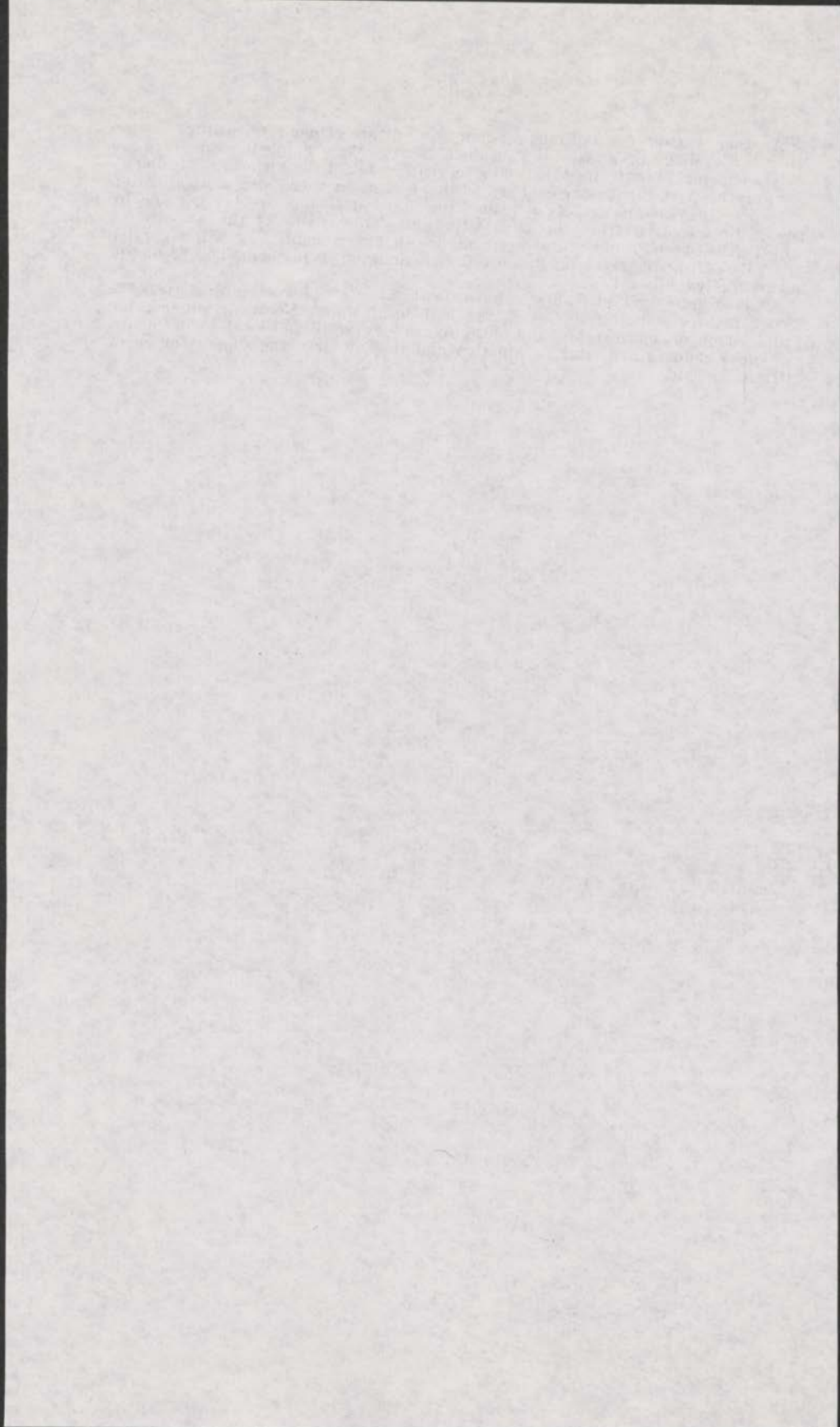
"On the other hand, the number of dairy farms selling milk in the United States may be about 200,000 in 1980, compared with around 400,000 today. Cash receipts per commercial dairy farm in 1980 may be roughly triple the current level. Even with rising production costs, this should mean a substantially improved income picture for commercial producers."

Another reason for optimism about agriculture's long-term future is the New Federalism proposed by President Nixon, Mr. Campbell said. This involves sharing, decentralization, and a reorganization of the Federal Government.

"For the past third of a century we have seen an increasing centralization of power in Washington. As a result, too many decisions are being made by people far removed from the local situations. This is one of the reasons for the gap between promise and performance in government. You will note that the 1970 Farm Act gives much more decisionmaking to farmers. This is one of its great advantages.

"This Administration wants to move toward a new partnership between the Federal Government and the States and local units. Local decisionmaking builds stronger, more stable, and more progressive State and local governments.

"These changes are vital to America and they deserve the support of every citizen," he said.



THURSDAY, JUNE 13, 1974

U.S. SENATE,
SELECT COMMITTEE ON
PRESIDENTIAL CAMPAIGN ACTIVITIES,
Washington, D.C.

The Select Committee met, pursuant to notice, at 9:15 a.m. in room G-334, Dirksen Senate Office Building.

Present: David M. Dorsen, assistant chief counsel; Alan S. Weitz, assistant majority counsel; Donald G. Sanders, deputy minority counsel.

Mr. WEITZ. Mr. Kalmbach, I first want the record to reflect that this is a continuation of your previous testimony, and you understand that you are still under oath.

TESTIMONY OF HERBERT W. KALMBACH—Resumed

Mr. KALMBACH. I do so understand.

Mr. WEITZ. Now, you last testified before the committee in executive session on March 22, 1974, and there are several points, I understand, that you would like to correct, or complete with respect to the record on that date.

First, I believe, you testified on page 7617 with respect to a conversation you had on or about April 4, 1972, in connection with a representative of Associated Milk Producers, and at that point you referred to a conversation with Mr. Jacobsen and a request that you contact somebody in the White House in connection with the anti-trust suit then pending.

I take it now that you recall there was just an error in the testimony and that it was Dr. Mehren, not Mr. Jacobsen with whom you spoke.

Mr. KALMBACH. Can we go off the record?

Mr. WEITZ. Sure.

[Discussion off the record.]

Mr. WEITZ. I'm sorry, it actually was an error in my question, I said Mr. Jacobsen, but you understood and were referring to Dr. Mehren; is that correct?

Mr. KALMBACH. That is correct.

Mr. WEITZ. And it was Dr. Mehren that you spoke of on April 4, and it was he that referred to your contacting someone in the White House in connection with the antitrust suit.

Mr. KALMBACH. That is correct, and I simply wanted the record to be clear that it was Dr. Mehren I was talking to during that conversation on April 4, 1972.

Mr. WEITZ. I understand, that was my error in the question.

Mr. KALMBACH. Well, just simply to make sure that the record was not confusing.

Mr. WEITZ. Second, you also testified on that occasion with respect to your contact with Milton Semer in 1969, and the delivery to you of

\$100,000, and the discussion of an additional possible \$150,000 that year, and stating three objectives to you.

Could you now tell us, specify specifically the relationship between those contributions and on the one hand, his desire to seek an audience and meeting with White House officials and on the other, specification of certain objectives of his clients.

Mr. KALMBACH. Yes. Simply to make the record clear, when I met with Mr. Semer in 1969, up to and including the time on August 2, 1969, when he actually delivered to me \$100,000 in cash as a contribution from his milk producer clients, it was the clear understanding in exchange for this contribution, that I would arrange for Mr. Semer to be able to see certain individuals within the administration before whom he would be able to plead his case on behalf of his clients.

Now, the objectives of his clients were stated and are reflected in my diaries, and I think are clearly reflected in my diaries on August 2, 1969, although I remember that my diaries, I think, reflect, that I had earlier understood the three objectives.

But I want to make it clear that there was no understanding between Mr. Semer and myself that the consideration for the \$100,000 contribution was the attainment of these objectives; it was simply that he would be able to meet with certain people within the administration, and before those people he would be able to plead the case of his clients relative to the attainment of these objectives.

Mr. WEITZ. Mr. Haldeman and others at the White House were aware of the contribution, were they not?

Mr. KALMBACH. They were.

Mr. WEITZ. They were aware at the time before and shortly after it was made that Mr. Semer and his clients wanted, in connection with that contribution, to meet with them.

Mr. KALMBACH. To meet with various people within the administration, and particularly within the White House group.

Mr. WEITZ. And Mr. Haldeman and Mr. Stans and others were aware of the objectives of Mr. Semer and his clients, as stated to you.

Mr. KALMBACH. That is my recollection, yes, sir.

Mr. WEITZ. And particularly in Mr. Haldeman's case, he approved the receipt of the contribution.

Mr. KALMBACH. He did.

Mr. WEITZ. Mr. Kalmbach, since your last appearance here, have you undertaken to continue searching your records and files for any documents that relate to your testimony before the committee?

Mr. KALMBACH. I have.

Mr. WEITZ. And since that time, have you found certain documents that do relate to matters to which you testified?

Mr. KALMBACH. I have.

Mr. WEITZ. Let me show you a copy of a letter dated April 17, 1969, from you to the Honorable Maurice H. Stans. Is this a copy of a letter that you have uncovered in your continuing search?

Mr. KALMBACH. It is.

Mr. WEITZ. Could you tell us the circumstances of your finding that letter?

Mr. KALMBACH. Yes. I had, in connection with a recent appearance relative to a motion in the district court where I appeared on behalf of the special prosecutor relative to those arguments, I had informed

the special prosecutor before my appearance, and in fact was questioned during my appearance on the stand relative to a copy of a letter that I had been given by the attorney of Mr. Stans several months ago, at the time that I was being deposed in the *Nader v. Butz* suit.

I advised the special prosecutor following my appearance on that day that I would do my best to find the copy of that letter that I felt was somewhere in my records at home.

After I returned to California, and for several weeks preliminary to my return from California this week, I did search my records, and although I did not find the copy of that particular letter, I did find three matters, three copies that were copies that should be transmitted and were in fact transmitted to the special prosecutor's office and to your staff.

Mr. WEITZ. Let me mark this letter which you have identified. I will mark it as exhibit 3¹ for your testimony.

[The letter referred to was marked Kalmbach exhibit No. 3.²]

Mr. WEITZ. Now, in your previous testimony here on March 22 you were asked whether you recalled a commitment by Mr. Mulcahy of \$150,000 to the Republican National Committee; and at that point you said that at that time you did not.

Now, this letter, exhibit 1, refers to a commitment of \$25,000 in respect to a 1969 victory dinner and \$100,000 in the 1970 campaign from Mr. Mulcahy. Does this refresh your recollection as to your involvement in such a commitment from Mr. Mulcahy?

Mr. KALMBACH. Yes; it refreshes my recollection that I was advised—as is set forth in that letter—that I was advised by Mr. Mulcahy that he was contributing \$25,000 to the dinner in the spring of 1969, which was, as I remember, a Republican National Finance Committee fundraising dinner; and further, that Mr. Mulcahy was pledging—and was simply advising me, as I remember it—that he was pledging \$100,000 to the Republican National Finance Committee for the various congressional campaigns in 1970.

And then, in my letter to then Secretary Stans, I simply reflected that understanding in that letter.

Mr. WEITZ. Now, in your continuing search for documents relative to the testimony, since your last appearance here, have you also uncovered another document which appears to be an itinerary for several days in March 1971?

Mr. KALMBACH. I did.

Mr. WEITZ. Let me show you this and ask if this is a copy of the itinerary which you found.

Mr. KALMBACH. It is.

Mr. WEITZ. Let me mark it exhibit 4 to your testimony.

[The document referred to was marked Kalmbach exhibit No. 4.²]

Mr. WEITZ. Let me ask you, can you tell us the circumstances of your finding this document?

Mr. KALMBACH. The circumstances are the same as I related relative to my finding the letter to Mr. Stans which pertained and had reference to Mr. Mulcahy's pledge to the Republican National Finance Committee programs in 1969-70.

¹ Kalmbach exhibits 1 and 2 appear in testimony of March 22; see pp. 7623 and 7624.

² See p. 7816.

Mr. WEITZ. All right. Now, I would like to direct your attention to page 2 of the document, at the bottom.

First let me ask you, do you recall when this document, the original of the document was prepared?

Mr. KALMBACH. I do not recall with particularity when it was prepared; but it would be my impression and clear understanding that it was prepared, probably, on March 23, 1971, immediately prior to the time that I left for the flight to Washington, which was early on the morning of March 24, 1971.

Mr. WEITZ. The itinerary, exhibit 4, indicates that on Wednesday, March 24, 1971, you were to depart from Los Angeles at 8:30 in the morning. Did you take that flight and leave at 8:30 in the morning, or approximately 8:30, from Los Angeles?

Mr. KALMBACH. I'm certain that I did.

Mr. WEITZ. Did you go to your office first that day, or did you go to the airport directly from your home?

Mr. KALMBACH. I have no clear recollection of that, although my impression would be that, inasmuch as it is an hour or 1½ hour drive from my home to the airport in Los Angeles, that most likely I did not go to the office but directly from my home, leaving perhaps at 6:30 in the morning, to get to Los Angeles airport by 8 o'clock preparatory to my flight at 8:30.

Mr. WEITZ. And did you take a copy of the written agenda, itinerary with you on that trip?

Mr. KALMBACH. Yes; I would think that I certainly did.

Mr. WEITZ. That was the purpose of having it prepared, for your trip.

Mr. KALMBACH. That is correct.

Mr. WEITZ. Who was your secretary at that time?

Mr. KALMBACH. Mrs. Annette Harvey.

Mr. WEITZ. And did she, as a custom, arrive at the office as early as 6, or 6:30 in the morning?

Mr. KALMBACH. No; and that is the reason that I feel that this was prepared on the 23d, and I received it on the 23d, preparatory to my leaving early on the 24th.

Mr. WEITZ. Now, on page 2, at the bottom of the document, it refers to, or indicates "HWK/ah"; and beneath that, "3/24/71". Now, the "HWK" refers to you; is that correct?

Mr. KALMBACH. That is correct.

Mr. WEITZ. And the "ah" to your secretary, Mrs. Harvey.

Mr. KALMBACH. That is correct.

Mr. WEITZ. Now, the "3/24/71" normally would indicate the date of the document is March 24, 1971.

Mr. KALMBACH. That is correct.

Mr. WEITZ. I take it from what you say that you are almost certain that the document—you are certain the document was not prepared on the 24th, but was prepared prior to that day.

Mr. KALMBACH. I am as certain as I can be that it was not, just on the logic involved.

Mr. WEITZ. And, is it your best recollection that it was prepared, based on the facts in connection with that trip on the 23d, the day before your flight?

Mr. KALMBACH. Excuse me?

Mr. WEITZ. Is it your best recollection that the document was prepared the day before you left, that is, March 23d?

Mr. KALMBACH. That is my best recollection, Mr. Weitz. Excuse me, can we go off the record?

[Discussion off the record.]

Mr. WEITZ. Now, the itinerary reflects your scheduled meetings and appointments for March 24 and 25, and the 2 days following that, also; is that correct?

Mr. KALMBACH. That is correct.

Mr. WEITZ. What is your best recollection, now, of the source for that information; did you talk with someone who gave you the information to prepare the agenda for the trip to Washington?

Mr. KALMBACH. I think I talked to several people in order to prepare this agenda for this trip.

Mr. WEITZ. Was one of those persons John Ehrlichman?

Mr. KALMBACH. It would be my best recollection that it was.

Mr. WEITZ. And is it your recollection that you spoke with him on March 23?

Mr. KALMBACH. That would be my best recollection.

Mr. WEITZ. Now, on March 24, written on the agenda there are two meetings that I would like to direct your attention to. One is at 5:30 p.m. and indicates, "Meeting with John Ehrlichman in his office." That is the first meeting listed after your scheduled arrival in Washington. Did you go and meet Mr. Ehrlichman that afternoon after you arrived in Washington?

Mr. KALMBACH. That is my recollection.

Mr. WEITZ. And was the purpose of that meeting to discuss subsequent meetings scheduled for you while you were in Washington?

Mr. KALMBACH. I'm not certain, Mr. Weitz, as to the purpose of that meeting; although it's logical to me that we did discuss other meetings that I would be having in Washington, including a luncheon meeting that I had with Mr. Ehrlichman the following day at the White House.

Mr. WEITZ. Now, of the meetings and other appointments listed in your itinerary, the only meeting for which the persons you were to meet are not listed is the 11 p.m. meeting on the 24th. Was this also, I take it, something you learned of on the 23d, that the meeting was scheduled, but not necessarily the participants?

Mr. KALMBACH. Yes.

Mr. WEITZ. Did you learn that from Mr. Ehrlichman?

Mr. KALMBACH. I don't have an independent recollection of that, but, again, it would be my impression that I learned it from Mr. Ehrlichman.

Mr. WEITZ. Now, the 11 p.m. meeting listed in your itinerary, is it your best recollection that that meeting is the meeting to which you testified, that took place after the Republican fundraising dinner on the 24th between you, Mr. Chotiner and Mr. Nelson?

Mr. KALMBACH. It is.

Mr. WEITZ. Could you tell us your best recollection as to when you first learned that you would be meeting with Mr. Chotiner and Mr. Nelson, that is, the particular participants of the meeting?

Mr. KALMBACH. I'm not certain on this point, Mr. Weitz; but, it is my impression that I learned of my meeting, forthcoming meeting,

with Mr. Chotiner and Mr. Nelson from Mr. Ehrlichman at our 5:30 meeting that afternoon.

Mr. WEITZ. And at that time, do you have a recollection of what he told you the purpose of that 11 o'clock meeting would be?

Mr. KALMBACH. No; I don't have an independent recollection of that. Mr. Weitz. But, again, it's my impression that I was advised that I would receive a reaffirmation of the pledge from the milk producers at that late meeting on the 24th.

Mr. WEITZ. That is the \$2-million pledge to the Presidential campaign?

Mr. KALMBACH. Yes, sir.

Mr. WEITZ. Were you also advised, or is it your understanding, based on the circumstances of the meeting later, and of your itinerary set forth before you left, that Mr. Ehrlichman advised you to the likelihood of a price-support increase, or the actuality of a price-support increase?

Mr. KALMBACH. I'm not certain on that, Mr. Weitz.

Mr. WEITZ. Now, when you testified here on March 22, 1974, you indicated that with respect to the meeting with Mr. Chotiner and Mr. Nelson, that you thought at that time Mr. Chotiner had asked you at the dinner to meet with him following the dinner.

I take it now that your recollection, based on this document, is refreshed, so that your present recollection is that it was Mr. Ehrlichman, prior to the dinner, who had informed you of the meeting and the purpose of the meeting?

Mr. KALMBACH. That is correct.

Mr. WEITZ. And, is it also true, nonetheless, that at the meeting itself, at 11 o'clock or sometime after the dinner, Mr. Chotiner did, as you testified, state that the pledge was being reaffirmed in view of the price-support increase, as you testified?

Mr. KALMBACH. Yes; at that meeting I was advised that the price-support decision was to be announced the next day, that is my recollection; and, that in view of that fact, the pledge of the milk producers of \$2 million to the President's 1972 campaign was in fact being reaffirmed.

Also, I should add that, whereas prior to this time that I found this itinerary, agenda, in my home, I had been under the impression that Mr. Chotiner and/or Mr. Nelson had advised me that they had been asked by Mr. Ehrlichman to meet with me.

It is now possible that I had been advised, or was advised by Mr. Ehrlichman to meet with them, and I was not so advised by Mr. Chotiner and Mr. Nelson. But, it could have been either or both. But, I wanted to make it clear that that could have been made known to me at the 5:30 meeting by Mr. Ehrlichman; and perhaps that was not so stated at the later meeting that evening.

Mr. WEITZ. But, in any event, whether from Mr. Chotiner, or whether directly from Mr. Ehrlichman, it is your present recollection that the meeting after the Republican dinner with Mr. Chotiner and Mr. Nelson was arranged and took place at the request of Mr. Ehrlichman.

Mr. KALMBACH. Yes.

Mr. WEITZ. And the matters that took place at that meeting, the matters discussed were as you testified here before, other than the facts as you corrected them today.

Mr. KALMBACH. Yes.

Mr. WEITZ. And I believe you also testified that the next day you met with Mr. Ehrlichman for lunch and that aside, and apart from the others with whom you met, you told Mr. Ehrlichman that you had met with Mr. Chotiner and Mr. Nelson, and the pledge had been reaffirmed.

Mr. KALMBACH. That is correct, and my recollection is that I advised Mr. Ehrlichman of this reaffirmation in an aside, either immediately before, or immediately after my luncheon meeting with Mr. Ehrlichman, which was at 1 o'clock in the afternoon of March 25, 1971.

Mr. WEITZ. Mr. Sanders?

Mr. SANDERS. You have testified you had discussed with Mr. Haldeman the \$100,000 contribution by Mr. Semer in advance of—

Mr. KALMBACH. That is correct.

Mr. SANDERS. I don't believe you told us, or gave us some concept of how long before the delivery that occurred, or the circumstances of your conversation with him.

Mr. KALMBACH. I think, Mr. Sanders, that my diaries indicate that I talked to a number of people, including Mr. Haldeman, following my initial contact with Mr. Semer in the spring of 1969; and those contacts were continuous up to the date that I actually received the contribution, which was on August 2, 1969.

Mr. SANDERS. The three points of interest, three objectives of Mr. Semer, as expressed to you, then, had been made known to you by Semer in advance of the time of the delivery of the money?

Mr. KALMBACH. Yes, sir; I think that my notes so reflect that fact.

Mr. SANDERS. And I believe you indicated that Mr. Haldeman was made aware of these objectives of Mr. Semer, and that he assented to appointments being scheduled for the presentation of those objectives.

Mr. KALMBACH. I want to make it clear, Mr. Sanders, that when I spoke to Mr. Haldeman about my contact and contacts with Mr. Semer relative to this contribution by the milk producers, that I made it clear to Mr. Haldeman that Mr. Semer had been referred to me by Attorney General Mitchell; and that my purpose in speaking to Mr. Haldeman was to get his authorization for me to: First, receive this contribution from this contributor, the milk producers, through Mr. Semer, their attorney; and second, that in return for that contribution it would be possible for me to arrange for several appointments with various people within the White House in order for Mr. Semer and the attorneys for the milk producers to meet with the White House officials to present a case on their behalf.

I never at any time indicated to Mr. Haldeman, as I remember it, that the quid pro quo for the receipt of this contribution would be the attainment of the three stated objectives.

Mr. SANDERS. Did Mr. Haldeman ever give you any understanding that their objectives would be met?

Mr. KALMBACH. No, he did not.

Mr. SANDERS. Did Mr. Ehrlichman ever give you any understanding in advance of the Semer delivery that the objectives would be met?

Mr. KALMBACH. No; other than Mr. Haldeman indicated to me it would be—that the objective of Mr. Semer meeting with various people within the White House would be met.

Mr. SANDERS. But not that their ultimate objectives would be.

Mr. KALMBACH. That is correct.

Mr. SANDERS. Did any White House official give you an understanding that their ultimate objectives would be met?

Mr. KALMBACH. No, sir.

Mr. WEITZ. I take it all of these questions apply to 1969, or prior to the receipt of the contribution?

Mr. SANDERS. Yes. Did you have any written communications with anyone in the White House concerning the anticipated receipt of this contribution?

Mr. KALMBACH. I don't believe I did, Mr. Sanders; I have no recollection of any such written memorandums or letters.

However, my diaries, I think, clearly reflect the number of people, the number of times I raised the matter of Mr. Semer, and the prospective contribution by his clients, which was, in fact, received in early August of 1969.

Mr. SANDERS. Did you in any way represent to Semer at any time that his ultimate objectives would be met?

Mr. KALMBACH. I did not. I have no recollection of ever doing so. I think that I probably indicated to him that I understood the objective; but the only thing that I represented firmly to Mr. Semer, as I remember, was that, yes, he would be able to meet with one or more of the people in the administration.

Mr. SANDERS. Did you gain any understanding from anyone in the White House that if this contribution did not materialize, that the dairy producers would not have an opportunity to have any audience in the White House?

Mr. KALMBACH. I did not.

Mr. SANDERS. Now, with respect to the events of March 23, 1971, in your conversation with Mr. Ehrlichman of the 23d, or at 5:30 p.m. on the 24th, you have a recollection that he told you the price increase was to be announced on March 25?

Mr. KALMBACH. I do not, Mr. Sanders.

Mr. SANDERS. You think it was not until 11 o'clock, the 11 o'clock meeting with Nelson and Chotiner that you learned of that price increase?

Mr. KALMBACH. Yes, sir.

Mr. SANDERS. But, you did tell us then, something may have been said to you by Mr. Ehrlichman about reaffirmation to be made to you at the 11 o'clock meeting.

Mr. KALMBACH. That is correct, and it would be my understanding and my very best recollection, that at the 5:30 meeting with Mr. Ehrlichman, he advised me that I would be meeting with Mr. Chotiner and Mr. Nelson later that evening, at which time a reaffirmation of the pledge would be received.

Mr. SANDERS. So that to the best of your recollection, Mr. Ehrlichman did not place the reaffirmation in the context of the anticipated price increase.

Mr. KALMBACH. I do not have that recollection; no, sir.

Mr. SANDERS. Did you gain any understanding from Mr. Ehrlichman, either on the 23d or the 24th, as to why a reaffirmation was being called for at this point in time?

Mr. KALMBACH. Excuse me, Mr. Sanders, would you repeat that question?

Mr. SANDERS. Did you gain any understanding from Mr. Ehrlichman on the 23d or 24th as to why, then, a reaffirmation was to be made, or was being sought at this point in time?

Mr. KALMBACH. Not from Mr. Ehrlichman, at least I do not so recall.

Mr. SANDERS. Is it your recollection that in mentioning to you the anticipated reaffirmation, that Mr. Ehrlichman put it in terms of a pledge to be made by representatives of the dairy producers? And the emphasis is on the word "pledge."

Mr. KALMBACH. I think my memory is that it was in the sense of a reaffirmation of a pledge, of a prior pledge.

Mr. SANDERS. Was it the intention that moneys perhaps already paid would be included within that, or there was that much money still due?

Mr. KALMBACH. It would be my recollection that it was a reaffirmation of an earlier pledge of \$2 million, of a \$2 million contribution to the President's 1972 campaign; and it would be my understanding that it was simply a reaffirmation of the pledge and any funds that had been theretofore received by the campaign would be credited against that pledge.

Mr. SANDERS. Now, what I don't understand is whether Mr. Ehrlichman on the 23d and 24th is telling you, that what is to occur at your evening meeting with Mr. Chotiner and Mr. Nelson is that you are to seek this reaffirmation; or whether he already knows that it has been intended, and is merely to be announced to you.

Mr. KALMBACH. Mr. Sanders, my recollection is that it was my clear impression that I was not to seek a reaffirmation, but that I would be supplied such a reaffirmation.

Mr. SANDERS. Then, it appeared to you that he already knew that was to be accomplished.

Mr. KALMBACH. Yes, sir; that would be my recollection.

Mr. SANDERS. We have been told, I believe, by witnesses other than you, that when Nelson and Chotiner met on the night of the 24th they weren't able to get in contact with you right away; and when they finally did they found that you had perhaps already retired for the night. Is that correct?

Mr. KALMBACH. I don't have a clear memory on that. My memory is that I did meet them in my room at the Madison Hotel.

Mr. SANDERS. Do you remember whether you had already gone to bed before they came?

Mr. KALMBACH. I'm not certain of that, Mr. Sanders, but I do have a clear recollection of meeting them. Whether or not I had retired or not, I just don't have a clear recollection.

Mr. SANDERS. Well, before 11 o'clock, did you have an understanding where the meeting was to be?

Mr. KALMBACH. Yes, I did.

Mr. SANDERS. Where?

Mr. KALMBACH. In my room at the Madison.

Mr. SANDERS. In your conversation with Nelson and Chotiner, and in connection with some mention by them, as you told us, of the price increase to be announced the next day, did it appear to you that that announcement was already a foregone conclusion, that it was to occur?

Mr. KALMBACH. Yes.

Mr. SANDERS. Did it appear to you that it was in any way reversible?

Mr. KALMBACH. It did not.

Mr. SANDERS. Did it appear to you that if the reaffirmation was not made, that the price announcement would not be made?

Mr. KALMBACH. It did not. It appeared to me, Mr. Sanders, that the decision had been made as to the announcement the following day of the price increase; and that the purpose of my meeting with Mr. Chotiner and Mr. Nelson was to receive a reaffirmation of the earlier pledge. And that I would be the one for them to see, inasmuch as I was the principal fundraiser for the 1972 campaign at that point in time.

Mr. SANDERS. Do you have any concept of what might have occurred if the reaffirmation had not materialized that night?

Mr. KALMBACH. No, sir; I do not, although it is my impression that I felt that I was simply to be advised of the reaffirmation.

Mr. SANDERS. Now, you have told us during previous testimony that the announcement—I believe the terminology was “linked” to the reaffirmation.

Mr. KALMBACH. That is correct, I so understood that it would be.

Mr. SANDERS. What do you mean by “linked”, if the announcement was already a foregone conclusion and was not reversible, did you mean to say that the reaffirmation was conditioned upon the announcement of the increase?

Mr. KALMBACH. No, Mr. Sanders, my understanding was, as I think I testified, was that when I met with Mr. Nelson and Mr. Chotiner, that they indicated that the milk-support decision would be—they understood that the milk-support decision would be announced the following day, and in view of that fact they were in fact reaffirming the pledge by the milk producers to the President's 1972 campaign. That is what I meant by the fact that the two matters were in fact linked.

Mr. SANDERS. So that you had no understanding with Haldeman, Ehrlichman, Nelson, Chotiner, or anyone that the reaffirmation of this so-called pledge was being made in any way as a condition of the announcement of the price increase?

Mr. KALMBACH. I did not so understand.

Mr. SANDERS. I have no further questions.

Mr. WEITZ. Mr. Kalmbach, you testified that you received reaffirmation but did not seek it out that night.

Mr. KALMBACH. That is correct.

Mr. WEITZ. It was your understanding that the pledge had, in fact, been reaffirmed prior to that evening, your evening meeting; is that correct?

Mr. KALMBACH. It was my impression that it had been.

Mr. WEITZ. So, whether or not there was a link between the price support and the reaffirmation of the pledge, it would not have been necessarily evident by the fact that the price-support decision was no longer conditional at 11 o'clock that evening.

Mr. KALMBACH. Excuse me, Mr. Weitz, could you restate that question?

Mr. WEITZ. Your understanding was that the price-support decision was to be announced the next day, regardless of what occurred late that evening in your room?

Mr. KALMBACH. That is right.

Mr. DORSEN. Mr. Kalmbach, it was your understanding that the price decision was going to be announced on the 25th, and I gather it must be understood, in the light of your understanding, that the pledge had already been reaffirmed prior to the 11 p.m. meeting, is that correct?

Mr. KALMBACH. I think, Mr. Dorsen, that my understanding was simply, as I stated, that the price support would be announced the next day; and that in view of that fact, that the pledge to the President's 1972 campaign was being reaffirmed to me as a principal fundraiser.

Mr. DORSEN. But it was also your understanding that the pledge had already been reaffirmed at an earlier time, prior to the 11 p.m. meeting.

Mr. KALMBACH. Well, it was my impression that they were simply advising me of something that they probably had indicated to someone else earlier.

Mr. DORSEN. So, that essentially you were going to be a witness to the reaffirmation in your capacity as the major fundraiser.

Mr. KALMBACH. I so understood, Mr. Dorsen, that they wanted—it was my impression that the reason I was being advised of this is that they wanted the milk producers to tell me that such a pledge was in fact being reaffirmed, yes.

Mr. DORSEN. I have no further questions.

Mr. KALMBACH. Thank you very much.

[Whereupon, at 9:55 a.m., the hearing in the above-entitled matter was adjourned.]

KALMBACH EXHIBIT No. 3

Personal and confidential
 Hon. MAURICE H. STANS,
 Watergate East Apartments,
 Washington, D.C.

April 17, 1969.

DEAR MAURIE: In talking with Jack Mulcahy this morning, he told me that he would be making a contribution of \$25,000 to the Victory Dinner and has committed himself to contributing \$100,000 to the 1970 campaign.

After my talk with Jack, I talked to Jerry Milbank and advised him of the \$25,000 and \$100,000 amounts and of Jack's comments. Jerry is going to talk to him and try to get some idea as to the timing of these contributions.

I received your wire and will hand deliver a letter to you relative to our finances when I'm back in Washington on May 7th for the Dinner. Jerry asked that I see if you could possibly see the two of us sometime early Wednesday morning, May 7th. He would like to talk to you about several things and I feel that all points could be covered easily within fifteen to thirty minutes.

Best regards,

HERBERT W. KALMBACH.

HWK: mrc

KALMBACH EXHIBIT No. 4

ITINERARY/AGENDA

Wednesday, March 24, 1971

Depart LAX via UAL 52, 8:30 a.m., arrive Dulles, 4:15 p.m.
 Stay at the Madison Hotel, 15th and M Sts., N.W., 202/483-6400.
 P/U by WH auto

5:30 p.m.—Meeting w/John Ehrlichman in his office.

6:30 p.m.—Meeting w/Dan Hofgren at Washington Hilton.

8:00 p.m.—Dinner (RFC; meeting first at Suite No. P/1—Gus Levy's name).

11:00 p.m.—After-dinner meeting (to be scheduled).

Thursday, March 25, 1971

8:30 a.m.—Meeting in coffee shop of Madison w/Tom Evans.

9:00 a.m.—B'fast. meeting at the Madison with John Rollins.

11:00 a.m.—Meeting with Gordon Strachan and Bob Haldeman in Haldeman's office at the WH.

1:00 p.m.—Luncheon meeting in Ehrlichman's office with Ehrlichman, Milbank and George Murphy.

3:30 p.m.—Meeting with P/M General Blunt in the Post Master General's Office.

4:00 p.m.—Meeting in Rm. 6802 of the Department of Commerce with M. Stans and other business people.

6:00 p.m.—At the Madison (changing for dinner).

7:30 p.m.—Dinner at the WH.

11:00 p.m.—Back to the Madison.

Friday, March 26, 1971

8:30 a.m.—Breakfast meeting at the Watergate with M. Stans.

10:00 a.m.—At the WH—probably meeting with Mr. Finch.

12:00 to 3:00 p.m.—A/F No. 1 leaves Andrews AFB with one stop—arrives at El Toro. Mrs. Kalmbach to p/u.

Saturday, March 27, 1971

10:00 a.m.—Golf at LACC w/Mark A. Soden and Don Martin.

HWK/ah

3/24/71

AFFIDAVITS

AFFIDAVIT OF JOSEPH BAROODY

I, JOSEPH BAROODY, being duly sworn, hereby depose.
and say:

Since 1970 I have been employed in the public affairs consulting firm of Wagner and Baroody, 1100 Seventeenth Street, N.W., Suite 712, Washington, D.C. The consulting services which my firm renders consist of representing clients affected by Federal Government actions.

From October, 1970, to January 1972, my firm was retained for consulting services by the Associated Milk Producers, Incorporated for a fee of \$2,500 per month. This consulting relationship was initiated with the assistance of the law firm of Reeves and Harrison of Washington, D.C., of which Marion Harrison, Esq. is a partner. I have met Mr. Marion Harrison on two or three occasions. Mr. Charles Colson, former special assistant to the President of the United States, was aware that my firm represented AMPI. It was my understanding that my firm was expected to look for ways in which we could advance the interests of AMPI. At no time, however, was I - or was any other person in my firm - connected in any way with, or aware of, any discussions between representatives of AMPI and the Administration concerning either milk price supports or possible contributions to the 1972 Presidential Campaign Fund.

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I have been personally acquainted with Mr. Charles Colson for several years. In the latter part of August or the first part of September, 1971, Mr. Colson telephoned me and told me that the White House had an urgent need for \$5,000 and he asked me to lend him this amount for a short period of time. He did not tell me why the money was needed. I gathered this sum together from my personal funds (\$1,500 to \$2,000) and from funds (\$3,000 to \$3,500) which had previously been given to me by Mr. Colson's office to use in preparing television responses to a Common Cause statement on ending the war in Southeast Asia. The next day I put \$5,000 in an unmarked envelope and took it to Mr. Colson's office in the Executive Office Building. Mr. Colson told me to take the money to an office and give it to a person whom I would find there. I went to the office I had been told to go to and gave the money to a man whom I did not know but whom I now believe to have been Egil Krogh, Jr.

Two or three weeks afterwards, I received another telephone call from Mr. Colson's office. I was told that I could be repaid by going to Mr. George Webster, Esq., an attorney whose office was on Jefferson Place, N.W., in Washington, D.C. At the time I was wholly unaware that Mr. Webster was engaged in fund raising activities in connection with the President's re-election effort. Soon after receiving the call, I went to Mr. Webster's

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office. He was not in. I identified myself to a receptionist who went to a nearby desk, opened a drawer and pulled out an unmarked envelope which she handed to me. The envelope contained \$5,000 in cash.

In June of 1973, Mr. Colson called me on the telephone and told me that it appeared that the \$5,000 might have been used to finance the September 1971 break-in of the offices of Dr. Lewis Fielding, the psychiatrist of Dr. Daniel Ellsberg. The purpose of Mr. Colson's call was to establish the date of the loan so as to determine whether, in fact, the funds could have been used for that purpose.

In the Spring of 1972 I received \$22,000 from Mr. Colson's office to place advertisements in several major newspapers throughout the United States supporting President Nixon's military actions in Southeast Asia. Subsequently, the advertising project was suspended and this money was returned by me to Mr. Colson's office. Thereafter, it was decided that the advertisements would be placed on a smaller scale and I was given approximately \$6,800 with which to defray the costs of the reduced program.

The instances referred to previously herein are the only ones in which I have received White House funds.

From August of 1971 to the Spring of 1972, I worked with

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a committee called "Citizens for a New Prosperity". Its function was to place advertisements and hold press conferences to build support for the economic policies embodied in the Economic Stabilization Act and Phases I and II. The Committee was bipartisan; its two principal officers were Hobart Lewis and former Treasury Secretary Fowler.

DATE: June 25, 1974

SIGNATURE

Joseph Barood
Joseph Barood

Subscribed and sworn to before me this 25th day of June, 1974.

My Commission Expires:

DATE: Sept. 14, 1976Lida K. Zervill
Notary Public

UNITED STATES SENATE
SELECT COMMITTEE ON
PRESIDENTIAL CAMPAIGN ACTIVITIES
AFFIDAVIT

I Joe Bell of 500 N. W. 30th Street, Fort Worth, Texas
depose and say as follows.

Since 1 MARCH 1972, I have been employed as a
pilot for the Tandy Corporation. From 1 AUGUST 1971
until 31 JAN. 1973 I was employed by Associated Milk Producers
(AMPI) to pilot their aircraft which included a Sabre Liner
Model 60 (license number N961R).

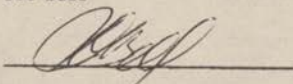
In the normal course of business myself and other
AMPI pilots maintained daily aircraft flight reports.
I have examined and initialed the attached copies of the
daily aircraft flight report (Attachment A) for the Sabre Liner,
furnished to me by the U. S. Senate Select Committee on
Presidential Campaign Activities. Also, I have initialed
and attached true copies of my personal flight log (Attachment
B) for the corresponding dates.

To the best of my knowledge, the attached AMPI daily
aircraft flight reports are true and accurate records of the
points of origination and destination for the flights undertaken
in the Sabre Liner for those dates. However, they may not
reflect all intermediate stops on such flights. To the
extent that my personal flight logs reflect intermediate
stops for such flights, my logs are true and accurate records
of such stops.

For example, on March 12, 1971 the AMPI daily flight report (included in Attachment A) shows that the company Sabre Liner which I piloted on that day flew from San Antonio to Washington to San Antonio. My personal flightlog for that particular date (included in Attachment B) indicates that I piloted the plane from San Antonio to Austin to Washington to Little Rock to Austin to San Antonio. Thus, on March 12 the company Sabre Liner flew from San Antonio to Washington with an intermediate stop in Austin and returned from Washington to San Antonio with intermediate stops in Little Rock and Austin.

, There are a couple of minor exceptions noted and initialled by me in the attachments.

Joe Bell



ARTHUR STREETFIELD
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires December 4, 1975

Subscribed and sworn to before me this

21 day of January 1974

Arthur Streetfield

ASSOCIATED MILK PRODUCERS, INC.

DAILY AIRCRAFT FLIGHT REPORT

MAKE OF AIRPLANE SABRE MODEL 60 LICENSE NO. N 961R DATE 3-5-71

FLIGHT NO.	POINT OF DEPARTURE	POINT OF ARRIVAL	TIME		TACH TIME		GAS	OIL TAKEN ON		MILES FLOWN	PASS. MILES
			DEPARTURE	ARRIVAL	OUT	IN		1. ENG.	2. ENG.		
1.	PCA	LIT			345.2	327.5	23			714	311
2.	LIT	SITT			347.5	327.5	17			167	93
3.											
4.											
5.											
6.							31				

LIST PASSENGERS AND "X" FLIGHTS MADE

DAILY TOTALS

1 2 3	4 5 6	1 2 3	4 5 6	TIME - HOURS AND TENTHS OF HOURS				MILES OIL CHANGE	SINCE INSPEC.
				AIRCRAFT	LEFT ENG.	RIGHT ENG.			
1 2 3	4 5 6	1 2 3	4 5 6	TIME BROUGHT FORWARD	325.2	325.2	325.2		
1 2 3	4 5 6	1 2 3	4 5 6	TODAY'S TIME					
1 2 3	4 5 6	1 2 3	4 5 6	TOTAL TIME	345.2	347.5	347.5		

HOOD: INSTRUMENT: NIGHT: OMNI CHECK: NO. 1 NO. 2

1st PILOT W. A. HANCOCK 2nd PILOT W. A. HANCOCK

ASSOCIATED MILK PRODUCERS, INC.

DAILY AIRCRAFT FLIGHT REPORT

MAKE OF AIRPLANE Cessna MODEL 441 LICENSE NO. N 961R DATE 3/12/71

FLIGHT NO.	POINT OF DEPARTURE	POINT OF ARRIVAL	TIME		TACH TIME		GAS	OIL TAKEN ON		MILES FLOWN	PASS. MILES
			DEPARTURE	ARRIVAL	OUT	IN		1. ENG.	2. ENG.		
1.	SITT	PCA			348.0	327.5	315				
2.	PCA	SITT			351.5	354.4	29				
3.											
4.											
5.											
6.											

LIST PASSENGERS AND "X" FLIGHTS MADE

DAILY TOTALS

1 2 3	4 5 6	1 2 3	4 5 6	TIME - HOURS AND TENTHS OF HOURS				MILES OIL CHANGE	SINCE INSPEC.
				AIRCRAFT	LEFT ENG.	RIGHT ENG.			
1 2 3	4 5 6	1 2 3	4 5 6	TIME BROUGHT FORWARD	348.0	348.0	348.0		
1 2 3	4 5 6	1 2 3	4 5 6	TODAY'S TIME	6.4	6.4	6.4		
1 2 3	4 5 6	1 2 3	4 5 6	TOTAL TIME	354.4	354.4	354.4		

HOOD: INSTRUMENT: NIGHT: OMNI CHECK: NO. 1 NO. 2

REMARKS:

1st PILOT W. A. HANCOCK 2nd PILOT W. A. HANCOCK

ASSOCIATED MILK PRODUCERS, INC.

DAILY AIRCRAFT FLIGHT REPORT

MAKE OF AIRPLANE *Cessna* MODEL *140* LICENSE NO. *H 911 R* DATE *7-28-71*

FLIGHT NO.	POINT OF DEPARTURE	POINT OF ARRIVAL	TIME		TACH TIME		FLYING TIME		GAS TAKEN ON	OIL TAKEN ON		MILES
			DEPARTURE	ARRIVAL	OUT	IN	HRS.	MIN.		L. ENG.	R. ENG.	
1.	<i>LOT</i>	<i>HSP</i>			<i>505.1</i>	<i>517.5</i>	<i>2</i>	<i>4</i>				<i>168</i>
2.	<i>LISP</i>	<i>SAT</i>			<i>517.5</i>	<i>730.2</i>	<i>2</i>	<i>7</i>				<i>916</i>
3.												
4.												
5.												
6.												

LIST PASSENGERS AND "X" FLIGHTS MADE

DAILY TOTALS

1-2-3-4-5-6	1-2-3-4-5-6	1-2-3-4-5-6	1-2-3-4-5-6	1-2-3-4-5-6	TIME - HOURS AND TENTHS OF HOURS				
					AIRCRAFT	LEFT ENG.	RIGHT ENG.	WACE OIL CHANGE	IN
					TIME BROUGHT FORWARD	<i>505.1</i>	<i>505.1</i>	<i>025.1</i>	
					TODAY'S TIME	<i>5.1</i>	<i>5.1</i>	<i>5.1</i>	
					TOTAL TIME	<i>517.5</i>	<i>517.5</i>	<i>025.1</i>	

MOOD: INSTRUMENT: NIGHT: OMNI CHECK: NO. 1 NO. 2

REMARKS:

1-2-3-4-5-6 *RFIL* 1st PILOT *COGGANS* 2nd PILOT

ASSOCIATED MILK PRODUCERS, INC.

DAILY AIRCRAFT FLIGHT REPORT

MAKE OF AIRPLANE *Cessna* MODEL *140* LICENSE NO. *H 911 R* DATE *7-28-71*

FLIGHT NO.	POINT OF DEPARTURE	POINT OF ARRIVAL	TIME		TACH TIME		FLYING TIME		GAS TAKEN ON	OIL TAKEN ON		MILES
			DEPARTURE	ARRIVAL	OUT	IN	HRS.	MIN.		L. ENG.	R. ENG.	
1.	<i>LOT</i>	<i>HSP</i>			<i>105.1</i>	<i>117.5</i>	<i>2</i>	<i>4</i>				<i>168</i>
2.												
3.												
4.												
5.												
6.												

LIST PASSENGERS AND "X" FLIGHTS MADE

DAILY TOTALS

1-2-3-4-5-6	1-2-3-4-5-6	1-2-3-4-5-6	1-2-3-4-5-6	1-2-3-4-5-6	TIME - HOURS AND TENTHS OF HOURS				
					AIRCRAFT	LEFT ENG.	RIGHT ENG.	WACE OIL CHANGE	IN
					TIME BROUGHT FORWARD	<i>105.1</i>	<i>105.1</i>	<i>025.1</i>	
					TODAY'S TIME	<i>5.1</i>	<i>5.1</i>	<i>5.1</i>	
					TOTAL TIME	<i>117.5</i>	<i>117.5</i>	<i>025.1</i>	

MOOD: INSTRUMENT: NIGHT: OMNI CHECK: NO. 1 NO. 2

REMARKS:

1-2-3-4-5-6 *RFIL* 1st PILOT *COGGANS* 2nd PILOT

7825

ASSOCIATED MILK PRODUCERS, INC.

DAILY AIRCRAFT FLIGHT REPORT

TYPE OF AIRPLANE		MODEL	LICENSE NO.	DATE
1. MSN	LIT			
2. LIT	MSN			
3. MSN	LIT			
4. LIT	MSN			
5.				
6.				

LIST PASSENGERS AND "X" FLIGHTS MADE

DAILY TOTALS

TIME - HOURS AND TENTHS OF HOURS	
1. 1 2 3	
2. 4 5 6	
3. 1 2 3	
4. 4 5 6	
5. 1 2 3	
6. 4 5 6	
7. 1 2 3	
8. 4 5 6	
9. 1 2 3	
10. 4 5 6	
11. 1 2 3	
12. 4 5 6	

INSTRUMENT:		NIGHT:		OMNI CHECK: NO. 1		NO. 2	
1. 1 2 3		1. 1 2 3		1. 1 2 3		1. 1 2 3	
2. 4 5 6		2. 4 5 6		2. 4 5 6		2. 4 5 6	

* I AGREE WITH ROUTES, BUT MY LOG BOOK
SHOWS 10/2/71 AND NOT 10/3/71

ASSOCIATED MILK PRODUCERS, INC.

DAILY AIRCRAFT FLIGHT REPORT

TYPE OF AIRPLANE		MODEL	LICENSE NO.	DATE
1. MSN	DES			
2. DES	MSN			
3. MSN	DES			
4.				
5.				
6.				

LIST PASSENGERS AND "X" FLIGHTS MADE

DAILY TOTALS

TIME - HOURS AND TENTHS OF HOURS	
1. 1 2 3	
2. 4 5 6	
3. 1 2 3	
4. 4 5 6	
5. 1 2 3	
6. 4 5 6	
7. 1 2 3	
8. 4 5 6	
9. 1 2 3	
10. 4 5 6	
11. 1 2 3	
12. 4 5 6	

INSTRUMENT: NIGHT: OMNI CHECK: NO. 1 NO. 2

2ND PILOT

ASSOCIATED MILK PRODUCERS, INC.

DAILY AIRCRAFT FLIGHT REPORT

MAKE OF AIRPLANE		MODEL	LICENSE NO. N		DATE						
Cessna 441		441	7811		11/1/71						
FLIGHT NO.	POINT OF DEPARTURE	POINT OF ARRIVAL	TIME OF DEPARTURE	TIME OF ARRIVAL	EACH TIME		GROSS TIME	GAS	20 LBS. OR LESS	MILES	T.O.
					OUT	IN					
1.	SAT	LIT			7064	716.1	1.2				
2.	LIT	MSP			716.1	717.1	1.5				
3.	MSP	LIT			717.1	718.1	1.5				
4.	LIT	SAT			718.1	719.1	1.5				
5.											
6.											
LIST PASSENGERS AND "X" FLIGHTS MADE					DAILY TOTALS		5.7			22.1	
					TIME - HOURS AND TENTHS OF HOURS						
					AIRCRAFT LEFT GND. RIGHT GND. WHEELS IN CHANGE						
1. 2. 3.	1. 2. 3.	1. 2. 3.	1. 2. 3.	1. 2. 3.	TIME BROUGHT FORWARD	716.4	716.4	716.6			
4. 5. 6.	4. 5. 6.	4. 5. 6.	4. 5. 6.	4. 5. 6.	TODAY'S TIME	5.7	5.7	5.7			
1. 2. 3.	1. 2. 3.	1. 2. 3.	1. 2. 3.	1. 2. 3.	TOTAL TIME	716.1	716.1	716.1			
MOOD: INSTRUMENT: NIGHT: GROUND CHECK: NO. 1 NO. 2											
REMARKS:											
1. 2. 3.											
4. 5. 6.											
TAC PILOT					TAC PILOT						

2

Date 1971	AIRCRAFT				Flight No.	From	To	Duration of Trip	Pilot in Com- mand	Co-Pilot	Pilot Time	Day	Night
	Ident. No.	Category	Type	Class									
3/1	N961R	STD.	PA-38C	JAF		SAT	LIT	1.5	1.5		1.5		1.5
3/1	N961R	"	"	"		LIT	DCA	1.5	1.5		1.5	1.5	
3/1	N961R	"	"	"		DCA	MKG	2.9	2.9		2.9	2.6	0.4
3/1	N961R	"	"	"		MEC	DCA	1.7	1.7		1.7		1.7
3/2	N961R	"	"	"		DCA	JAF	4.3	4.3		4.3	0.0	4.3
3/2	N961R	"	"	"		SAT	DCA	3.0	3.0		3.0	3.0	
3/2	N961R	"	"	"		DCA	LIT	2.7	2.7		2.7	2.7	
3/2	N961R	"	"	"		LIT	SAT	1.5	1.5		1.5		1.5
3/6	N961R	"	"	"		SAT	PUB	1.5	1.5		1.5	1.5	
3/6	N961R	"	"	"		PUB	BCI	1.6	1.6		1.6	1.6	
3/6	N961R	"	"	"		BCI	PDX	1.7	1.7		1.7	1.7	
3/6	N961R	"	"	"		PDX	PUB	2.5	2.5		2.5	2.5	
3/6	N961R	"	"	"		PUB	JAF	1.5	1.5		1.5	1.5	
3/10	N961R	"	"	"		SAT	CHG	2.2	2.2		2.2	2.2	
3/10	N961R	"	"	"		CHG	DAL	2.3	2.3		2.3	2.3	
3/10	N961R	"	"	"		DAL	JAF	1.0	1.0		1.0		1.0
Total Time to Date													
											Carry Totals Forward		

33.4

INSTRUMENT				Dual Instruction		Cross Country	Solo	REMARKS (Instructor Certification, Maneuvers, Damage to Aircraft, etc.)
Actual	Hood	Link	Check Rec'd	Given	Rec'd			
0.4						1.5		
0.3						1.5		
1.1						2.9		
0.7						1.7		
1.2						4.3		
1.1						3.0		
0.4						2.7		
0.5						1.5		
0.3						1.5		
1.0						1.6		
1.0						1.7		
1.0						2.5		
						1.5		
0.8						2.2		
0.3						2.3		
0.0						1.0		
The Record on this Page is Certified Correct								
Pilot's Signature								

to Top of Next Page

Date 19 7/1	AIRCRAFT				Flight No.	From	To	Duration of Trip	Pilot in Com- mand	Co-Pilot	Pilot Time	Day	Night
	Ident. No.	Category	Type	Class									
3/10	N7612	1.0	HEB	HEB		SAT	AUS	0.5	0.5		0.5		
3/10	N7612	"	"	"		AUS	DCA	2.7	2.7		2.7	2.7	
3/12	N7612	"	"	"		DCA	LIT	2.2	2.2		2.2	2.2	
3/12	N7612	"	"	"		LIT	AUS	1.1	1.1		1.1	1.1	
3/12	N7612	"	"	"		AUS	SAT	0.9	0.9		0.9	0.9	
3/13	N7612	"	"	"		SAT	ORD	3.0	3.0		3.0	3.0	
3/13	N7612	"	"	"		ORD	FYF	1.7	1.7		1.7	1.7	
3/13	N7612	"	"	"		FYF	SAT	1.2	1.2		1.2	1.2	
3/14	N7612	"	"	"		SAT	LIT	1.2	1.2		1.2	1.2	
3/14	N7612	"	"	"		LIT	DCA	2.0	2.0		2.0	2.0	
3/15	N7612	"	"	"		DCA	AUS	2.8	2.8		2.8	2.8	
3/15	N7612	"	"	"		MSY	HRH	1.0	1.0		1.0	1.0	
3/15	N7612	"	"	"		HEB	SAT	0.8	0.8		0.8	0.8	
3/17	N7612	"	"	"		SAT	DAL	1.0	1.0		1.0	1.0	
3/17	N7612	"	"	"		DAL	SAT	1.0	1.0		1.0	1.0	
3/17	N7612	"	"	"		SAT	LCC	1.3	1.3		1.3	1.3	
Total Time to Date													
											Carry Totals Forward		

23.5

INSTRUMENT				Dual Instruction		Cross Country	Solo	REMARKS (Instructor Certification, Maneuvers, Damage to Aircraft, etc.)
Actual	Head	Link	Check Rec'd	Given	Res'd			
0.4						0.5		
0.3						2.7		
0.4						2.2		
1.0						1.1		
0.1						0.9		
1.1						3.0		
0.3						1.3		
						1.2		
0.2						1.2		
0.6						2.0		
0.7						2.8		
0.2						1.0		
						0.8		
						1.0		
						1.0		
				1.3				
								JOHN CIGGANS TYPE WEEK
								The Record on this Page is Certified Correct
								Pilot's Signature

to Top of Next Page

31.9

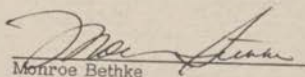
[Signature]

UNITED STATES SENATE SELECT COMMITTEE ON PRESIDENTIAL CAMPAIGN ACTIVITIES

AFFIDAVIT

I, Monroe Bethke, being duly sworn hereby dispose and say the following:
I am President of the Citizens National Bank in Austin, Texas where I have
been employed since April 1, 1970.

The attached copies which are initialed by me are true and exact copies of the
Safe Deposit Box rental and entrance cards of boxes 998 and 885. The
originals are being retained in our permanent safe deposit box files.


Monroe Bethke

The State of Texas

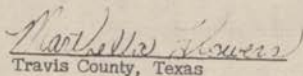
The County of Travis

BEFORE ME, Marthella Flowers,

Notary Public, in and for Travis

County, Texas, on this day personally appeared Monroe Bethke known to me
to be the person whose name is subscribed to the foregoing instrument and
acknowledged to me that he executed the same for the purposes and
consideration therein expressed.

Given under my hand and seal of office, this 7th day of February, A.D., 1974.


Travis County, Texas

APPOINTMENT OF DEPUTY

I hereby designate Mrs. Eula Q. Bulkley June 19, 19 67
 as my deputy, to have access to and control of the
 contents of my Safe Deposit Box now rented, or which may hereafter be rented by me, until this authority is revoked by me in writing.

Eula Q. Bulkley
 Signature of Deputy

Signature of Renter

APPOINTMENT OF DEPUTY

I hereby designate Louise Crow 2-23-72 19 72
 as my deputy, to have access to and control of the
 contents of my Safe Deposit Box now rented, or which may hereafter be rented by me, until this authority is revoked by me in writing.

Louise Crow
 Signature of Deputy

Signature of Renter

I hereby revoke my order appointing Eula Q. Bulkley 2/23 19 72
 as my deputy.

Signature of Deputy

Signature of Renter

I hereby revoke my order appointing _____ 19 _____
 as my deputy.

Signature of Deputy

Signature of Renter

REMARKS

Keys returned

RELEASE

I hereby certify that all the papers and other property
 placed within my Deposit Box, in pursuance of the contract
 above cited have been duly and properly withdrawn there-
 from and are in the owner's full possession, and said Bank is
 discharged from all liability in respect thereto.

Signature of Renter

RENTER

DEPUTY

BOX NO. 798

NAME _____

NAME _____

RENTAL \$ _____

ADDRESS _____

NAME _____

DATE _____

NAME _____

NAME _____

DATE	TIME	I HEREBY AFFIRM THAT TO THE BEST OF MY KNOWLEDGE ALL LESSEES ARE NOW LIVING SIGNATURE	ATT.	DATE	TIME	I HEREBY AFFIRM THAT TO THE BEST OF MY KNOWLEDGE ALL LESSEES ARE NOW LIVING SIGNATURE	ATT.
1-7-72	12:30	Jake Jacobsen	BL	6-6-72	4:30	Jake Jacobsen	me
12-30-71	5:30	Conrad J. Bulkley	BL	1-1-72	11:25	Loring Crow	me
12-14-71	2:30	Jim M. M. M.	BL	5-30-72	7:30	Jake Jacobsen	me
1-29-72	12:30	Conrad J. Bulkley	BL	5-12-72	11:05	Jake Jacobsen	me
1-26-71	11:25	Jake Jacobsen	BL	2-10-72	1:15	Loring Crow	BL
4-10-71	12:30	Jake Jacobsen	BL	5-9-72	11:40	Loring Crow	BL
10-24-71	12:30	Conrad J. Bulkley	BL	2-23-72	1:45	Loring Crow	BL
8-24-71	12:30	Conrad J. Bulkley	BL	1-7-72	3:00	Jake Jacobsen	BL
5-19-71	9:05	Conrad J. Bulkley	BL	1-28-72	12:30	Conrad J. Bulkley	BL
3-12-71	12:30	Conrad J. Bulkley	BL	1-27-72	4:40	Conrad J. Bulkley	BL
1-36-71	9:00	Conrad J. Bulkley	BL	1-30-72	9:30	Conrad J. Bulkley	BL
12-31-70	10:15	Conrad J. Bulkley	BL	1-18-72	5:10	Conrad J. Bulkley	BL

FORM 80-900

ENTRANCE RECORD

(JP)

RENTER		DEPUTY		BOX NO. <u>998</u>
NAME _____	NAME _____	RENTAL \$ _____		
ADDRESS _____	NAME _____	DATE _____		
NAME _____	NAME _____			

DATE	TIME	I HEREBY AFFIRM THAT TO THE BEST OF MY KNOWLEDGE ALL LESSEES ARE NOW LIVING SIGNATURE	ATT.	DATE	TIME	I HEREBY AFFIRM THAT TO THE BEST OF MY KNOWLEDGE ALL LESSEES ARE NOW LIVING SIGNATURE	ATT.
6-8-72	1:05	John Jacobson	em	10/19/73	1:05	Louise Crow	8
6-12-72		John Jacobson	em	11/27/73	9:30	John Jacobson	ep
6-15-72	5:05	Louise Crow	em	12-21-73	8:56	John Jacobson	ep
6-20-72	12:25	John Jacobson	em	12-20-73	10:55	John Jacobson	8
6-28-72	1:20	Louise Crow	em	1-1-73	10:25	John Jacobson	ep
7-6-72	2:10	Louise Crow	em				
7-11-72	8:30	John Jacobson	em				
7-13-72	10:50	John Jacobson	em				
8-24-72	1:45	Louise Crow	em				
12-6-72	10:35	Louise Crow	em				
4/21/73	10:30	Louise Crow	em				
8-14-73	8:20	Louise Crow	em				

FORM 82-300

ENTRANCE RECORD

RENTER
 Jake Jacobsen ~~or Democratic~~
 NAME ~~National Committee, John~~ ~~Raymond~~ ~~W. Jacobsen~~
~~Clawson, Fred~~
 ADDRESS ~~1000~~
 NAME ~~x Jake Jacobsen~~
 DEPUTY ~~deputy assistant~~
 BOX NO. 865
 RENTAL \$ 8.00
 DATE 1-16-68

DATE	TIME	I HEREBY AFFIRM THAT TO THE BEST OF MY KNOWLEDGE ALL LESSEES ARE NOW LIVING SIGNATURE	ATT.	DATE	TIME	I HEREBY AFFIRM THAT TO THE BEST OF MY KNOWLEDGE ALL LESSEES ARE NOW LIVING SIGNATURE	ATT.
4-8-68	5:40	Jake Jacobsen	PR				
9/16/68	10:00	Jake Jacobsen	PR				
10/5/68	2:50	Jake Jacobsen	PR				
		Jake Jacobsen					
5/26/69		Jake Jacobsen					
10/3/69	4:10	Jake Jacobsen	PR				
10-15-69	10:55	Jake Jacobsen	PR				
4-16-70	3:00	Jake Jacobsen	PR	10-20-70	3:00	Jake Jacobsen	PR
5-25-70	12:45	Jake Jacobsen	PR	7-1-72	8:30	Jake Jacobsen	PR
10-16-70	8:10	Jake Jacobsen	PR	6-12-72		Jake Jacobsen	PR
4-1-71	4:00	Jake Jacobsen	PR	10-5-71	10:00	Jake Jacobsen	PR
5-4-71	4:30	Jake Jacobsen	PR	5-13-71	11:20	Jake Jacobsen	PR

FORM 80-300

ENTRANCE RECORD

UNITED STATES SENATE SELECT
COMMITTEE ON PRESIDENTIAL
CAMPAIGN ACTIVITIES

AFFIDAVIT

State of OklahomaCity of Oklahoma City

I, Paul E. Blanton, being duly sworn, hereby depose
and say as follows:

1. Since May 15, 1972 (Date) I have been employed as a pilot for
Rockwell International, Bethany, Oklahoma August 15, 1970 May 15, 1972
(Company and address) From (Date) until (Date)

I was employed as a pilot for AMPI.

2. I have examined and initialed the attached photo copies of the
AMPI flight logs furnished to me by the U.S. Senate Select Committee on
(see attached)
Presidential Campaign Activities for the following dates (list dates)
and to the best of my knowledge, they are true and accurate records of
flights piloted and/or co-piloted by me.

3. Attached to this affidavit are photo copies of my personal logs,
which I certify as being true and accurate, for the dates listed in part 2.

4. On the following flights, passengers aboard the aircraft included:

A. (list date, flight or segment of flight flown, passenger's name)

B. (As I stated on my previous affidavit, I am unable to recall
passengers we had on the flights in question. Mr. Harold

C. Nelson is the only passenger I definitely know of and he may
or may not have been on all of these flights.)

5. I have (or do not have) any recollection of seeing, meeting, or

Affidavit
Page 2

discussing John Connally while at Page Airways, Washington, D. C.,
during March 1971.

6. (Any other information which you consider pertinent)
I again state that to the best of my recollection, I have never
seen, met or spoken to Mr. John Connally in person.



Eileen J. Barnes
Paul E. Blanton
My Commission Expires May 8, 1976

7840

ASSOCIATED MILK PRODUCERS, INC.

DAILY AIRCRAFT FLIGHT REPORT

NAME OF AIRPLANE 77 MODEL 60 LICENSE NO. N 552 DATE 3-4-71

FLIGHT NO.	POINT OF DEPARTURE	POINT OF ARRIVAL	TIME		TACH TIME		FUEL TIME	GAS	OIL TANK	OIL TANK	MILES	MILES
			DEPARTURE	ARRIVAL	DUTY	IN						
1.	<u>WCA</u>	<u>WCA</u>	<u>2:28</u>	<u>2:51</u>	<u>2:28</u>	<u>38</u>					<u>11.16</u>	<u>11.16</u>
2.												
3.												
4.												
5.												
6.												

1ST PASSENGERS AND "X" FLIGHTS MADE DAILY TOTALS 3 1 11.16 11.16

FLIGHT NO.	POINT OF DEPARTURE	POINT OF ARRIVAL	TIME	TACH TIME	FUEL TIME	GAS	OIL TANK	OIL TANK	MILES	MILES
2.3		1.2.3								
5.6		4.5.6								
2.3		1.2.3								
5.6		4.5.6								
2.3		1.2.3								
5.6		4.5.6								
2.3		1.2.3								
5.6		4.5.6								
2.3		1.2.3								
5.6		4.5.6								

TIME BROUGHT FORWARD: 2:28.2 3:28.2 3:28.2 1 1

TODAY'S TIME: 1:28.2 3:28.2 3:28.2 1 1

TOTAL TIME: 3:28.2 3:28.2 3:28.2 1 1

NO. 1 INSTRUMENT: NO. 2 NO. 1 NO. 2

CHARGE: 1.2.3 4.5.6 1.2.3 4.5.6

1ST PILOT REED 2ND PILOT BLUNTEN

ASSOCIATED MILK PRODUCERS, INC.

DAILY AIRCRAFT FLIGHT REPORT

NAME OF AIRPLANE SABRE MODEL 60 LICENSE NO. N 9112 DATE 3-5-71

FLIGHT NO.	POINT OF DEPARTURE	POINT OF ARRIVAL	TIME		TACH TIME		FUEL TIME	GAS	OIL TANK	OIL TANK	MILES	MILES
			DEPARTURE	ARRIVAL	DUTY	IN						
1.	<u>WCA</u>	<u>WCA</u>	<u>3:52</u>	<u>3:55</u>	<u>2.3</u>						<u>7.11</u>	<u>7.11</u>
2.	<u>WCA</u>	<u>WCA</u>	<u>3:55</u>	<u>3:55</u>	<u>1</u>						<u>11.7</u>	<u>11.7</u>
3.												
4.												
5.												
6.												

1ST PASSENGERS AND "X" FLIGHTS MADE DAILY TOTALS 2 1 11.7 11.7

FLIGHT NO.	POINT OF DEPARTURE	POINT OF ARRIVAL	TIME	TACH TIME	FUEL TIME	GAS	OIL TANK	OIL TANK	MILES	MILES
1.2.3		1.2.3								
4.5.6		4.5.6								
1.2.3		1.2.3								
4.5.6		4.5.6								
1.2.3		1.2.3								
4.5.6		4.5.6								

TIME BROUGHT FORWARD: 3:52.2 3:55.2 3:55.2 1 1

TODAY'S TIME: 3:55.2 3:55.2 3:55.2 1 1

TOTAL TIME: 3:55.2 3:55.2 3:55.2 1 1

NO. 1 INSTRUMENT: NO. 2 NO. 1 NO. 2

CHARGE: 1.2.3 4.5.6 1.2.3 4.5.6

1ST PILOT REED 2ND PILOT BLUNTEN

REB

7841

ASSOCIATED MILK PRODUCERS, INC.

DAILY AIRCRAFT FLIGHT REPORT

MAKE OF AIRPLANE MODEL 12 LICENSE NO. 11 DATE 10-6-71

FLIGHT NO.	POINT OF DEPARTURE	POINT OF ARRIVAL	TIME		TACH TIME		GAS TAKEN ON	OIL TAKEN ON	MILES FLOWN	PAS. MILE
			DEPARTURE	ARRIVAL	OUT	IN				
1.										
2.										
3.										
4.										
5.										
6.										

LIST PASSENGERS AND "X" FLIGHTS MADE

DAILY TOTALS

TIME - HOURS AND TENTHS OF HOURS

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

7842

ASSOCIATED MILK PRODUCERS, INC.

DAILY AIRCRAFT FLIGHT REPORT

MAKE OF AIRPLANE		MODEL		LICENSE NO. H		DATE	
FLIGHT NO.	POINT OF DEPARTURE	POINT OF ARRIVAL	TIME DEPARTURE	TIME ARRIVAL	TACH TIME OUT	FLYING TIME IN	GAS TAKEN ON
1.							
2.							
3.							
4.	LIT	JOT			751.8	753.2	1.4
5.							
6.						5.5	

LIST PASSENGERS AND "X" FLIGHTS MADE				DAILY TOTALS			
1 2 3		1 2 3		TIME - HOURS AND TENTHS OF HOURS			
4 5 6		4 5 6					
1 2 3		1 2 3		AIRCRAFT LEFT ENG. RIGHT ENG. MISC. OIL CHANGE INSPECTION			
4 5 6		4 5 6					
1 2 3		1 2 3		TIME BROUGHT FORWARD			
4 5 6		4 5 6					
1 2 3		1 2 3		TODAY'S TIME			
4 5 6		4 5 6					
1 2 3		1 2 3		TOTAL TIME			
4 5 6		4 5 6					

HOOD:	INSTRUMENT:	NIGHT:	OMNI CHECK: NO. 1	NO. 2
REMARKS:				
1 2 3				
4 5 6				

ASSOCIATED MILK PRODUCERS, INC.

DAILY AIRCRAFT FLIGHT REPORT

MAKE OF AIRPLANE		MODEL		LICENSE NO. N		DATE	
FLIGHT NO.	POINT OF DEPARTURE	POINT OF ARRIVAL	TIME DEPARTURE	TIME ARRIVAL	TACH TIME OUT	FLYING TIME IN	GAS TAKEN ON
1.							
2.							
3.							
4.	SAT	MSN			751.1	753.2	2.1
5.							
6.							

LIST PASSENGERS AND "X" FLIGHTS MADE				DAILY TOTALS			
1 2 3		1 2 3		TIME - HOURS AND TENTHS OF HOURS			
4 5 6		4 5 6					
1 2 3		1 2 3		AIRCRAFT LEFT ENG. RIGHT ENG. MISC. OIL CHANGE INSPECTION			
4 5 6		4 5 6					
1 2 3		1 2 3		TIME BROUGHT FORWARD			
4 5 6		4 5 6					
1 2 3		1 2 3		TODAY'S TIME			
4 5 6		4 5 6					
1 2 3		1 2 3		TOTAL TIME			
4 5 6		4 5 6					

HOOD:	INSTRUMENT:	NIGHT:	OMNI CHECK: NO. 1	NO. 2
REMARKS:				
1 2 3				
4 5 6				

DATE	FLIGHT FROM	FLIGHT TO	EQUIPMENT FLOWN				CLASSIFICATION	DURATION OF FLIGHT	BREAKDOWN OF TRIP		
19 <u>21</u>			AIRCRAFT MAKE AND MODEL	CERTIFICATE NUMBER	ENGINE	R. P.			INSTRUCTOR	INSTRUCTOR	DAY
2-2	MSP	HLR	228-6	4112	125	132			10		0
2-2	MSP	MSP	"	"	"	"			10		0
2-3	MSP	DEL	"	"	"	"			10		0
2-2	DEL	SAT	"	"	"	"			10		0
2-7	HLR	SAT	"	"	"	"			10		0
2-13	SAT	OKC	"	"	"	"			10		0
2-8	SAT-ALS	SAT	4152	"	"	"			10		0
2-10	SAT-ALS	DEL	"	"	"	"			10		0
2-12	DEL	SAT-ALS	"	"	"	"			10		0
2-14	OKC	SAT	4112	"	"	"			10		0
2-14	SAT	HLR	"	"	"	"			10		0
THE RECORD ON THIS PAGE IS CERTIFIED TRUE AND CORRECT.											
PILOT			ATTENDED BY			CARRY TOTALS FORWARD TO TOP OF NEXT PAGE			CARRY TOTALS FORWARD		

DATE	FLIGHT FROM	FLIGHT TO	EQUIPMENT FLOWN				CLASSIFICATION	DURATION OF FLIGHT	BREAKDOWN OF TRIP		
19 <u>21</u>			AIRCRAFT MAKE AND MODEL	CERTIFICATE NUMBER	ENGINE	R. P.			INSTRUCTOR	INSTRUCTOR	DAY
2-25	DEL	EVY	5405	4112	125	132			10		0
2-25	EVY	ICT	"	"	"	"			10		0
2-26	ICT	LIT	"	"	"	"			10		0
2-26	LIT	SAT	"	"	"	"			10		0
2-27	SAT	MEX	"	"	"	"			10		0
2-28	MEX	SAT	"	"	"	"			10		0
2-28	SAT	LIT	"	"	"	"			10		0
2-28	LIT	SAT	"	"	"	"			10		0
3-3	DEL	LIT	"	"	"	"			10		0
3-5	LIT	SAT	"	"	"	"			10		0
3-9	SAT	OKC	"	"	"	"			10		0
THE RECORD ON THIS PAGE IS CERTIFIED TRUE AND CORRECT.											
PILOT			ATTENDED BY			CARRY TOTALS FORWARD TO TOP OF NEXT PAGE			CARRY TOTALS FORWARD		

DATE 19 71	FLIGHT FROM	FLIGHT TO	EQUIPMENT FLOWN				CLASSIFICATION		DUR. OFF.
			AIRCRAFT MAKE AND MODEL	CERTIFICATE NUMBER	ENGINE	H. P.			
3-14	SAT	LIT	DAVIDSON	121	110	12			
3-14	LIT	DA	"	"	"	"			
3-15	DCA	MDY	"	"	"	"			
3-15	MDY	HOU	"	"	"	"			
3-15	HOU	SAT	"	"	"	"			
3-16	SAT	HOU	"	"	"	"			
3-16	HOU	SAT	"	"	"	"			
3-19	SAT	DAL	"	"	"	"			
3-19	DAL	SAT	"	"	"	"			
3-19	SAT	DCA	"	"	"	"			
3-20	DCA	OTC	"	"	"	"			

THE RECORD ON THIS PAGE IS CERTIFIED TRUE AND CORRECT.

PILOT _____ ATTESTED BY _____

CARRY TOTALS FORWARD TO TOP OF NEXT PAGE

DATE 19 71	FLIGHT FROM	FLIGHT TO	EQUIPMENT FLOWN				CLASSIFICATION		DURATION OF FLIGHT
			AIRCRAFT MAKE AND MODEL	CERTIFICATE NUMBER	ENGINE	H. P.			
3-20	OTC	AUS	SL	9612	PH 112-8			2:10	
3-20	AUS	SAT	"	"	"	"		2:10	
3-21	SAT	CHI	"	"	"	"		2:10	
3-22	CHI	CVG	"	"	"	"		2:10	
3-22	CVG	DCA	"	"	"	"		1:10	
3-23	DCA	LOU	"	"	"	"		1:10	
3-24	LOU	DCA	"	"	"	"		1:10	
3-24	DCA	JAX	"	"	"	"		1:10	
3-24	JAX	DCA	"	"	"	"		1:10	
3-24	DCA	TUL	"	"	"	"		2:10	
3-25	TUL	SAT	"	"	"	"		1:10	

THE RECORD ON THIS PAGE IS CERTIFIED TRUE AND CORRECT.

PILOT _____ ATTESTED BY _____

CARRY TOTALS FORWARD TO TOP OF NEXT PAGE

DATE 19 71	FLIGHT FROM	FLIGHT TO	EQUIPMENT FLOWN				CLASSIFICATION		DURATION OF FLIGHT
			AIRCRAFT MAKE AND MODEL	CERTIFICATE NUMBER	ENGINE	H. P.			
9-15	CRP	SAT							
9-18	SAT	CRP							
9-18	CRP	SAT							
9-18	SAT	SAT							
10-6	SAT	MSA							
10-6	MSA	MSA							
10-6	MSA	MKC							
10-6	MKC	LIT							
10-6	LIT	SAT							
10-9	SAT	MSA							
10-9	MSA	SAT							

THE RECORD ON THIS PAGE IS CERTIFIED TRUE AND CORRECT.

PILOT _____ ATTESTED BY _____

CARRY TOTALS FORWARD TO TOP OF NEXT PAGE

DATE 19 71	FLIGHT FROM	FLIGHT TO	EQUIPMENT FLOWN				CLASSIFICATION		DURATION OF FLIGHT
			AIRCRAFT MAKE AND MODEL	CERTIFICATE NUMBER	ENGINE	H. P.			
10-10	SAT	CRP							
10-11	CRP	SAT							
10-11	SAT	PAW							
10-11	PAW	SAT							
10-17	SAT	LIT							
10-17	LIT	MSA							
10-17	MSA	PAW							
10-18	PAW	CRP							
10-18	CRP	LIT							
10-18	LIT	SAT							
10-21	SAT	LIT							

THE RECORD ON THIS PAGE IS CERTIFIED TRUE AND CORRECT.

PILOT _____ ATTESTED BY _____

CARRY TOTALS FORWARD TO TOP OF NEXT PAGE

UNITED STATES SENATE SELECT
COMMITTEE ON PRESIDENTIAL
CAMPAIGN ACTIVITIES

AFFIDAVIT

State of District of Columbia
City of Washington

I, Sidney Cohen, having been duly sworn, do hereby depose and state as follows:

The following is an approximate summary of my replies to questions by staff members of the United States Senate Select Committee on Presidential Campaign Activities.

I am Chief of the Dairy Branch of the Commodity Operations Division of the Agricultural Stabilization and Conservation Service of the United States Department of Agriculture. In the fall and winter of 1970 and winter and spring of 1971, I was Chief of the Program Development Branch of the Livestock and Dairy Division of the Agricultural Stabilization and Conservation Service of the United States Department of Agriculture. Included in my responsibilities was the gathering and analyzing of information relative to the milk support program and the preparation of a docket showing the criteria and statistical data relied on to establish the recommended support price.

The support program for milk is required by the Agricultural Act of 1949 as amended, which required for the marketing year involved that milk be supported at such level between 75 and 90 percent of parity as the Secretary determines is necessary to assure an adequate supply.

I, with the assistance of S.E.T. Bogan, Agricultural Economist in my

branch, did draw up the docket covering the marketing year 1971-72 which recommended a support price for milk, as provided for under the aforementioned act, of \$4.66 per hundredweight. (A copy of said docket is attached hereto as Exhibit A.)

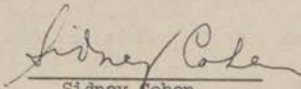
The statistics set forth in the docket were based on estimates made by the Interagency Dairy Support Estimates Committee, which was comprised of representatives of Agricultural Stabilization and Conservation Service, Economic Research Service, Foreign Agriculture Service, and Export Marketing Service, all within the USDA. The committee prepared estimates or projections of effects on production, consumption, government purchases and costs of support at 75 percent, 80 percent and 90 percent of parity and at varying price support levels between \$4.66 and \$4.92. (Several tables containing these projections are attached hereto as Exhibit B.) Based on these estimates and the statutory duty of assuring an adequate supply of milk, and after discussion with Mr. Keister Adams, Deputy Director of the Livestock and Dairy Division and Mr. Reuben Jones, Director of the Division, I prepared the docket calling for a level of \$4.66 of support per hundredweight which included an extensive justification for that level. After preparation of this docket, I sent it for approval to Mr. Jones. This docket also went to the General Counsel's office and to the Budget Division Office both of which approved it. The docket was subsequently approved by the Administrator of the Agricultural Stabilization and Conservation Service, Kenneth Frick, and by the Board of Directors of the Commodity Credit Corporation and was finally approved by Secretary of Agriculture Clifford M. Hardin as reflected in an announcement by him on March 12, 1971.

I have been responsible for the initial preparation and recommendation of dockets authorizing milk price work programs for more than fifteen years. Sometime after March 12, 1971, but before March 25, 1971 (probably during the week of March 22-26), I began receiving phone calls from persons in the Office of the Administrator of the Agricultural Stabilization and Conservation Service asking such questions as, "What would be the effect upon supply, demand, government purchases and costs of raising price supports to the level of 85 percent of parity and what would the CCC purchase prices have to be." I was quite surprised at this questioning because it was the first such questioning immediately after a price support decision was made and announced that I had received in my experience at the Department of Agriculture. Moreover, questions such as these were taken into consideration as part of the inquiry which led to the docket approved on March 12, 1971. To these questions, I based my estimates on the estimates that had previously been prepared.

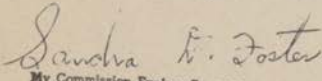
On March 25, 1971, a press release came out with the announcement that the price support level for milk for 1971-72 would be raised to \$4.93 per hundredweight. Normally I prepared a draft of the press release, but I was not asked to do so on this occasion. Neither was I asked to prepare an amended price support docket prior to the issuance of that announcement. Although announcements sometimes precede preparation of the docket, it would be the normal practice to prepare an amended docket for that year for submission to the CCC Board of Directors before the announcement.

Shortly after the March 25, 1971, announcement of the price support level raise, I was told to prepare an amended docket, because such was the desire of Mr. Carl Farrington, Deputy Administrator for Commodity Operations for the Agricultural Stabilization and Conservation Service of the United States Department of Agriculture. I was told to keep it as brief and simple as possible. In preparing the amended docket, I emphasized some of the factors which could justify raising the price support level. The justification was very short. (A copy of the amended docket is attached hereto as Exhibit C.)

To the best my recollection, this situation was the first time in my experience of preparing milk price support dockets that an increase in the price support program had been announced before an original price support level was given the opportunity to first become implemented. I was never consulted in any manner, nor did I have any knowledge of any action which led to a decision to raise the milk price support level subsequent to March 12, 1971, before the March 25, 1971 announcement, other than the above mentioned general questioning from individuals in the office of the Administrator of the Agricultural Stabilization and Conservation Service within a few days prior to the March 25th announcement. My advice was neither asked for nor given as to the wisdom of such a price support level increase prior to the announcement of said increase.


Sidney Cohen

subscribed and sworn to before me
this 25 day of January, 1974.


My Commission Expires Sept. 30, 1975.

"For Official Use Only" and "Secure Storage Required" Provisions
Expired on March 12, 1971.

CCC Docket MCP 98a

Milk Price Support Program, 1971-72

Approval by Board: March 3, 1971

Approval by Clifford M. Hardin
Secretary of Agriculture: March 22, 1971

Press Release No. 843-71 was issued on March 12, 1971.

Regulations: Not published in Federal Register because action was
superseded by Amendment 1.

UNITED STATES DEPARTMENT OF AGRICULTURE

Washington, March 12, 1971

Secretary Hardin Announces Milk Support, Dairy Purchase Prices for 1971-72:

Secretary of Agriculture Clifford M. Hardin today announced the support price for manufacturing milk will be \$4.66 per hundredweight in the 1971-72 marketing year beginning April 1, 1971. This is the same as for the present marketing year.

A year ago the dairy price support was increased by 38 cents per hundredweight. Secretary Hardin said "this was the biggest increase that has ever been made at the beginning of a marketing year. This was done because milk production was declining, and it was in keeping with our obligation under the statutes to provide sufficient milk supplies for the 1970's". Following this increase, milk production moved upward in 1970.

In making this announcement, the Secretary said he realized that some dairymen believe that the support price should be increased. However, after careful review of the situation and the provisions of the law, Secretary Hardin declared that he felt today's action was in the long-term best interests of the dairy producers.

"The long time well being of dairymen," the Secretary declared, "requires that prices be kept at levels which will permit the overwhelming proportion of milk to clear through commercial markets. Dairymen, like all farm producers, are faced with increased costs. But they know from past experience that they do not benefit when dairy production substantially exceeds demand and excessive surpluses pile up in Government warehouses. We must avoid this."

The Secretary also announced that it will be necessary to purchase cheese during the coming months for use in USDA food programs. With these purchases, Secretary Hardin said that he believed that producer prices for milk would be strengthened. In this connection, the Secretary pointed out that on March 10 more than 2.5 million pounds of cheese was purchased and buying offers are continuing.

At the same time, the Secretary noted that the President has directed the Tariff Commission to conduct an immediate investigation under section 22 on the imports of Swiss or Emmentaler cheese, Gruyere-process cheese, and certain cheeses classified for tariff purposes as "Other" cheese having a purchase price of 47 cents per pound or more. The Secretary has recommended to the President that this action be taken in view of the sharp increase in 1970 of the imports

(more)

of these cheeses and the need to protect the price support for milk in the face of these increasing imports. The Tariff Commission has been directed to examine the feasibility of continuing the present price break system of controls at different specified price levels, including price levels which may fluctuate with the support price of milk as well as the feasibility of quotas for cheeses at all price levels.

The Agricultural Act of 1970 suspended until April 1, 1974, the mandatory requirement to support butterfat in farm-separated cream. However, Commodity Credit Corporation will continue to buy butter as well as nonfat dry milk and cheese to carry out the price support objective for manufacturing milk.

As a result of the change in the law, CCC's purchase prices for butter are reduced by about 2 cents per pound. The Secretary expressed the hope that the lower price for butter would result in higher commercial consumption and reduced CCC purchases and stocks. CCC now has large inventories of butter which total about 100 million pounds. The lower butter price is being offset by an increase of 1.2 cents a pound in the purchase price of nonfat dry milk. This combination of butter and powder prices will enable manufacturing plants to pay farmers, on the average, the support price of \$4.66 per hundredweight for milk.

Prices received by farmers for manufacturing milk (adjusted to average milkfat content) averaged \$4.72 per hundredweight during April 1970 - January 1971.

The support price is for milk of average milkfat content (approximately 3.67 percent).

(more)

The support buying prices for the 1971-72 marketing year will be:

	<u>Purchased and produced before April 1, 1971</u>	<u>Purchased on or after April 1, 1971</u>
	. . . cents per lb. . . .	
<u>Butter, U.S. Grade A or higher:</u>		
New York, N.Y., and Jersey City and Newark, N.J.	70.75	68.75
California, Alaska, and Hawaii	70.00	67.75
Washington and Oregon	<u>1/</u>	67.75
Arizona, New Mexico, Texas, Louisiana, Mississippi, Alabama, Georgia, Florida, and South Carolina	69.75	67.75

U.S. Grade B: 2 cents per pound less than for U. S. Grade A

The price of butter located at any other point will be the price at a designated market, either New York, Seattle, or San Francisco, less 80 percent of the lowest published domestic railroad freight rate per pound gross weight for a 60,000 pound carlot, in effect at the beginning of this marketing year, from such other point to the designated market named by the seller.

	<u>Produced before April 1, 1971</u>	<u>Produced on/or after April 1, 1971</u>
	. . . cents per lb. . . .	
<u>Cheddar cheese, U.S. Grade A or higher, standard moisture basis</u>	52.0	52.0
<u>Nonfat dry milk (spray) U.S. Extra grade (but not more than 3.5 percent moisture):</u>		
50-pound bags, with sealed closures	27.2	28.4

1/ Calculated by use of freight rates.

- - - - -

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SECURE STORAGE REQUIRED

SUMMARY

Milk Price Support Program, 1971-72, MCP 98a

- A. The docket authorizes a milk price support program by establishing a price for manufacturing milk of \$4.66 per hundredweight, the same level as for the 1970-71 marketing year.
- B. The docket differs from prior years in that it does not provide for supporting butterfat in farm-separated cream. The requirement to support butterfat was suspended by the Agricultural Act of 1970.

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 IF MORE INFORMATION IS NEEDED

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UNITED STATES DEPARTMENT OF AGRICULTURE
 Agricultural Stabilization and Conservation Service
 Washington, D. C. 20250

JAN 19 1971

To: Board of Directors, Commodity Credit Corporation
 From: Director, Livestock and Dairy Division
 Subject: Milk Price Support Program, 1971-72, MCP 98a

Attached hereto is a docket setting forth the basis and providing for a program to support the price of milk to producers by establishing a support price of \$4.66 per hundredweight for manufacturing milk.

A proposed press release is attached.

Attachments

Recommended:

Richard D. Brea
 Director, Livestock and
 Dairy Division

Approved for submission to
 the Board of Directors,
 Commodity Credit Corporation

Concurred: JAN 20 1971

Carl C. Harrington
 Deputy Administrator,
 Commodity Operations

Kenneth E. Frick
 Executive Vice President
 Commodity Credit Corporation

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Milk Price Support Program, 1971-72, MCP 98a

A. INTRODUCTION

I. Purpose

This docket authorizes a program providing for the support price of \$4.66 per hundredweight for manufacturing milk to producers during the marketing year beginning April 1, 1971. The support will be carried out through purchases of dairy products by Commodity Credit Corporation.

II. Justification

- A. Legislation. The Agricultural Act of 1949, as amended, requires the Secretary to support the price of milk at such level not in excess of 90 percent nor less than 75 percent of the parity price therefor as of the beginning of the marketing year, as the Secretary determines necessary in order to assure an adequate supply. The Act specifies that the price support shall be provided through purchases of milk and the products of milk. The Agricultural Act of 1970 amended the Agricultural Act of 1949 by suspending until March 31, 1974, the operation of the mandatory price support program for butterfat. This gives the Secretary greater flexibility in setting the CCC purchase price of butter in supporting the price of milk.
- B. Present and Previous Support Prices. The support prices for the present 1970-71 marketing year are \$4.66 per hundredweight for manufacturing milk and 71.5 cents per pound for butterfat in farm-separated cream. These prices were 85 percent of the parity equivalent and 75 percent of parity, respectively, as of the beginning of the 1970-71 marketing year. The manufacturing milk support price for the 1968-69 and 1969-70 marketing years was \$4.28 per hundredweight which was 89 and 83 percent of the parity equivalent, respectively.
- C. Recommended Support Level. On the basis of recent and prospective production conditions, it is estimated that a support price for manufacturing milk at \$4.66 per hundredweight, the same level as

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the 1970-71 level of price support, will be necessary to continue to assure an adequate supply of milk and its products in the 1971-72 marketing year. It is estimated that this support price for manufacturing milk will be 80 percent of parity equivalent price as of the beginning of the marketing year.

- D. Production, Prices, Purchases and Inventories. Based on revised data, milk production during April 1970 through January 1971 was 98.5 billion pounds, 1.0 billion pounds more than the same period a year earlier as declining cow numbers were more than offset by increased production per cow. Production was above year earlier levels for each month during the current marketing year. Milk production has reversed its downward trend that began in the 1965-66 marketing year and is increasing slightly. The downtrend in the number of milk cows on farms has slowed. During January 1971, cow numbers were only 1.1 percent below a year earlier.

Production for the entire 1970-71 marketing year is estimated at 117.6 billion pounds, up 1.0 percent from 1969-70. Commercial consumption of milk and dairy products is expected to be about the same as last year.

Market prices for butter were at or close to CCC purchase prices from April 1970 through January 1971. Market prices for Cheddar cheese (40 pound blocks) held steady from April through August 1970 and then trended upward to about 5 cents over CCC's purchase price in November. Since then, the price dropped 2 cents in January and through the first half of February has risen 1 cent. The higher cheese prices have enabled cheese plants to pay higher than the support price for manufacturing milk in recent months. Plants making butter and nonfat dry milk also paid higher prices in order to compete for milk. United States average manufacturing milk prices to producers, adjusted to annual average test, rose from \$4.65 per hundredweight in April 1970 to a high of \$4.86 in December 1970 and then decreased to \$4.83 in January 1971. The average price for the ten months beginning April 1970 was \$4.72. The proposed 1971-72 support price for manufacturing milk will assure that prices received by producers will continue near recent levels.

The higher prices paid for milk used to make cheese have continued to encourage a diversion of milk from plants making butter and nonfat dry milk to cheese plants. Production in the first 10 months of the marketing year was up by 3 percent for butter and 10 percent for American cheese. Nonfat dry milk production, April-December 1970, was up about 10 percent.

CCC price support purchases, delivery basis, April 1970 through January 1971, totaled 212 million pounds of butter, 43 million pounds of cheese and 393 million pounds of nonfat dry milk. It is estimated that for the entire 1970-71 marketing year CCC will purchase 285 million pounds of butter, 56 million pounds of cheese and 450 million pounds of nonfat dry milk.

During the period April 1, 1970, through January 31, 1971, CCC committed to program uses about 185 million pounds of butter, 48 million pounds of cheese and 471 million pounds of nonfat dry milk.

CCC's uncommitted inventories on January 31, 1971, were 62 million pounds of butter, 19 million pounds of nonfat dry milk, and 7 million pounds of cheese.

Commitments to programs of nonfat dry milk and cheese during January-March 1971 likely will be approximately equal to purchases and consequently uncommitted inventories on March 31, 1971, will be low. However, purchases of butter are expected to exceed commitments and uncommitted inventories of butter on that date are projected at about 110 million pounds.

Milk production in the marketing year which begins April 1, 1971, is projected at 118.1 billion pounds, up one-half billion pounds, or 0.4 percent, from 1970-71. Commercial use of milk and dairy products is expected to increase slightly and CCC purchases are projected at 6.5 billion pounds of milk equivalent, compared to 6.7 billion pounds expected for 1970-71. CCC purchases in the 1971-72 marketing year are projected as follows: butter, 265 million pounds; cheese, 75 million pounds; nonfat dry milk, 500 million pounds.

If the requirement to support the price of butterfat in farm-separated cream had not been suspended, it would have been necessary to increase the support price of butterfat by about three cents a pound to keep the support at the legal minimum level of 75 percent of parity. This would have required an increase in CCC's purchase price of butter of about 2.5 cents a pound and an off-setting reduction in CCC's purchase price of nonfat dry milk.

- E. Proposed Purchase Price. It is proposed that the CCC purchase price of butter be reduced by approximately two cents a pound and that the purchase price of nonfat dry milk be increased by 1.2 cents a pound. These price changes are approximately off-setting in terms of the ability of processors as a group to at least pay the support price. These changes are steps in the direction of making butter more competitive in the market and placing a greater emphasis on the value of the nonfat portion of milk.

In addition, it is being proposed that purchase prices of butter be lowered 2 1/4 cents per pound in the West Coast States, including California, Oregon and Washington in view of the heavy accumulation of butter by CCC, particularly in California. This proposed reduction will lower prices to farmers for milk by about 1 cent per hundredweight.

- F. Impacticability of Obtaining Assurance From Processors. Section 401 (e) of the Agricultural Act of 1949, as amended, provides that whenever any price support or surplus removal operation is carried out through purchases from processors, the Secretary shall, to the extent practicable, obtain assurances from processors that producers of the milk involved have received or will receive maximum benefits from such operation.

The results of the present and past programs provide satisfactory assurance that purchases of dairy products from processors and handlers will effectuate the objectives of the price support program. It will not be practical to undertake to obtain from processors further assurance in this respect for two reasons.

First, there normally is a substantial range in prices paid for milk associated with differences in use, quality, location, competition and volumes, and efficiencies of plant operations. Second, in order to maximize the effectiveness of the support program, dairy products will be purchased both from processors and from handlers who can perform the necessary functions of assembling carlot from small processors.

B. AUTHORIZATION

I. Provisions of Programs

- A. Level of Support. The general level of prices to producers for milk shall be supported during the marketing year April 1, 1971, through March 31, 1972, on the basis of \$4.66 per hundredweight for manufacturing milk of yearly average butterfat content. It is estimated that the aforementioned support price for manufacturing milk will be 80 percent of the parity equivalent price as of the beginning of the marketing year, and that on the basis of developments during the past year and current prospective economic

conditions, it will assure an adequate supply of milk in the 1971-72 marketing year. Such support price for manufacturing milk shall be adjusted upward, if necessary, to reflect at least 75 percent of the April 1971 parity equivalent price to be published in the March 30, 1971, issue of Agricultural Prices.

- B. Method of Support. The support prices to producers for manufacturing milk will be carried out by purchases of dairy products from manufacturers and handlers as set forth herein. Purchases will be made of butter, Cheddar cheese, and nonfat dry milk and such other products hereinafter authorized.
- C. Purchase Prices.

1. Bulk Containers. Purchase prices for bulk butter in 60 to 80 pound containers, nonfat dry milk in 50 pound bags, and natural Cheddar cheese shall be those indicated below:

	Purchased and Produced before <u>April 1, 1971</u>	Purchased on or after <u>April 1, 1971</u>
	<u>Cents per lb.</u>	
<u>Butter, U.S. Grade A or higher:</u>		
New York, N.Y., and Jersey City and Newark, N.J.	70.75	68.75
Seattle, Wash., San Francisco, Cal., California, Alaska, and Hawaii	70.00	67.75
Washington, Oregon	<u>1/</u>	67.75
Arizona, New Mexico, Texas, Louisiana, Mississippi, Alabama, Georgia, Florida, South Carolina	69.75	67.75
U.S. Grade B: 2 cents per pound less than for U.S. Grade A		
	Produced before <u>April 1, 1971</u>	Produced on and after April 1, 1971
<u>Cheddar cheese, U.S. Grade A or higher, standard moisture basis</u>		
	52.0	52.0
<u>Nonfat dry milk (spray), U.S. Extra grade (but not more than 3.5% moisture):</u>		
	27.2	28.4

1/ Calculated on basis of freight rates.

The butter purchase price at any other point shall be determined by subtracting from the price at a designated market named by the seller 80 percent of the lowest published freight rate in effect at the beginning of the marketing year from such other point to such designated market. The designated markets are New York, N.Y., San Francisco, California, and Seattle, Washington.

2. Prices for Other Products and for Products in Containers Other Than Those Above. On the basis of competitive offers, purchases of the following products in containers and meeting specifications suitable for program use may be made at prices which, in the judgment of the President or Executive Vice President, CCC, will not exceed those which reflect the support price for manufacturing milk and provide a reasonable margin for additional packaging and processing costs:

Print Butter
Spray Nonfat Dry Milk,
including vitaminized
Process Cheddar Cheese
Process American Cheese

Purchases of dairy products other than those listed above may be made only upon specific determination by the President or Executive Vice President, CCC, that such purchases are desirable to effectuate the objectives of the program.

- D. Method and Area of Purchases. Purchases shall be made from manufacturers and handlers in carlot quantities on the basis of offers and acceptance pursuant to announcements setting forth the terms and conditions of purchase, or such other method as may be approved by the President or Executive Vice President, CCC. The product shall have been made in the United States from milk produced in the United States and shall not previously have been purchased by CCC.
- E. Period of Manufacture. The prices paid for any product manufactured before April 1, 1971, shall not exceed prices authorized by the Milk and Butterfat Price Support Program for 1970-71.

In connection with purchase contracts for dairy products in special packaging or form, contracts may be entered into pursuant to competitive offers in February and March 1972 for delivery of dairy products manufactured on and after April 1, 1972, with provision for adjustment of the prices to reflect any differences between the support purchase prices in effect before and after April 1, 1972: Provided however, That any contracts from offers

received after announcement of support purchase prices for the 1972-73 marketing year will not be subject to such adjustment.

- F. Utilization. Except as otherwise provided herein, products acquired under this program for the support of milk prices shall be disposed of in accordance with the docket "Disposal of Commodity Credit Corporation Commodities and Materials, CZ 200, Revision 4" and all revisions and amendments of and supplements to such docket.

Dairy products shall be made available to the Administrator of Veterans Affairs and the Secretary of the Army as authorized and directed by Section 202 of the Agricultural Act of 1949, as amended, and may be made available to penal and correctional institutions as authorized by Section 210 of the Agricultural Act of 1956.

- G. Authority to Determine Detailed Operating Provisions. Detailed operating provisions of the program consistent with the provisions of this docket and desirable for effective and efficient operation of the program may be determined by the President or Executive Vice President, CCC.

II. Classification.

This is a mandatory operation under the CCC price support program.

III. Administration Within the Department of Agriculture.

This program will be carried out by the Agricultural Stabilization and Conservation Service under the general direction and supervision of the Executive Vice President, CCC, pursuant to the bylaws of the Corporation.

IV. For Official Use Only Designation.

The "For Official Use Only" designation of this docket will terminate upon issuance of the press release.

Milk Price Support Program, 1971-72 MCP 98a

Approved by CCC Board of Directors
at meeting held on March 3, 1971

/s/ Seeley G. Lodwick
Secretary
Commodity Credit Corporation

Approved: March 22, 1971

/s/ Clarence D. Palmby
President, Commodity Credit Corporation
and
Assistant Secretary for International
Affairs and Commodity Programs

March 22, 1971

/s/ Clifford M. Hardin
Secretary of Agriculture

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UNITED STATES DEPARTMENT OF AGRICULTURE

AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE • WASHINGTON, D.C. 20250

DATE: January 18, 1971

~~1-18-1971~~

TO: Board of Directors, Commodity Credit Corporation

SUBJECT: Availability of Funds Statement - Milk Price Support Program, 1971-72,
MCP 98a

Gross obligations under this authorization are estimated at \$385.7 million for price support operations during fiscal year 1972. This amount consists of purchases of \$196.0 million of butter; \$42.2 million of cheese and \$147.5 million of nonfat dry milk.

Net expenditures for price support and related programs are expected to be \$296.0 million for fiscal year 1972.

It is estimated that Commodity Credit Corporation funds will be available for this purpose.

W. H. Anderson
Director, Budget Division

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EXHIBIT B

CALCULATION OF CCC PURCHASE COSTS

	69.8/27.2	67.8/28.3	65.8/29.4	64.8/30.0	59.8/32.7	(8/10/64)
Purchase Price Cents per lb.						
Butter	.70	.68	.66	.65	.60	.70
Cheese	.5625	.5625	.5625	.5625	.5625	.5625
NFDM	.295	.306	.317	.323	.350	.350
Quantity Mil. lbs.						
Butter	280	265	250	240	205	220
Cheese	75	75	75	75	75	75
NFDM	500	525	550	560	640	580
CCC Cost Mil. dol.						
Butter	196.0	180.2	165.0	156.0	123.0	220.0
Cheese	42.2	42.2	42.2	42.2	42.2	42.2
NFDM	147.5	160.6	174.4	180.9	224.0	171.0
Total CCC Cost	385.7	383.0	381.6	379.1	389.2	433.2

Calculation of CCC Purchase Costs for Present Support Level
and for 75% and 50% of Parity

	<u>1970-71</u>		<u>1971-72</u>		<u>1972-73</u>	
Support Level	4.66	4.66	4.44	5.05	5.33	4.51
<u>Surplus</u>	<u>Mil. lb.</u>	<u>Mil. lb.</u>	<u>Mil. lb.</u>		<u>Mil. lb.</u>	
Butter	280 2.5	280 1.65	200 1.5		370 2.9	
Cheese	65 5.6	75	10		150 9.0	
WTM	500 4.0	500 5.25	400 5.0		650 5.4	
<u>Price</u> $\frac{1}{1}$						
	<u>Cents/lb.</u>	<u>Cents/lb.</u>	<u>Cents/lb.</u>		<u>Cents/lb.</u>	
Butter	.70	.70	.651	.70	.70	.7
Cheese	.5625	.5625	.5405	.605	.6295	.513
WTM	.295	.295	.295	.343	.377	.31
<u>CCC Cost</u>						
	<u>Mil. dol.</u>	<u>Mil. dol.</u>	<u>Mil. dol.</u>		<u>Mil. dol.</u>	
Butter	195.0 197.1	195.0	130.2 127.5		259.0 21	
Cheese	36.6 3.7	42.2	5.4 6.2		94.4 8	
WTM	147.5 111	147.5	118.0 192.7		245.0 1	
	<u>Mil. dol.</u>	<u>Mil. dol.</u>	<u>Mil. dol.</u>		<u>Mil. dol.</u>	
Total CCC Cost	380.1 385.7	385.7	253.6 253.6		598.4 598.4	

Proceeds from CCC sales will offset other costs such as storage and handling so that purchase costs will be equivalent to net expenditures.

493
386
107

1) Estimate weighted average price in all containers

Estimated purchases and costs under the dairy price support
program in 1970-71 marketing year and projections for
1971-72 at alternative levels of support

Item	1970-71	1971-72		
	(\$4.66)	1/\$4.66	2/\$4.85	3/\$5.05
Purchases				
Milk equivalent (Billion pounds)	6.7	6.5	7.0	7.8
Butter (Million pounds)	285	265	280	305
Cheese (Million pounds)	56	75	90	120
Nonfat dry milk (Million pounds)	460	525	565	605
Net expenditures (Million dollars)	380	386	430	493
Purchase prices ⁴ / (Cents per pound):				
Butter	69.8	67.8	67.8	67.8
Cheese	52.0	52.0	54.0	56.0
Nonfat dry milk	27.2	28.4	30.7	33.2

¹/ 80.5 percent of parity, based on data as of February 26.

²/ 83.8 percent of parity, based on data as of February 26.

³/ 87.2 percent of parity, based on data as of February 26.

⁴/ Announced prices for bulk products.

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Estimated purchases and costs under the dairy price support program in 1970-71 and projections for 1971-72 at specified levels of support.

	<u>1970-71</u>	<u>1971-72</u>		
Level of support (cnt)	\$4.66	4.66	4.85	5.05
Percent of parity	85 <u>1/</u>	80.5 <u>2/</u>	83.8 <u>2/</u>	87.2 <u>2/</u>
Purchase prices - bulk				
Butter (cents per lb)	69.8	67.8	67.8	67.8
Cheese (cents per lb)	52	52	54	56
NFDM (cents per lb)	27.2	28.4	30.7	33.2
Price support purchases				
Butter (mil lbs)	285	265	280	305
Cheese (mil lbs)	56	75	90	120
NFDM (mil lbs)	460	525	565	605
Milk Equiv. (bil lbs)	6.7	6.5	7.0	7.8
Net Expenditure (mil)	\$380	386	430	493

1/ As of April 1, 1970

2/ As of March 1, 1971

Milk production, utilization, and surplus, 1969/70, 1970/71, and projected for 1971/72 under assumptions of current support level and 90% of parity

Item	Unit	1971/72 projections ^{1/}		
		1969/70	1970/71	\$4.66 : \$5.25 ^{2/}
Milk production-----	Bil. lb.	116.3	117.7	118.2
Less farm use-----	Bil. lb.	4.3	4.0	3.8
Marketings-----	Bil. lb.	112.0	113.7	114.4
Beginning commercial stocks-----	Bil. lb.	3.4	3.5	3.3
Imports-----	Bil. lb.	1.7	2.0	2.0
Total commercial supply-----	Bil. lb.	117.1	119.2	119.7
Commercial use:				
Domestic-----	Bil. lb.	108.8	108.8	109.0
Foreign-----	Bil. lb.	.4	.4	.4
Total-----	Bil. lb.	109.2	109.2	109.4
Ending commercial stocks-----	Bil. lb.	3.5	3.3	3.5
Total utilization-----	Bil. lb.	112.7	112.5	112.9
Surplus (CCC purchases) ^{4/} -----	Bil. lb.	4.4 ^{3/}	6.7	6.8
Butter-----	Mil. lb.	182	280	280
Cheese-----	Mil. lb.	31 ^{3/}	65	75
Nonfat dry milk-----	Mil. lb.	357	460	500
Evaporated milk-----	Mil. lb.	107	75	75
Price:				
Manufacturing grade milk-----	\$/cwt.	4.53	4.75	4.80
Milk, wholesale, all-----	\$/cwt.	5.55	5.75	5.80
Cash receipts-----	Mil. \$	6,272	6,538	6,692
Dairy program expenditures-----	Mil. \$	232	380	386

^{1/} Assumes CCC purchase prices for butter, cheese, and nonfat dry milk are maintained at the 1970-71 relationships.

^{2/} 90% of parity, estimated for April 1, 1971.

^{3/} Includes Sec. 709 purchases.

^{4/} Milk equivalent basis.

March 5, 1971

Estimated purchases and costs under the dairy price support
program in 1970-71 marketing year and projections for
1971-72 at alternative levels of support

Item		1970-71	1971-72			
		(\$4.66)	1/\$4.66	2/\$4.78	3/\$4.92	4/\$5.21
Production	(Bil.lb.)	117.7	118.2	118.4	118.6	119.4
Commercial Disappearance	(Bil.lb.)	109.2	110.0	109.6	109.3	108.2
Surplus	(Bil.lb.)	6.7	6.5	6.8	7.2	9.2
CCC Purchases						
Butter	(Mil.lb.)	285	265	275	290	355
Cheese	(Mil.lb.)	56	75	85	95	150
Nonfat dry milk	(Mil.lb.)	460	525	540	570	675
CCC Purchase Price						
(bulk products)						
Butter (Chicago)	Cents per lb.	69.8	67.8	67.8	67.8	67.8
Cheese	Cents per lb.	52.0	52.0	53.3	53.3	57.5
Nonfat dry milk	Cents per lb.	27.2	28.4	29.8	31.6	35.2
Net expenditures	(Mil.dol.)	380	386	410	445	590

1/ 80.5 percent of parity, based on data as of February 26.

2/ 82.5 percent of parity, based on data as of February 26.

3/ 85.0 percent of parity, based on data as of February 26.

4/ 90 percent of parity, based on data as of February 26.

Dairy production estimates show that surpluses will remain in the coming year at about the present level. An increase in the support level magnifies the possibility of adding to the surplus.

*Comparison of projections*1970-71 Dairy EstimatesDairy Supply Estimates Committee

Date of Estimate		3-23-70	11-17-70	3-24-71*
Milk Prod.	Bil.lb.	117.2	117.2	117.7
Surplus (Milk equiv.)	Bil.lb.	7.3	6.7	6.7
Butter	Mil.lb.	280	280	285-290
Cheese	Mil.lb.	110	65	56
Nonfat dry milk	Mil.lb.	550	500	460
Estimated expenditures, Mil.dol.		401	380	380

*Latest indicated quantities: Not yet considered by inter-agency committee.

EXHIBIT C

"For Official Use Only" and "Secure Storage Required" Provisions
Expired on May 25, 1971.

CCC Docket MCP 98a,
Amendment 1

Milk Price Support Program, 1971-72
(Increases the support price)

Approval by Board: May 12, 1971

Approval by Clifford M. Hardin,
Secretary of Agriculture: May 25, 1971

Press Release No. 969-71 was issued on March 25, 1971.

Press Release No. 981-71 was issued on March 26, 1971.

Regulations: Date of Publication in Federal Register May 1, 1971 .

Page No. 8237

Federal Register Citation 36 F. R. 8237

UNITED STATES DEPARTMENT OF AGRICULTURE

Washington, March 26, 1971

USDA Announces Dairy Purchase Prices for 1971-72:

The U.S. Department of Agriculture today announced the prices it will pay for butter, nonfat dry milk, and cheese to carry out the 1971-72 support price of \$4.93 per hundredweight for milk which was announced March 25 (Press Release USDA 969-71). The product purchase prices are those which are calculated to enable processors to pay producers, on the average, the support price of \$4.93 per hundredweight for milk.

As announced March 12 (USDA release 843-71), the purchase price for butter is being lowered 2 cents per pound. This reduction in the price of butter was made possible by a provision in the Agricultural Act of 1970 which suspended the mandatory requirement for supporting butterfat in farm separated cream.

The new support price for milk, and the new product purchase prices shown below become effective April 1, 1971, the beginning of the marketing year.

	Purchased and produced before <u>April 1, 1971</u>	Purchased on or after <u>April 1, 1971</u>
	----- cents per lb.	-----
Butter, U.S. Grade A or higher:		
New York, N.Y., and Jersey City and Newark, N.J.	70.75	68.75
California, Alaska, and Hawaii	70.00	67.75
Washington and Oregon	1/	67.75
Arizona, New Mexico, Texas, Louisiana, Mississippi, Alabama, Georgia, Florida, and South Carolina	69.75	67.75

U.S. Grade B: 2 cents per pound less than for U.S. Grade A

The price of butter located at any other point will be the price at a designated market, either New York, Seattle, or San Francisco, less 80 percent of the lowest published domestic railroad freight rate per pound gross weight for a 60,000 pound carlot, in effect at the beginning of this marketing year, from such other point to the designated market named by the seller.

	Produced before <u>April 1, 1971</u>	Produced on/or after <u>April 1, 1971</u>
	----- cents per lb.	-----
<u>Cheddar cheese, U.S. Grade A or higher, standard moisture basis</u>	52.0	54.75
<u>Nonfat dry milk (spray) U.S. Extra grade (but not more than 3.5 percent moisture):</u>		
50-pound bags, with sealed Closures	27.2	31.7
1/ Calculated by use of freight rates.		

5534

USDA 981-71

UNITED STATES DEPARTMENT OF AGRICULTURE

McDavid 388-4026

Washington, March 25, 1971

Support Price for Manufacturing Milk Increased

Secretary of Agriculture Clifford M. Hardin today announced an upward adjustment of support price for manufacturing milk to \$4.93 from the \$4.66 support price announced by him on March 12 which was a continuance at that time of support at the same level as for 1970.

In announcing the new higher support level, Secretary Hardin stated such announcements are minimums which cannot be lowered during that marketing season after once being announced, but which can be raised. Support levels can be lowered only at the beginning of the milk marketing year each April 1st.

Secretary Hardin stated that there is a constant analysis of the milk production situation, and that farmer costs have escalated sharply particularly in concentrate feed which has gone up \$10 to \$20 per ton. Farmers have no way to cut other costs to compensate for those which have risen.

FOR OFFICIAL USE ONLY
UNTIL APPROVED BY THE SECRETARY
SECURE STORAGE REQUIRED

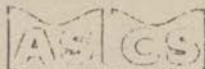
SUMMARY

Milk Price Support Program, 1971-72, MCP 98a, Amendment 1

Authorizes increase of (1) support price for manufacturing milk from \$4.66 to \$4.93 per hundredweight, (2) purchase price of Cheddar cheese from 52.0 to 54.75 cents per pound, and (3) purchase price of nonfat dry milk from 28.4 to 31.7 cents per pound.

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UNTIL APPROVED BY THE
SECRETARY
SECURE STORAGE REQUIRED



UNITED STATES DEPARTMENT OF AGRICULTURE

AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE • WASHINGTON, D.C. 20250

April 9, 1971

To : Board of Directors, Commodity Credit Corporation
From : Director, Livestock and Dairy Division
Subject: Milk Price Support Program, 1971-72, MCP 98a, Amendment 1

This amendment increases the support price for manufacturing milk from \$4.66 per hundredweight to \$4.93 per hundredweight. Also, the amendment increases the purchase price for Cheddar cheese from 52.0 to 54.75 cents per pound, and the purchase price for nonfat dry milk from 28.4 to 31.7 cents per pound.

Press release No. 969-71 was issued on March 25, 1971, and press release No. 981-71 on March 26, 1971.

Recommended:

Robert B. Jones
Director
Livestock and Dairy Division

Approved for submission to
the Board of Directors,
Commodity Credit Corporation

Concurred: APR 9 1971

Carl C. Thompson
Deputy Administrator,
Commodity Operations

Charles L. Brantner
Acting Executive Vice President,
Commodity Credit Corporation

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	Produced before April 1, 1971	Produced on/after April 1, 1971
	-----	-----
	cents	per lb. -----
<u>Cheddar cheese, U.S. Grade A or higher, standard moisture basis</u>	52.0	54.75
<u>Nonfat dry milk (spray) U.S. Extra grade (but not more than 3.5 percent moisture)</u>	27.2	31.7

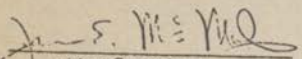
1/ Calculated by use of freight rates.

The butter purchase price at any other point shall be determined by subtracting from the price at a designated market named by the seller 80 percent of the lowest published freight rate in effect at the beginning of the marketing year from such other point to such designated market. The designated markets are New York, N.Y., San Francisco, California, and Seattle, Washington.

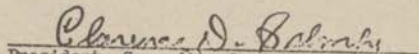
III. For Official Use Only Designation

The "For Official Use Only" designation of this docket will terminate on date of approval by the Secretary of Agriculture.

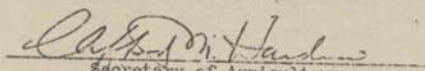
Approved by CCC Board of Directors
at meeting held on MAY 12 1971


Acting Secretary
Commodity Credit Corporation

Approved: _____


President, Commodity Credit Corporation
and
Assistant Secretary for International
Affairs and Commodity Programs

May 25 1971


Secretary of Agriculture
Clifford X. Hardy

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FOR OFFICIAL USE ONLY
UNTIL APPROVED BY THE SECRETARY
SECURE STORAGE REQUIRED

Milk Price Support Program, 1971-72, MCP 98a,
Amendment 1

A. INTRODUCTION

I. Purpose

This docket amends Docket MCP 98a (approved by the Board of Directors, CCC, on March 3, 1971, and by the Secretary of Agriculture on March 22, 1971) by increasing the support price for manufacturing milk to producers during the marketing year beginning April 1, 1971, from \$4.66 per hundredweight to \$4.93 per hundredweight.

II. Justification

Based on a reevaluation of the dairy situation, giving full recognition to increasing labor, waste disposal, and other costs on dairy farms and to increasing demand for cheese, it is determined that a support price of \$4.93 per hundredweight for manufacturing milk is necessary in order to assure an adequate supply.

B. AUTHORIZATION

I. Provisions of Program

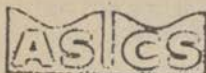
Subsection B I A, Level of Support, is amended by increasing the support price from \$4.66 per hundredweight to \$4.93 per hundredweight.

II. Subsection B I C, 1 Purchase Prices, is amended to read as follows:

C. Purchase Prices.

1. Bulk Containers. Purchase prices for bulk butter in 60 to 80 pound containers, nonfat dry milk in 50 pound bags, and natural Cheddar cheese shall be those indicated below:

	Purchased and produced before <u>April 1, 1971</u>	Purchased on or after <u>April 1, 1971</u>
	- - - - - Cents per	lb. - - - - -
<u>Butter, U. S. Grade A or higher:</u>		
New York, N. Y., and Jersey City and Newark, N. J.	70.75	68.75
California, Alaska, and Hawaii	70.00	67.75
Washington and Oregon	1/	67.75
Arizona, New Mexico, Texas, Louisiana, Mississippi, Alabama, Georgia, Florida, and South Carolina	69.75	67.75
<u>U.S. Grade B:</u> 2 cents per pound less than for U.S. Grade A		



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SECURE STORAGE REQUIRED
UNITED STATES DEPARTMENT OF AGRICULTURE
AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE • WASHINGTON, D.C. 2025

DATE: APR 5 1971

TO: Board of Directors, Commodity Credit Corporation

SUBJECT: Availability of Funds Statement - Milk Price Support Program, 1971-72,
MCP 98a, Amendment 1

Gross obligations under this authorization are currently estimated at \$510.4 million during fiscal year 1972 (consisting of purchases of \$224.4 million of butter; \$82.6 million of cheese, and \$203.4 million of nonfat dry milk). This amount represents an increase of \$124.7 million over the \$385.7 million reflected in the 1972 Budget Estimates.

Net expenditures for price support and related program during fiscal year 1972 are expected to increase by \$126.2 million over the 1972 Budget Estimates; from \$296.0 million to \$422.2 million.

It is estimated that Commodity Credit Corporation funds will be available for this purpose.

A handwritten signature in dark ink, appearing to read 'C. H. Sasser Jr.', written in a cursive style.

Director, Budget Division

FOR OFFICIAL USE ONLY

AFFIDAVIT

Washington,)
 District of Columbia) ss

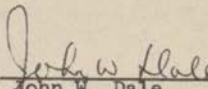
John W. Dale being sworn depose and says:

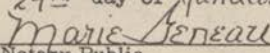
I am a Senate staff member assigned to the Select Committee on Presidential Campaign Activities as an investigator. I have inspected the following summary reports filed with the office of the Clerk in the United States House of Representatives by the below indicated political committees and each of the reports show that no funds were received from loans and that no expenditures were made for loans during the calendar year 1972:

<u>Date received report</u>	<u>Name of Committee</u>	<u>Attachment</u>
January 31, 1973	Natl. Republican Congressional Committee	1
January 31, 1973	Republican National Finance Committee *	2
January 31, 1973	Republican Campaign Committee *	3

* Also filed with Office of the Secretary of the Senate

I have also inspected the summary report (attachment #4) received on January 27, 1973, by the Office of the Secretary of the United States Senate filed by the National Republican Senatorial Committee and it shows that no funds were received from loans and that no expenditures were made for loans during the calendar year 1972.


 John W. Dale

Subscribed and sworn to
 before me on this
 29th day of January, 1974.

 Notary Public
 My commission expires 10/31/78

UNITED STATES HOUSE OF REPRESENTATIVES

KIND DELIVERED

Office of the Clerk
Washington, D.C.

1973 JAN 31 AM 9:46

REPORT OF RECEIPTS AND EXPENDITURES

FOR A

COMMITTEE

SUPPORTING ANY CANDIDATE(S) FOR NOMINATION OR ELECTION TO THE
UNITED STATES HOUSE OF REPRESENTATIVES

NATIONAL REPUBLICAN CONGRESSIONAL COMMITTEE

(Full Name of Committee)

Washington Number

055115

300 New Jersey Avenue, Northeast

Washington, D. C. 20001

(City, State, ZIP code)

TYPE OF REPORT

(Check appropriate box and complete if applicable)

☐ March 10 report☐ July 10 report☐ September 10 report☐ January 31 report☐ Fifteenth day report☐ Final day report☐ Termination report

VERIFICATION BY OATH OR AFFIRMATION

State of Washington, D. C.

County of

I, Patricia F. O'Brien

(Full Name of Treasurer of Committee)

do hereby certify, depose (affirm) and say

that this Report of Receipts and Expenditures is complete, true and correct.

Subscribed and sworn to (affirmed) before me this 11th day of January, A.D. 1973My commission expires June 30, 1974RETURN COMPLETED REPORT AND ATTACHMENTS TO:
The Clerk, U.S. House of Representatives
Office of Records and Registration
1224 Longworth House Office Building
Washington, D.C. 20515

U.S. ELECTION FORM 1

UNITED STATES HOUSE OF REPRESENTATIVES

HAND DELIVERED

Office of the Clerk
Washington, D.C.

1973 JAN 31 AM 10:04

REPORT OF RECEIPTS AND EXPENDITURES

FOR A

COMMITTEE

SUPPORTING ANY CANDIDATE(S) FOR NOMINATION OR ELECTION TO THE
UNITED STATES HOUSE OF REPRESENTATIVES

Republican National Finance Committee

(Full Name of Committee)

310 First Street, Southeast

Washington, D. C. 20003

(Street)

(City, State, ZIP code)

Identification Number

005975

TYPE OF REPORT

(Check Appropriate Box and Complete, if Applicable)

- ☐ March 10 report.
- ☐ June 10 report.
- ☐ September 10 report.
- ☒ January 31 report.
- ☐ Fifteenth day report preceding _____ election on _____ (Date)
(Primary, general, special, runoff, caucus, or convention)
- ☐ Fifth day report preceding _____ election on _____ (Date)
(Primary, general, special, runoff, caucus, or convention)
- ☐ Termination report.

VERIFICATION BY OATH OR AFFIRMATION

State of _____

ss.

Robert P. ODELL, JR. being duly sworn, depose (affirm) and say
(Full Name of Treasurer of Committee)

that this Report of Receipts and Expenditures is complete, true, and correct.

Robert P. Odell, Jr.
(Signature of Treasurer of Committee)

Subscribed and sworn to (affirmed) before me this 14 day of January, A.D. 19 73

Walter E. Davenport
(Notary Public)

[Seal]

My commission expires _____ 19__

RETURN COMPLETED REPORT AND ATTACHMENTS TO:
The Clerk, U.S. House of Representatives
Office of Records and Administration

DISTRICT OF COLUMBIA

Name of Committee: NATIONAL REPUBLICAN CONGRESSIONAL COMMITTEE

SUMMARY REPORT COVERING PERIOD FROM October 26, 1972 THRU December 31, 1972

	Column A— This period	Column B— Calendar year to date
SECTION A—RECEIPTS:		
Part 1. Individual contributions:		
a. Itemized (use schedule A*)	\$ 35,364.46	
b. Unitemized	\$ 60,033.80	
Total individual contributions	\$ 95,398.26	\$ 2,301,322.78
Part 2. Sales and collections:		
Items (use schedule D*)	\$ None	\$ None
Part 3. Loans received:		
a. Itemized (use schedule A*)	\$ None	
b. Unitemized	\$ None	
Total loans received	\$ None	\$ None
Part 4. Other receipts (refunds, rebates, interest, etc.):		
a. Itemized (use schedule A*)	\$ 3,125.31	
b. Unitemized	\$ 105.60	
Total other receipts	\$ 3,230.91	\$ 42,123.32
Part 5. Transfers in:		
Transfers all (use schedule A*)	\$ 21,769.02	\$ 810,818.17
TOTAL RECEIPTS	\$ 120,423.59	\$ 3,154,273.17
SECTION B—EXPENDITURES:		
Part 6. Compensation and media expenditures:		
Remuneration all (use schedule C*)	\$ None	\$ None
Part 7. Expenditures for personal services, as agent, and reimbursed expenses:		
a. Itemized (use schedule D*)	\$ 11,319.04	
b. Unitemized	\$ 1,359.16	
Total expenditures for personal services, as agent, and reimbursed expenses	\$ 12,678.20	\$ 137,897.04
Part 8. Loans made:		
a. Itemized (use schedule D*)	\$ None	
b. Unitemized	\$ None	
Total loans made	\$ None	\$ None
Part 9. Other expenditures:		
a. Itemized (use schedule C*)	\$ 25,588.14	
b. Unitemized	\$ 2,211.14	
Total other expenditures	\$ 27,799.28	\$ 444,021.88
Part 10. Transfers out:		
Transfers all (use schedule D*)	\$ 33,128.02	\$ 717,657.71
TOTAL EXPENDITURES	\$ 73,515.46	\$ 1,309,576.63
SECTION C—CASH BALANCES:		
Cash on hand at beginning of reporting period	\$ 1,173,674.63	
Add total receipts (section A above)	\$ 120,423.59	
Subtotal	\$ 1,294,098.22	
Subtract total expenditures (section B above)	\$ 73,515.46	
Cash on hand at close of reporting period	\$ 1,220,582.76	
SECTION D—DEBTS AND OBLIGATIONS:		
Part 11. Debts and obligations owed to the committee (use schedule E*)	\$ None	
Part 12. Debts and obligations owed by the committee (use schedule E*)	\$ 1,203.27	

*Schedules are to be used only when information is required. (See each Schedule for instructions.) When Remuneration is zero, entry for a given Part of the total of any amounts for that Part to be indicated as a zero entry on the "Unitemized" line of the appropriate Part of the Summary Report. The word "None" should be entered on a line of the Summary Report when no amount is being reported.

Name of Committee: REPUBLICAN NATIONAL FINANCE COMMITTEE

SUMMARY REPORT COVERING PERIOD FROM 10/27/72 THRU 12/31/72

MONO DELIVERED

005975

1973 MAR -9

11:19

SECTION A—RECEIPTS:

Part 1. Individual contributions:

a. Itemized (use schedule A*)

b. Unitemized

CORRECTION

\$ 53,704.00

\$ 143,292.26

Total individual contributions \$ 196,996.26

Part 2. Sales and collections:

Itemize (use schedule B*)

Part 3. Loans received:

a. Itemized (use schedule A*)

b. Unitemized

Total loans received

Part 4. Other receipts (refunds, rebates, interest, etc.):

a. Itemized (use schedule A*)

b. Unitemized

Total other receipts

\$ 87,384.05

Part 5. Transfers in:

Itemize all (use schedule A*)

\$ 284,380.31

TOTAL RECEIPTS

\$ 3,923,386.25

SECTION B—EXPENDITURES:

Part 6. Communications media expenditures:

Itemize all (use schedule C*)

Part 7. Expenditures for personal services, salaries, travel, reimbursement expenses:

a. Itemized (use schedule D*)

b. Unitemized

Total expenditures for personal services, salaries, and reimbursement expenses

\$ 136,901.85

\$ 136,901.85

\$ 536,341.55

Part 8. Loans made:

a. Itemized (use schedule D*)

b. Unitemized

Total loans made

Part 9. Other expenditures:

a. Itemized (use schedule C*)

b. Unitemized

Total other expenditures

\$ 11,050.00

\$ 11,050.00

\$ 11,050.00

Part 10. Transfers out:

Itemize all (use schedule D*)

\$ 116,740.08

TOTAL EXPENDITURES

\$ 2,669,928.07

SECTION C—CASH BALANCES:

Cash on hand at beginning of reporting period

Add total receipts (section A above)

Subtotal

Subtract total expenditures (section B above)

Cash on hand at close of reporting period

\$ 309,095.02

\$ 284,350.31

\$ 593,475.33

\$ 264,691.93

\$ 328,783.40

SECTION D—DEBTS AND OBLIGATIONS:

Part 11. Debts and obligations owed to the committee (use schedule E*)

NONE

Part 12. Debts and obligations owed by the committee (use schedule F*)

NONE

*Schedules are to be used only when itemization is required. (None) means "None" and should be entered on the appropriate line of the appropriate Part of the Summary Report. When itemization is necessary for a given Part, the total of any amounts for that Part is to be entered as a "None" amount on the appropriate line of the appropriate Part of the Summary Report. The word "None" should be entered on any line of the Summary Report when no itemization is being reported.

73000163626

UNITED STATES HOUSE OF REPRESENTATIVES

HAND DELIVERED

Office of the Clerk
Washington, D.C.

REPORT OF RECEIPTS AND EXPENDITURES

1973 JAN 31 AM 10:04

FOR A

COMMITTEE

SUPPORTING ANY CANDIDATE(S) FOR NOMINATION OR ELECTION TO THE
UNITED STATES HOUSE OF REPRESENTATIVES

REPUBLICAN CAMPAIGN COMMITTEE

(Full Name of Committee)

310 First Street, Southeast

Washington, D. C.

(Street)

(City, State, ZIP code)

Identification Number

005967

TYPE OF REPORT

(Check Appropriate Box and Complete, if Applicable)

☐ March 10 report.

☐ June 10 report.

☐ September 10 report.

☐ January 31 report.

☐ Fifteenth day report preceding

(Primary, general, special, runoff, caucus, or convention)

election on

(Date)

☐ Fifth day report preceding

(Primary, general, special, runoff, caucus, or convention)

election on

(Date)

☐ Termination report.

VERIFICATION BY OATH OR AFFIRMATION

State of

County of

I, Melvin E. Christian
(Full Name of Treasurer of Committee)

being duly sworn, depose (affirm) and say

that this Report of Receipts and Expenditures is complete, true, and correct.

Subscribed and sworn to (affirmed) before me this 31 day of January

A.D. 1973

(Signature of Treasurer of Committee)

(Notary Public)

My commission expires August 31, 1977

[SEAL]

RETURN COMPLETED REPORT AND ATTACHMENTS TO:

The Clerk, U.S. House of Representatives
Office of Records and Registration
1634 Longworth House Office Building
Washington, D.C. 20515

7300032520

Name of Committee REPUBLICAN CANTALERO COMMITTEE

SUMMARY REPORT COVERING PERIOD FROM October 27, 1972 THRU December 31, 1972

	Column A— This period	Column B— Calendar Year to date
SECTION A—RECEIPTS:		
Part 1. Individual contributions:		
a. Itemized (use schedule A*)	\$ 13,900.00	
b. Unitemized	\$ 1,929.00	
Total individual contributions	\$ 15,829.00	\$ 294,435.47
Part 2. Sales and collections:		
Itemize (use schedule B*)	\$	\$
Part 3. Loans received:		
a. Itemized (use schedule A*)	\$	
b. Unitemized	\$	
Total loans received	\$	\$
Part 4. Other receipts (refunds, rebates, interest, etc.):		
a. Itemized (use schedule A*)	\$	
b. Unitemized	\$ 456.08	
Total other receipts	\$ 456.08	\$ 456.08
Part 5. Transfers in:		
Itemize all (use schedule A*)	\$ 223,000.00	\$ 223,000.00
TOTAL RECEIPTS	\$ 233,285.08	\$ 517,891.55
SECTION B—EXPENDITURES:		
Part 6. Communications media expenditures:		
Itemize all (use schedule C*)	\$	\$
Part 7. Expenditures for personal services, salaries, and reimbursed expenses:		
a. Itemized (use schedule D*)	\$	
b. Unitemized	\$	
Total expenditures for personal services, salaries, and reimbursed expenses	\$	\$ 80.00
Part 8. Loans made:		
a. Itemized (use schedule D*)	\$	
b. Unitemized	\$	
Total loans made	\$	\$
Part 9. Other expenditures:		
a. Itemized (use schedule C*)	\$	
b. Unitemized	\$	
Total other expenditures	\$	\$
Part 10. Transfers out:		
Itemize all (use schedule D*)	\$ 331,897.26	\$ 1,168,578.85
TOTAL EXPENDITURES	\$ 331,897.26	\$ 1,168,578.85
SECTION C—CASH BALANCES:		
Cash on hand at beginning of reporting period	\$ 149,703.97	
Add total receipts (section A above)	\$ 239,285.08	
Subtotal	\$ 388,989.05	
Subtract total expenditures (section B above)	\$ 331,897.26	
Cash on hand at close of reporting period	\$ 57,091.79	
SECTION D—DEBTS AND OBLIGATIONS:		
Part 11. Debts and obligations owed by the committee (use schedule E*)	\$ NONE	
Part 12. Debts and obligations owed by the committee (use schedule E*)	\$ NONE	

*Where the use is to be used only when completion is required (see each Schedule for instructions). When completion is unnecessary for a given Part, the total of that Part is to be entered as a lump sum on the "Unitemized" line of the appropriate Part of the Summary Report.

73000332521

NOTIFICATION
OF ERROR OR OMISSION
HAS BEEN FILED

Jan 27 1973
UNITED STATES SENATE

Office of the Secretary of the Senate

RECEIPTS AND EXPENDITURES REPORT
OF COMMITTEES

SUPPORTING CANDIDATE(S) FOR NOMINATION OR FOR ELECTION
AS UNITED STATES SENATOR

Name of Committee The National Republican Senatorial Committee
Address 445 Old Senate Office Building
Washington, D.C. 20510
Attn: Mr. Tudor Whiton, Treasurer
c/o The First National Bank of Washington
1325 G Street, N.W. 53-0132336, S-000000, 22
Washington, D.C. 20510

REPORT IDENTIFY

(See Paragraph A under "General Information" on the back of this page.)

- (a) Periodic report due: March 10 September 10
(Check one) June 10 January 31 X
- (b) 1st Preelection report due 15 days before the (Date) (Check) (c) 2d Preelection report due 5 days before the (Date) (Check)
- | | |
|-------------------------------|-------------------------------|
| General Election on _____ | General Election on _____ |
| Special Election on _____ | Special Election on _____ |
| Primary Election on _____ | Primary Election on _____ |
| Runoff Election on _____ | Runoff Election on _____ |
| Caucus or Convention on _____ | Caucus or Convention on _____ |
- (d) This is also a: First report _____ Termination report _____
(Check only when applicable)

VERIFICATION BY OATH OR AFFIRMATION

State of District Of Columbia
County of _____ ss.

I, Tudor Whiton, being duly sworn, depose (affirm) and say
that this Receipt is a true and correct copy of the original.

Subscribed and sworn to (or affirmed) before me this 26th day of January, A.D., 1973

My Commission Expires 9-15, 1976

(SEAL)

RETURN COMPLETED REPORT AND ATTACHMENTS TO:

Mr. Charles W. Mathias, Secretary of the Senate, U.S. Capitol, Washington, D.C. 20510

Name of Committee The National Republican Senatorial CommitteeSUMMARY REPORT COVERING PERIOD FROM October 27th, '72 THRU December 31, 1972

		Column A— This period	Column B— For same year to date
SECTION A—RECEIPTS:			
Part 1. Individual contributions:			
a. Itemized (use schedule A*)	\$	358,331.42	
b. Unitemized	\$	3,555.00	
		\$ 361,886.42	\$ 1,247,206.62
Part 2. Sales and collections:			
Itemized (use schedule D*)	\$	-0-	-0-
Part 3. Loans received:			
a. Itemized (use schedule A*)	\$		
b. Unitemized	\$		
		\$ -0-	\$ -0-
Part 4. Other receipts (refunds, rebates, interest, etc.):			
a. Itemized (use schedule A*)	\$		
b. Unitemized	\$		
		\$ -0-	\$ -0-
Part 5. Transfers in:			
Itemized (use schedule A*)	\$	-0-	\$ 596,758.58
		\$ 361,886.42	\$ 1,743,965.20
SECTION B—EXPENDITURES:			
Part 6. Communications made a expenditure for:			
Itemized (use schedule C*)	\$	11,993.58	\$ 75,524.93
Part 7. Expenditures for personal services, salaries, and reimbursement expenses:			
a. Itemized (use schedule D*)	\$	331,466.28	
b. Unitemized	\$	2,145.01	
		\$ 333,611.29	\$ 2,039,931.99
Part 8. Loans made:			
a. Itemized (use schedule D*)	\$		
b. Unitemized	\$		
		\$ -0-	\$ -0-
Part 9. Other expenditures:			
a. Itemized (use schedule C*)	\$		
b. Unitemized	\$		
		\$ -0-	\$ -0-
Part 10. Transfers out:			
Itemized (use schedule D*)	\$	-0-	\$ 188,700.00
		\$ 333,611.29	\$ 2,228,631.92
SECTION C—CASH BALANCES:			
Cash on hand at beginning of reporting period, 10/26/72		\$ 781,153.05	
Add total receipts (see section A above)	\$	361,886.42	
Subtotal	\$	645,039.47	
Subtract total expenditures (see section B above)	\$	345,602.87	
Cash on hand at end of reporting period, 12/31/72		\$ 299,436.60	

SECTION D—DEBTS AND OBLIGATIONS:

Part 11. Debts and obligations owed to the committee (use schedule E*)

Part 12. Debts and obligations owed by the committee (use schedule E*)

*Figures are to be used only when distribution is required. Use each Schedule for appropriate figures. Distribution is necessary for a gross sum of all accounts for this Part to be reported on a line item on the "Summary and Totals" of the appropriate Part of the Summary Report. The total of all items on this Part of the Summary Report shall be reported in Item 10 of the report.

Public Records Office

NOTIFICATION OF OMISSIONS OR ERRORS IN A REPORT OF RECEIPTS AND
EXPENDITURES FILED UNDER THE FEDERAL ELECTION CAMPAIGN ACTCovering the Period from 10-27-72 through 12-31-72

To:

Date: JAN 29 1973

The National Republican Senatorial Committee
415 Old Senate Office Building
Washington, D. C. 20510

Your report of receipts and expenditures has been received, as indicated on the attached acknowledgment form. However, a preliminary review of the report indicates omissions or errors which should be corrected by additional submissions as indicated:

_____ Failure to use forms prescribed by this Office.
(Resubmit Senate Election Form # _____)

_____ Omission of notarization.
(Resubmit Senate Election Form # _____)

_____ Omission of supporting schedule(s).
(Submit Schedule(s) _____ Part(s) _____)

_____ Omission of required data on receipts:
Part(s) _____, Schedule(s) _____

Item(s) _____

_____ Omission of required data on expenditures:
Part(s) _____, Schedule(s) _____

Item(s) _____

Other: Funds transferred from other
political committees should be
itemized on Schedule A and listed
in Part 5.

Funds transferred to other committees or
candidates to be itemized on Schedule B in Part 10.

Your initial submission has been microfilmed ~~together with a copy of~~
~~this notification and made available for public inspection. However, it will~~
~~not be considered complete under Section 302 of the Federal Election Campaign~~

SENATE SELECT COMMITTEE ON
PRESIDENTIAL CAMPAIGN ACTIVITIES

AFFIDAVIT

DISTRICT OF COLUMBIA

I, John A. Elmore, a resident of Washington, D.C., being
duly sworn, hereby depose and say as follows:

1. I have been a member of the Select Committee since April 19, 1973 to present.
2. In the course of my duties for the committee, I prepared a chart (Exhibit 1) which lists the serial numbers of sixty-seven 1969 series, \$50 Federal Reserve Notes, (hereafter collectively referred to as "the \$50 bills.") and for each bill indicates; 1) date shipped by the Bureau of Engraving and Printing to the Federal Reserve agent of one of the Federal Reserve Banks; 2) the location of the recipient Federal Reserve agent; 3) date issued by the Federal Reserve agent to the Cash Division or Branch of the Federal Reserve Bank and 4) date issued by the Branch or Cash Division of the Federal Reserve Bank to a Commercial Bank.
3. Exhibit 1 was prepared from documents procured by this Committee in the following manner.

A. Upon Committee request, Charles A. McNelis, attorney for E. Jake Jacobsen, furnished a copy of an inventory (Exhibit 2a and 2b)* taken by the Federal Bureau of Investigation on November 27, 1973, which lists the serial numbers of Federal Reserve Notes contained in a safe deposit box belonging to Mr. Jacobsen. The serial numbers of "the \$50 bills" (column one

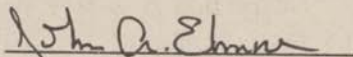
*Exhibit 2b appears as Jacobsen exhibit 18, Book 15, page 6488.

of Exhibit 1), were obtained from the above described list.

B. Upon Committee request, the Bureau of Engraving and Printing, furnished documentation which reflects the date each of "the \$50 bills," were shipped to a Federal Reserve agent and the location of the Federal Reserve Bank to which the agent was assigned.

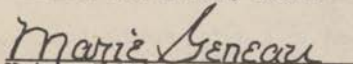
C. Upon Committee request, each Federal Reserve Bank involved furnished documents which reflect, to the extent available, the dates the respective \$50 bills they received were issued to their Cash Division or Branches and the subsequent dates, to the extent available, the bills were issued by the Cash Division or Branches, to a Commercial Bank.

4. I certify that to the best of my knowledge the chart (Exhibit 1) accurately reflects the information as supplied by Mr. McNelis, the Bureau of Engraving and Printing and the various Federal Reserve Banks.



John A. Elmore

Sworn to and subscribed
before me, this day the
27th day of June, in the
year of our Lord nineteen
hundred and seventy-four.


Notary Public

October 31, 1978
My Commission Expires

1969 Series
\$50 Denomination

<u>Serial Number</u>	<u>A</u>		<u>B</u>	<u>C</u>		<u>D</u>
	<u>Date Shipped by</u> <u>Bureau of Engraving</u> <u>to</u> <u>Federal Reserve Agent</u>	<u>Location</u> <u>of</u> <u>Federal Reserve Agent</u>	<u>Date issued</u> <u>to Cash Division</u> <u>or Branch of</u> <u>Federal Reserve Bank</u>	<u>Date issued</u> <u>to</u> <u>Commercial Bank</u>		
<u>FEDERAL RESERVE BANK OF BOSTON</u>						
A 00 118 845 A	10/15/69	Boston, Mass.	6/29/70	7/8/70		
A 00 361 144 A	10/16/69	Boston, Mass.	10/7/70	11/6/70		
A 01 636 239 A	01/20/71	Boston, Mass.	12/17/71	5/1/72		
<u>FEDERAL RESERVE BANK OF NEW YORK</u>						
B 01 038 432 A	11/05/69	New York, N. Y.	*	*		
B 01 761 699 A	11/26/69	New York, N. Y.	*	*		
B 08 022 860 A	06/28/71	New York, N. Y.	*	*		
B 09 984 035 A	09/21/71	New York, N. Y.	*	*		
B 10 565 814 A	10/21/71	New York, N. Y.	*	*		
B 10 633 398 A	10/26/71	New York, N. Y.	*	*		

* Information unavailable at this time.

<u>Serial Number</u>	<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>
FEDERAL RESERVE BANK OF CHICAGO				
G 00 326 343 A	11/03/69	Chicago, Ill.	3/30/71	*
G 01 058 140 A	11/05/69	Chicago, Ill.	12/2/70	12/3/70
G 03 719 066 A	06/25/70	Chicago, Ill.	12/27/72	*
G 03 850 500 A	07/13/70	Chicago, Ill.	11/27/72	*
G 04 118 943 A	09/22/70	Chicago, Ill.	11/15/72	*
G 04 376 796 A	09/24/70	Chicago, Ill.	8/29/72	9/7/72
G 06 140 694 A	10/12/70	Detroit, Mich.	7/6/71	*
G 07 076 786 A	01/28/71	Chicago, Ill.	7/2/71	7/8/71
G 07 517 097 A	02/02/71	Detroit, Mich.	3/28/73	*
G 07 607 525 A	02/08/71	Chicago, Ill.	6/17/71	*
G 07 608 194 A	02/08/71	Chicago, Ill.	6/17/71	*
G 08 009 417 A	02/09/71	Detroit, Mich.	4/14/71	11/30/72
G 08 535 940 A	08/16/71	Detroit, Mich.	12/8/72	*
G 08 927 383 A	08/17/71	Detroit, Mich.	8/18/71	*
G 09 331 074 A	08/25/71	Detroit, Mich.	11/23/71	*

* Information unavailable at this time.

<u>Serial Number</u>	<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>
FEDERAL RESERVE BANK OF PHILADELPHIA				
C 02 920 652 A	04/13/71	Philadelphia, Pa.	12/15/72	12/18/72
C 03 507 141 A	07/14/71	Philadelphia, Pa.	8/18/72	8/22/72
FEDERAL RESERVE BANK OF CLEVELAND				
D 01 108 246 A	05/04/70	Pittsburgh, Pa.	*	*
D 01 222 171 A	07/13/70	Cincinnati, Ohio	*	*
D 01 370 441 A	09/14/70	Pittsburgh, Pa.	*	12/1/70
FEDERAL RESERVE BANK OF RICHMOND				
E 00 102 532 A	11/28/69	Richmond, Va.	*	11/17/70
E 01 304 076 A	11/25/70	Baltimore, Md.	*	*
E 01 348 732 A	11/25/70	Baltimore, Md.	*	*
E 01 409 929 A	01/15/71	Richmond, Va.	*	*
E 01 477 837 A	01/15/71	Richmond, Va.	*	2/3/72

* Information unavailable at this time.

<u>Serial Number</u>	<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>
FEDERAL RESERVE BANK OF MINNEAPOLIS				
I 00 224 688	*	Minneapolis, Minn.	11/23/71	11/29/71
FEDERAL RESERVE BANK OF KANSAS CITY				
J 00 454 760 A	04/29/70	Omaha, Nebraska	11/4/70	*
J 00 860 933 A	01/27/71	Denver, Colo.	12/4/72	*
J 01 064 873 A	07/21/71	Omaha, Nebraska	12/8/71	*
FEDERAL RESERVE BANK OF DALLAS				
K 00 022 487 A	08/26/69	Houston, Texas	*	4/6/71
K 00 641 237 A	01/08/68	San Antonio, Texas	*	9/9/69
K 00 803 143 A	08/18/70	Dallas, Texas	*	*
K 01 108 758 A	09/15/70	San Antonio, Texas	*	6/5/72
K 01 145 090 A	09/15/70	San Antonio, Texas	*	*
K 01 280 025 A	*	Dallas, Texas	*	12/7/71
K 01 389 603 A	05/25/71	Dallas, Texas	*	4/20/72

* Information unavailable at this time.

<u>Serial Number</u>	<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>
FEDERAL RESERVE BANK OF SAN FRANCISCO				
L 04 878 205 A	03/15/71	Los Angeles, Calif.	6/4/71	*
L 05 494 601 A	04/21/71	Los Angeles, Calif.	6/4/71	*
L 05 520 002 A	04/21/71	Los Angeles, Calif.	6/4/71	*
L 04 559 110 A	02/24/71	Seattle, Wash.	11/9/71	*
L 06 115 732 A	06/09/71	Los Angeles, Calif.	12/23/71	*
L 06 163 491 A	06/09/71	Los Angeles, Calif.	12/23/71	*
L 06 452 795 A	06/14/71	Los Angeles, Calif.	12/23/71	*
L 06 564 975 A	06/14/71	Los Angeles, Calif.	4/17/72	*
L 06 642 788 A	06/14/71	Los Angeles, Calif.	4/17/72	*
L 06 499 387 A	06/14/71	San Francisco, Calif.	4/17/72	*
L 06 720 588 A	06/16/71	San Francisco, Calif.	12/1/71	*
L 01 018 048 A	03/11/70	San Francisco, Calif.	6/3/70	*
L 01 814 888 A	05/06/70	Los Angeles, Calif.	9/4/70	*
L 01 275 251 A	03/25/70	Los Angeles, Calif.	9/18/70	*

* Information unavailable at this time.

<u>Serial Number</u>	<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>
FEDERAL RESERVE BANK OF SAN FRANCISCO				
L 01 426 128 A	04/27/70	San Francisco, Calif.	6/8/70	*
L 01 560 017 A	05/04/70	San Francisco, Calif.	7/15/70	*
L 01 888 670 A	06/29/70	Los Angeles, Calif.	9/18/70	*
L 02 111 637 A	07/06/70	Los Angeles, Calif.	7/10/70	*
L 02 686 527 A	08/05/70	Los Angeles, Calif.	1/7/71	*
L 03 010 739 A	09/14/70	Seattle, Wash.	12/21/70	*
L 03 109 865 A	09/16/70	Los Angeles, Calif.	1/7/71	*
L 04 361 671 A	12/14/70	Los Angeles, Calif.	5/13/71	*

* Information unavailable at this time.

EXHIBIT 2a

VINCENT B. WELCH
EDWARD P. MORGAN
EDWARD J. STEGEMANN
GERALD S. ROURKE
WALTER H. SWEENEY
THOMAS H. P. CHRISTENSEN
JOSEPH M. MORRISSEY
RAYMOND J. SHELESKY
MICHAEL S. YAROSCHUK
WILLIAM V. MORGAN
SAMUEL M. BRADLEY

WELCH & MORGAN

ATTORNEYS AT LAW
300 FARRAGUT BUILDING
900 SEVENTEENTH STREET, N.W.
WASHINGTON, D. C. 20006

AREA CODE 202
296-5151

CHARLES A. MCNELIS
OF COUNSEL

CABLE ADDRESS
"WASHLAW"

December 3, 1973

Mr. Alan S. Weitz
Senate Select Committee on
Presidential Campaign Activities
New Senate Office Building
Room G308
Washington, D. C. 20510

Re: Jake Jacobsen
Inventory of \$10,000.00

Dear Mr. Weitz:

Enclosed, pursuant to our conversation of last week, is a copy of the inventory, taken, so I am informed, by the Federal Bureau of Investigation, of the currency contained in Mr. Jacobsen's safe-deposit box.

I note that the inventory reflects a total, not of \$10,000.00, but of \$9,950.00, i. e., two hundred and fifty \$20.00 (\$5,000.00); ninety-one \$50.00 (\$4,550.00) and four \$100.00 (\$400.00).

Mr. Jacobsen assured me today that the Bureau agents did count a total of \$10,000.00. Presumably, one \$50.00 bill was overlooked in compiling the inventory.

Very truly yours,

Charles A. McNelis
Charles A. McNelis

Enclosure

cc: Jake Jacobsen, Esq.

UNITED STATES SENATE
SELECT COMMITTEE ON
PRESIDENTIAL CAMPAIGN ACTIVITIES
AFFIDAVIT

I John Goggans of 3408 Wendell Drive, Fort Worth, Texas, depose and say as follows.

Since 5-01-72, I have been employed as a pilot for the Tandy Corporation. From 10-01-70 until 01-31-72, I was employed by Associated Milk Producers (AMPI) to pilot their aircraft which included a Sabre Liner Model 60 (license number N961R).

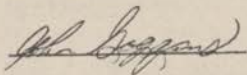
In the normal course of business myself and other AMPI pilots maintained daily aircraft flight reports. I have examined and initialed the attached copies of the daily aircraft flight report (Attachment A) for the Sabre Liner, furnished to me by the U. S. Senate Select Committee on Presidential Campaign Activities. Also, I have initialed and attached true copies of my personal flight log (Attachment B) for the corresponding dates.

To the best of my knowledge, the attached AMPI daily aircraft flight reports are true and accurate records of the points of origination and destination for the flights undertaken in the Sabre Liner for those dates. However, they may not reflect all intermediate stops on such flights. To the extend that my personal flight logs reflect intermediate stops for such flights, my logs are true and accurate records of such stops.

For example, on March 12, 1971 the AMPI daily flight report (included in Attachment A) shows that the company Sabre Liner which I piloted on that day flew from San Antonio to Washington to San Antonio. My personal flight log for that particular date (included in Attachment B) indicates that I piloted the plane from San Antonio to Austin to Washington to Little Rock to Austin to San Antonio. Thus, on March 12 the company Sabre Liner flew from San Antonio to Washington with an intermediate stop in Austin and returned from Washington to San Antonio with intermediate stops in Little Rock and Austin.

There are a couple of minor exceptions noted and initialled by me in the attachments.

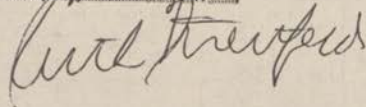
John Goggans



NOTARY PUBLIC
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires December 4, 1972

Sworn and subscribed before me this

21st day of January, 1971



ASSOCIATED MILK PRODUCERS, INC.

DAILY AIRCRAFT FLIGHT REPORT

MAKE OF AIRPLANE *Curtiss* MODEL *6C* LICENSE NO. *N 941R* DATE *3/13/71*

FLIGHT NO.	POINT OF DEPARTURE	POINT OF ARRIVAL	TIME		TACH TIME		FLYING TIME		GAS TAKEN ON	OIL TAKEN ON		MILES FLOWN	PASS. MILES
			DEPARTURE	ARRIVAL	OUT	IN	HRS.	MIN.		L. ENG.	R. ENG.		
1.	<i>SALT</i>	<i>DEA</i>			<i>3850</i>	<i>3713</i>	<i>3</i>	<i>15</i>					
2.	<i>DEA</i>	<i>SALT</i>			<i>3515</i>	<i>3540</i>	<i>2</i>	<i>9</i>					
3.													
4.													
5.													
6.													

LIST PASSENGERS AND "X" FLIGHTS MADE

DAILY TOTALS

1 2 3	4 5 6	1 2 3	4 5 6	TIME BROUGHT FORWARD	TODAY'S TIME	TOTAL TIME	TIME - HOURS AND TENTHS OF HOURS				
							AIRCRAFT	LEFT ENG.	RIGHT ENG.	UNEE OIL CHANGE	SINCE INSPEC.
<i>1 2 3</i>		<i>1 2 3</i>					<i>3451</i>	<i>3450</i>	<i>3450</i>		
<i>4 5 6</i>		<i>4 5 6</i>					<i>6.4</i>	<i>1.4</i>	<i>6.4</i>		
<i>1 2 3</i>		<i>1 2 3</i>									
<i>4 5 6</i>		<i>4 5 6</i>									
<i>1 2 3</i>		<i>1 2 3</i>									
<i>4 5 6</i>		<i>4 5 6</i>									

HOOD: INSTRUMENT: NIGHT: OMNI CHECK: NO. 1 NO. 2

REMARKS: *AUSTIN STOP IN ROUTE. LITTLE ROCK & AUSTIN ON RETURN.*

1 2 3 1st PILOT *4 5 6* 2nd PILOT

ASSOCIATED MILK PRODUCERS, INC.

DAILY AIRCRAFT FLIGHT REPORT

MAKE OF AIRPLANE *Curtiss* MODEL *6C* LICENSE NO. *N 941R* DATE *3/13/71*

FLIGHT NO.	POINT OF DEPARTURE	POINT OF ARRIVAL	TIME		TACH TIME		FLYING TIME		GAS TAKEN ON	OIL TAKEN ON		MILES FLOWN	PASS. MILES
			DEPARTURE	ARRIVAL	OUT	IN	HRS.	MIN.		L. ENG.	R. ENG.		
1.	<i>SALT</i>	<i>DEA</i>			<i>3715</i>	<i>3725</i>	<i>1</i>	<i>10</i>					
2.													
3.													
4.													
5.													
6.													

LIST PASSENGERS AND "X" FLIGHTS MADE

DAILY TOTALS

1 2 3	4 5 6	1 2 3	4 5 6	TIME BROUGHT FORWARD	TODAY'S TIME	TOTAL TIME	TIME - HOURS AND TENTHS OF HOURS				
							AIRCRAFT	LEFT ENG.	RIGHT ENG.	UNEE OIL CHANGE	SINCE INSPEC.
<i>1 2 3</i>		<i>1 2 3</i>					<i>3715</i>	<i>3715</i>	<i>3715</i>		
<i>4 5 6</i>		<i>4 5 6</i>					<i>1.0</i>	<i>1.0</i>	<i>1.0</i>		
<i>1 2 3</i>		<i>1 2 3</i>									
<i>4 5 6</i>		<i>4 5 6</i>									
<i>1 2 3</i>		<i>1 2 3</i>									
<i>4 5 6</i>		<i>4 5 6</i>									

HOOD: INSTRUMENT: NIGHT: OMNI CHECK: NO. 1 NO. 2

REMARKS: *REAR*

1 2 3 1st PILOT *4 5 6* 2nd PILOT

ASSOCIATED MILK PRODUCERS, INC.

DAILY AIRCRAFT FLIGHT REPORT

MAKE OF AIRPLANE Boeing 104 MODEL LC LICENSE NO. N 9617 DATE 3-23-71

FLIGHT NO.	POINT OF DEPARTURE	POINT OF ARRIVAL	TIME		TACH TIME		FLYING TIME		GAS TAKEN ON	OIL TAKEN ON		MILES FLOWN	PASS MILES
			DEPARTURE	ARRIVAL	OUT	IN	HRS.	MIN.		L. ENG.	R. ENG.		
1.	DCA	LCC			382.0	384.4	1	3				427	17
2.													
3.													
4.													
5.													
6.													

LIST PASSENGERS AND "X" FLIGHTS MADE

DAILY TOTALS

1 3

FLIGHT NO.	POINT OF DEPARTURE	POINT OF ARRIVAL	TIME		TIME - HOURS AND TENTHS OF HOURS				
			DEPARTURE	ARRIVAL	AIRCRAFT	LEFT ENG.	RIGHT ENG.	UNCL. OIL CHANGE	SINCE INSPECT.
1 2 3		1 2 3							
4 5 6		4 5 6							
1 2 3		1 2 3							
4 5 6		4 5 6							
1 2 3		1 2 3							
4 5 6		4 5 6							
1 2 3		1 2 3							
4 5 6		4 5 6							
1 2 3		1 2 3							
4 5 6		4 5 6							
1 2 3		1 2 3							
4 5 6		4 5 6							

TIME BROUGHT FORWARD

382.6

385.1

385.1

TODAY'S TIME

1 3

1 3

1 3

TOTAL TIME

382.6

385.1

385.1

MOOD:

INSTRUMENT:

NIGHT:

OMNI CHECK: NO. 1

NO. 2

REMARKS:

1 2 3

4 5 6

1st PILOT

2nd PILOT

ASSOCIATED MILK PRODUCERS, INC.

DAILY AIRCRAFT FLIGHT REPORT

MAKE OF AIRPLANE SPRINTER MODEL LC LICENSE NO. N 9617 DATE 3-24-71

FLIGHT NO.	POINT OF DEPARTURE	POINT OF ARRIVAL	TIME		TACH TIME		FLYING TIME		GAS TAKEN ON	OIL TAKEN ON		MILES FLOWN	PASS MILES
			DEPARTURE	ARRIVAL	OUT	IN	HRS.	MIN.		L. ENG.	R. ENG.		
1.	LCC	DCA			386.8	388.5	1	1				427	17
2.	DCA	TEX			388.0	389.5	1	5				107	1
3.	TEX	DCA			389.5	391.1	1	6				107	1
4.													
5.													
6.													

LIST PASSENGERS AND "X" FLIGHTS MADE

DAILY TOTALS

1 7

FLIGHT NO.	POINT OF DEPARTURE	POINT OF ARRIVAL	TIME		TIME - HOURS AND TENTHS OF HOURS				
			DEPARTURE	ARRIVAL	AIRCRAFT	LEFT ENG.	RIGHT ENG.	UNCL. OIL CHANGE	SINCE INSPECT.
1 2 3		1 2 3							
4 5 6		4 5 6							
1 2 3		1 2 3							
4 5 6		4 5 6							
1 2 3		1 2 3							
4 5 6		4 5 6							
1 2 3		1 2 3							
4 5 6		4 5 6							
1 2 3		1 2 3							
4 5 6		4 5 6							
1 2 3		1 2 3							
4 5 6		4 5 6							

TIME BROUGHT FORWARD

386.8

388.5

389.5

TODAY'S TIME

1 1

1 5

1 6

TOTAL TIME

386.8

388.5

389.5

MOOD:

INSTRUMENT:

NIGHT:

OMNI CHECK: NO. 1

NO. 2

REMARKS:

1 2 3

4 5 6

1st PILOT

2nd PILOT

ARRIVED JACKSONVILLE AFTER 12 MIDNIGHT, 3-24-71

WOULD BE CORRECT DATE. RHB

7905

ASSOCIATED MILK PRODUCERS, INC.

DAILY AIRCRAFT FLIGHT REPORT

MAKE OF AIRPLANE Cessna MODEL 172 LICENSE NO. N 911 R DATE 7-28-71

FLIGHT NO.	POINT OF DEPARTURE	POINT OF ARRIVAL	TIME DEPARTURE	TIME ARRIVAL	TACH TIME OUT	IN	FLIGHT TIME HRS.	MIN.	SEC.	GAS TAKEN LB.	OIL TAKEN LB.	MILES FLOWN	MILES PER GAL.
1.	LIT	MPS			5825	5825	2	4				168	
2.	LIT	SAT			5825	5825	2	7				916	
3.													
4.													
5.													
6.													

LIST PASSENGERS AND "X" FLIGHTS MADE

DAILY TOTALS

FLIGHT NO.	1	2	3	4	5	6	TIME BROUGHT FORWARD	TODAY'S TIME	TOTAL TIME	TIME - HOURS AND TENTHS OF HOURS	AIRCRAFT	LEFT ENG.	RIGHT ENG.	WACE OIL CHANGE	INSPEC
1.	1	2	3				5825	5825	5825						
2.	4	5	6												
3.	1	2	3												
4.	4	5	6												
5.	1	2	3												
6.	4	5	6												
7.	1	2	3												
8.	4	5	6												

WOOD:

INSTRUMENT:

NIGHT:

OMNI CHECK: NO. 1

NO. 2

REMARKS:

1 2 3 4 5 6

1st PILOT

RFL

OK RFL

2nd PILOT

COGGANS

1 2 3 4 5 6

ASSOCIATED MILK PRODUCERS, INC.

DAILY AIRCRAFT FLIGHT REPORT

MAKE OF AIRPLANE Cessna MODEL 172 LICENSE NO. N 911 R DATE 10-26-71

FLIGHT NO.	POINT OF DEPARTURE	POINT OF ARRIVAL	TIME DEPARTURE	TIME ARRIVAL	TACH TIME OUT	IN	FLIGHT TIME HRS.	MIN.	SEC.	GAS TAKEN LB.	OIL TAKEN LB.	MILES FLOWN	MILES PER GAL.
1.	SAT	MPS			5825	5825	1	1					
2.	MPS	MPS			5825	5825	1	1					
3.	MPS	MPS			5825	5825	1	1					
4.	MPS	LIT			5825	5825	1	1					
5.	LIT	SAT			5825	5825	1	1					
6.													

LIST PASSENGERS AND "X" FLIGHTS MADE

DAILY TOTALS

FLIGHT NO.	1	2	3	4	5	6	TIME BROUGHT FORWARD	TODAY'S TIME	TOTAL TIME	TIME - HOURS AND TENTHS OF HOURS	AIRCRAFT	LEFT ENG.	RIGHT ENG.	WACE OIL CHANGE	INSPEC
1.	1	2	3												
2.	4	5	6												
3.	1	2	3												
4.	4	5	6												
5.	1	2	3												
6.	4	5	6												

INSTRUMENT:

NIGHT:

OMNI CHECK: NO. 1

NO. 2

REMARKS:

1 2 3 4 5 6

1st PILOT

OK RFL

2nd PILOT

OK 976

CHARGE TO FEATHS

Date 1971	AIRCRAFT				Flight No.	From	To	Duration of Trip	Pilot in Com- mand	Co-Pilot	Pilot Time (hrs.)	Day	Night
	Ident. No.	Category	Type	Class									
2-18	NDWR	STD	NA 255-	KILJET		SAT-61T-SAT		2.7	2.7	2.7	2.7		
2-1	"	"	"	"		SAT-61T-DCA		2.5	2.5	2.5	2.5		
2-1	"	"	"	"		DCA-ORIL-DCA		4.8	4.4	4.4	1.0	2.5	
2-2	"	"	"	"		DCA-MEMPHIS		2.0	2.0	2.0		1.7	
2-2	"	"	"	"		MEMPHIS-SAT		2.0	2.0	2.0		1.7	
2-6	"	"	"	"		SAT-PKB		1.8	1.8	1.8	1.6		
2-6	"	"	"	"		PKB-DLSE		1.5	1.5	1.5	1.5		
2-6	"	"	"	"		DLSE-PORTLAND		1.0	1.0	1.0	0.3		
2-6	"	"	"	"		PORTLAND-SEASIDE		2.1	2.1	2.1	1.7		
2-7	"	"	"	"		SEASIDE-SAT		1.8	1.8	1.8	1.8		
2-9	"	"	"	"		SAT-MILWAUKEE		2.4	2.4	2.4	2.1		
2-9	"	"	"	"		MILWAUKEE-MILWAUKEE		0.7	0.7	0.7	0.5		
2-9	"	"	"	"		MILWAUKEE-STL		1.0	1.0	1.0	0.5		
2-9	"	"	"	"		STL-PKS		1.5	1.5	1.5	1.3		
2-9	"	"	"	"		PKS-SAT		0.7	0.7	0.7	0.7		
2-12	"	"	"	"		SAT-BUS-DCA		2.0	2.0	2.0	2.0		

Total Time to Date

2:32.2 1402.5 332.2 124.8 1457.2 250.4

Carry Totals Forward

OK 976

INSTRUMENT				Dual Instruction		Cross Country	Solo	REMARKS (Instructor Certification, Maneuvers, Damage to Aircraft, etc.)
Actual	Head	Link	Check Rec'd	Given	Rec'd			
1218	529	15		476.1	121.1	1222.4		
						2.7		Bryanston
						2.5		BELL
0.9						4.4		"
0.8						2.0		"
0.2						1.8		BELL
0.2						1.5		"
0.7						1.0		"
0.4						2.1		"
						1.8		"
0.2						2.4		Bryanston
0.2						0.7		"
0.5						1.0		"
0.2						1.5		"
0.7						0.7		"
0.8						2.0		BELL
1218	529	15		476.1	121.1	1323.5		

The Record on this Page is Certified Correct

Pilot's Signature *[Signature]*

to Top of Next Page

22 876

Date 1921	AIRCRAFT				Flight No.	From	To	Duration of Trip	Pilot in Com- mand	Co-Pilot	Pilot Time A/B	Day	Night
	Ident. No.	Category	Type	Class									
3-12	45612	STE-77	402	402	45612	DCA	LIT	2.5	2.5	2.5	1.7		
3-12	"	"	"	"	"	LIT-AMS-SAT		1.8		1.8	1.8		1.8
3-16	"	"	"	"	"	SAT-HOU-SAT		1.6		1.5	1.5		1.5
3-17	"	"	"	"	"	SAT-DCA-SAT		1.7		1.7	1.7		1.7
3-17	"	"	"	"	"	SAT	LOCAL	1.3		1.3			
3-18	"	"	"	"	"	SAT	DCA	3.0		2.0	2.0		2.0
3-20	"	"	"	"	"	DCA	DTG	2.5		2.5	2.5		2.5
3-20	"	"	"	"	"	DTG-AMS-SAT		2.7		2.3	2.3		2.0
3-20	"	"	"	"	"	SAT	LOCAL	1.0		1.0			
3-21	"	"	"	"	"	SAT-CHICAGO		2.5		2.5	2.5		2.5
3-22	"	"	"	"	"	CHI-CHICAGO		2.8		2.8	2.8		2.5
3-22	"	"	"	"	"	CHI-DCR		1.5		1.5	1.5		1.1
3-22	"	"	"	"	"	DCA	LIT	1.8		1.8	1.8		1.8
3-22	"	"	"	"	"	LOCAL	DCA	1.4		1.4	1.4		1.4
3-22	"	"	"	"	"	DCA	PA-MANLY	1.5		1.5	1.5		1.5
3-22	"	"	"	"	"	JPL	DCA	1.5		1.5	1.5		1.5
Total Time to Date								21.4	44.5	25.8	17.4	14.9	15.0

Carry Totals Forward

22 876

INSTRUMENT				Dual Instruction		Cross Country	Solo	REMARKS (Instructor Certification, Maneuvers, Damage to Aircraft, etc.)
Actual	Hood	Link	Check Rec'd	Given	Rec'd			
068	51.9	15		476.1	121.1	122.5		
08						2.5		BELL
05						1.8		"
						1.5		BLANTON
						1.7		BELL
	13				13			
03						2.0		BELL BLANTON
						2.5		BLANTON
03						2.7		BLANTON
	10				10			BELL
07						2.3		BLANTON
04						0.8		BLANTON
						1.5		BLANTON
						1.8		"
						1.4		"
						1.5		"
						1.5		"
124	122	15		476.1	123.4	124.8		

The Record on this Page is Certified Correct

Pilot's Signature *[Signature]*

7910

OK 206

Date 971	AIRCRAFT				Flight No.	From	To	Duration of Trip	Pilot in Com- mand	Co-Pilot	Pilot Time 115.0	Day	Ni
	Ident. No.	Category	Type	Class									
4-20	0951A	STOJET	AA-65	WREST		DCA - STANWY PONT		2.5		2.5	2.5	2.0	
4-22	"	"	"	"		STANWY PT - SAT		2.5		2.5	2.5	2.5	
4-23	"	"	"	"		SAT - HOL - SAT		1.5		1.5	1.5	1.2	
4-24	"	"	"	"		SAT - HOL - SAT		1.5		1.5	1.5	1.5	
4-24	"	"	"	"		SAT - LOCAL		1.3			1.3	0.3	
4-27	"	"	"	"		SAT - KIT - DCA		3.5		2.5	2.5	2.5	
4-28	"	"	"	"		DCA - KIT - SAT		4.0		4.0	4.0	2.0	
4-3	0957A	STOJET	AA-65	WREST		SAT - HOL - SAT		1.0		1.0	1.0	1.0	
4-4	0957A	"	"	"		SAT - HOL - SAT		3.0		3.0	2.0		
4-5	0957A	"	"	"		SAT - LOCAL		2.0			2.0		
4-8	0957A	"	"	"		SAT - WLD - DUNWY - SAT		4.5		4.5	4.5	4.0	
4-9	0957A	"	"	"		SAT - LOCAL		1.0			1.0		
4-11	0957A	"	"	"		SAT - HOL - HOL - SAT		4.1		4.1	4.1	1.0	
4-11	0957A	"	"	"		SAT - WREST		2.3		2.3	2.3	2.0	
4-12	0957A	"	"	"		SAT - KIT - SAT		3.0		3.0	3.0	3.0	
4-13	0957A	"	"	"		WREST - SAT		2.4		2.4	2.4	2.0	
Total Time to Date								20.0	11.0	6.0	17.0	117.9	26.0
												Carry Totals Forward	

OK *PHB*

Date 1971	AIRCRAFT				Flight No.	From	To	Duration of Trip	Pilot in Com- mand	Co-Pilot	Pilot Time	Day	Night
	Ident. No.	Category	Type	Class									
7-21	NR61A	JAT	NA-65-	MILIT		SAT-OLB-	G-55-2	2.0		2.0		1.5	
7-26	"	"	"	"		SAT-ORD-61T-	SAT	5.1	3.0	2.1		5.1	
7-26	"	"	"	"		SAT	CLF	2.5		2.5		2.0	
7-27	"	"	"	"		CLF	SAT	3.1	3.1			2.6	
7-28	"	"	"	"		SAT-MGR-	SAT	5.1		5.1		5.1	
8-9	NR61Y	ARMOR	AR-31	MIL		SAT-BWJ-BUS-	SAT	2.7		2.7		2.7	
8-11	"	"	"	"		SAT-BUS-PMA-	SAT	6.3	0.5	5.8		4.2	1.5
8-16	NR61R	JAT	NA-65-	MIL		SAT-	SIC	2.0		2.0		2.0	
8-16	"	"	"	"		SAT-61T-	SAT	2.0	1.0	1.0		1.5	
8-27	NR61Y	ARMOR	AR-31	MIL		SAT-LIX-ORC-	SAT	1.9		1.9		3.0	
8-30	NR61R	JAT	NA-65-	MIL		SAT-OLB-	SAT	1.5	0.8	0.7		1.0	
8-30	NR61Y	ARMOR	AR-31	MIL		SAT-SGR-MH-1		5.5	2.0	2.5		4.0	
9-5	"	"	"	"		MH-1S-SGR-	SAT	5.5	2.0	2.5		5.0	
9-6	NR61R	JAT	NA-65-	MIL		SAT-JOP-	SAT	2.7	1.3	1.4		2.7	
9-11	"	"	"	"		SAT	MUS	0.7	0.7			0.7	
9-11	"	"	"	"		MUS	MIL	2.5		2.5		2.0	
Total Time to Date								2347.2	120.7	95.4		120.7	2.7
												Carry Totals Forward	

OK *PHB*

INSTRUMENT				Dual Instruction		Cross Country	Solo	REMARKS (Instructor Certification, Maneuvers, Damage to Aircraft, etc.)
Actual	Hood	Link	Check Rec'd	Given	Rec'd			
143.1	65.7	1.5				1507.3		
0.5						2.0		CLL
						5.1		CLANTON
0.5						2.5		"
0.5						2.1		"
						5.1		CLL
						2.7		MARS
0.5						6.3		MARS
						2.0		CLANTON
0.7						2.2		CLANTON
0.9						6.9		MARS
0.5						1.5		CLANTON
0.5						5.5		MARS
0.5						5.5		"
						2.7		CLANTON
						0.7		"
0.5						2.5		"
0.7	65.7	1.5				1277.15	64.8	
Top of Next Page								
								The Record on this Page is Certified Correct
								Pilot's Signature <i>[Signature]</i>

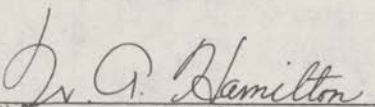
Austin, Texas
January 28, 1974

United States Senate
Select Committee on
Presidential Campaign Activities
Washington, D. C. 20510

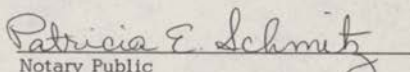
The attached records reveal that telephone number 512-476-2544 is the working residence service for Jake Jacobsen, 2305 Sunny Slope, Austin, Texas, 78703.

In addition, these records indicate that this service has been continuously working from November 13, 1970, to the present time. This covers the period of time requested by your committee.

The above statement is true and correct to the best of my knowledge.


(signed) W. A. Hamilton

Subscribed and sworn to before me this 28th day of January, 1974.


Notary Public
Travis County, Texas.

7914

[illegible]

7915

EXCHANGE		ORDER NO.	CONL REC CR TELEPHONE NO.	DATE	DUE	FORM S-9107-1 REV. (9-52)
AUS-C (D)		C 84526 ✓	476 2544	11 12 70	11 13 AMX	
JACOBSEN JAKE/ 2305 SUNNY SLOPE (03) ✓						ISSUED BY:
IN						
SEE ATT						CHECKED BY:
OUT						
2 CC						DATE COMPL.
7311 BW						
cred						TEL. NO.
10-78						
ISSUED BY	CHECKED BY	DATE COMPL.	11-13-70			
DATE	OTHER ORDER INFORMATION					
703 JH	11-2-5-70					

476-2544

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

RALPH NADER, et al.,

Plaintiffs,

v.

EARL L. BUTZ, et. al.,

Defendants.

Civil Action No. 148-72

FILED

MAR 13 1972

AFFIDAVIT

JAMES E. DAVEY, Clerk

STATE OF MISSOURI)
) ss.
CITY OF ST. LOUIS)

I, Clifford M. Hardin, being duly sworn, hereby depose and say as follows:

1. I am a Vice-Chairman of the Board of Ralston Purina Company, St. Louis, Missouri. From January 21, 1969 until November 17, 1971, I was the Secretary of Agriculture of the United States. As such, I had ultimate responsibility for the determination of dairy price support levels for the marketing year 1971-1972 under the applicable statutes.

2. Section 201 of the Agricultural Act of 1949, as amended (7 U.S.C. 1445), authorizes and directs the Secretary of Agriculture to make available price support to producers of milk "at such level not in excess of 90 per centum nor less than 75 per centum of the parity price therefor as the Secretary determines necessary in order to assure an adequate supply." Section 406 of the Agricultural Act of 1949, as amended, requires the Secretary "insofar as practicable" to announce the level of support for milk "in advance of the marketing year or season" (7 U.S.C. 1426). The level of support so announced may not be reduced. In addition, the purposes of Section 204(a) of the Agricultural Act of 1954 include, among other things, to assure adequate supplies of milk and dairy products; encourage development of efficient production units

as well as "stabilize the economy of dairy farmers at a level which will provide a fair return for their labor and investment when compared with the cost of things that farmers buy." (70.S.C. 1446b).

3. On March 12, 1971, an announcement was issued at my direction advising the public of my determination to support the price of milk at \$4.66 per cwt. for the year April 1, 1971 to March 31, 1972. This was the same level as was in effect for the previous year. The complex economic factors which enter into a decision such as this are, of course, not subject to any one interpretation. Indeed, based on the information and advice that I was receiving, a number of determinations, including one to raise the support level to \$4.93 per cwt., would have been justified at this time. The initial determination of the level of price support for milk as announced on March 12, 1971 was the subject of major controversy even before it was made. Nevertheless, on balance I determined for the reasons stated in C.C.C. Docket MCP 98a to set the support level at \$4.66 per cwt.

4. At the time of the March 12, 1971 announcement of the price support level, I was aware of substantial Congressional sentiment in favor of a higher figure. Subsequent to the announcement of the \$4.66 per cwt. price support on March 12, 1971, such sentiment increased notably. A number of bills were introduced in both the Senate and the House which would have increased the support level on a mandatory basis to as much as \$5.00 per cwt. In addition, certain representatives of the dairy industry strongly urged that the price support determination be revised, pointing to increase in dairy production costs during the preceding 12 months. For example, at a meeting with the President on March 23, 1971, various representatives of the industry urged an increase in the price support level citing again the factor of increased costs to farmers.

5. The existence of such sentiment on the part of many members of Congress and wide segments of the dairy industry led me to inquire as to

whether sufficient weight had been given to those factors which we had been aware of at the time of the March 12, 1971 announcement and which would have supported a decision to establish the price support at a higher level.

6. The meeting between representatives of the dairy industry and the President, referred to in paragraph 4 above, resulted from an invitation extended by the President in September, 1970, at a time when I addressed a meeting of some 25,000 members of a milk producers organization in Chicago. The arrangements which I made for key leaders of the dairy industry to meet with the President were made in January, 1971, and the March 23, 1971 date was fixed by the White House on February 25, 1971. At the meeting, to the best of my recollection, the President made certain brief remarks to the group and a spokesman for the group made a presentation urging an increase in the price support level.

7. In light of the considerations noted in paragraphs 4 and 5 above, I reevaluated the price support level announced on March 12, 1971 on the basis of the requirements of 7 U.S.C. 1446, with an increased focus on the factors described in C.C.C. Docket MCP 98a, Amendment 1. Among other things, feed costs had shown a noticeable rise throughout the year. In addition, there was some indication that the producers were considering action, based on recent legislation, which would have had the effect of reducing the overall supply of milk. One other factor to which our attention was directed was the fact that an increased supply of cheese was needed to meet obligations under other programs and a higher support price would tend to insure an adequate supply for these purposes. Such a reevaluation was not novel. Price support determinations for particular marketing years had been increased in the past.

8. During the course of reevaluating the evidence, I had discussions

and advice from members of my staff, including Under Secretary Campbell, Assistant Secretary Lyng, and Assistant Secretary Palmby.

9. On March 25, 1971, this reevaluation of evidence pertinent to the dairy situation, on the basis of the criteria in 7 U.S.C. 1446, culminated in an announcement, issued at my direction, that the price support level for the marketing year 1971-1972 would be established at \$4.93 per cwt.

10. The decision to set the price support level at \$4.93 per cwt. was based entirely on a reconsideration of the evidence on the basis of the statutory criteria.

11. Neither the decision to reevaluate the \$4.66 per cwt. support price level nor the ultimate decision to establish the price support level at \$4.93 per cwt. was based on any consideration other than those outlined in this affidavit. Specifically, at no time did any person or organization promise or lead me to believe that funds of any kind or anything of value would be paid to me or any other person or organization in return for a reevaluation of, or increase in, the price support level.

12. Being cognizant of the views of Congress, as well as the views of the dairy industry and other industries affected by our programs, with respect to the administration of statutes relating to Agriculture, is, of course, a fundamental part of the Secretary's role.

Clifford M. Hardin
Clifford M. Hardin

Subscribed and sworn to before me this 7th day of March, 1972

B. J. Young
Notary Public

State of Missouri

City of St. Louis

Act performed in the City of St. Louis,
which adjoins the County of St. Louis,

My commission expires: My Commission Expires January 2, 1973.

UNITED STATES SENATE SELECT COMMITTEE ON
PRESIDENTIAL CAMPAIGN ACTIVITIES

STATE OF OKLAHOMA)

) SS:

A F F I D A V I T

OKLAHOMA COUNTY)

I, JANE S. HART, being duly sworn, hereby depose and say that I make this statement in accordance with my own memory and best recollection as of the date of this Affidavit.

1. That I started to work for Stuart H. Russell in 1958 as a secretary. I have been continually employed, and I am now a general paralegal assistant. During the time 1969 through 1972, on my own, I sent out the checks to pay bills, prepared billing statements, and made the bank deposits. I handled most of the office work of a routine nature, since Mr. Russell was away a great deal of the time travelling. When Mr. Russell was away from the office for a protracted period of time, he would leave several blank signed checks. I am authorized to sign on Mr. Russell's special checking account, and in 1972 (when the professional corporation was organized) I was authorized to sign checks on the corporate account.

2. During the period 1969 through 1972, Associated Milk Producers, Inc. (AMPI) (or its predecessor organizations) accounted for a very substantial percent of Mr. Russell's business income.

3. In December of 1969, Mr. Russell informed me that he had received a telephone call from Bob Lilly, an employee of AMPI. Mr. Russell told me that Mr. Lilly wanted \$5,000.00, and that the funds were for the use of AMPI. Mr. Russell asked me to contact Mr. Harold Nelson, General Manager of AMPI, so that we could check with him.

4. Someone contacted Mr. Nelson, I do not recall if it was Mr. Russell or myself or both, and to the best of my recollection, the following explanation was offered as to the request for funds. Mr. Nelson advised that the money was to pay legal fees and expenses incurred by Bob Lilly for the use of AMPI. Mr. Nelson stated that he had been receiving complaints from AMPI Board Members concerning excessive direct home office expenses, and that by using Mr. Russell, Mr. Nelson could lessen the complaints.

5. The first check for Mr. Lilly in the amount of \$5,000 (Exhibit A) was mailed to him on December 19, 1969. I prepared a billing for AMPI on December 22, 1969 in the amount of \$8,000 (Exhibit B). I attached a note to the invoice which read something to the effect "Bob, this is the matter we talked about". I knew that Mr. Russell would have to pay the tax on any money billed to AMPI. There was no fixed amount or percentage, just whatever I happened to bill. Mr. Russell did not receive repayment until January, 1970. These transactions did not affect reportable income for 1969, as Mr. Russell computes his taxable income on the calendar year.

6. Mr. Lilly made a second request in January, 1970 for an additional \$5,000.00. Pursuant to his request, on January 16, 1970, I prepared a check made payable to Bob A. Lilly for \$5,000 (Exhibit C) and on the same date, a corresponding billing to AMPI for \$8,000 (Exhibit D).

7. These and other transactions were generally handled in the same manner. If Mr. Russell was in the office when Bob Lilly called with a request, Mr. Russell would handle it; otherwise, I would take care of it. In either case, I would prepare the check and with a few exceptions, on the same date, a corresponding billing to AMPI. The word "corresponding" in the preceding sentence may not be entirely appropriate, although to the best of my recollection, these billings appear to represent recoupment, in whole or in part, for the money turned over to Bob Lilly.

8. I also recall that on several occasions, Mr. Lilly

requested cash and on one of those occasions personally came to our office for the currency.

9. At no time was I ever informed as to the purpose of the funds given Mr. Lilly other than as stated in Paragraphs 3 and 4 above, and I was never informed as to any disposition made by Mr. Lilly of this money. Except for speculation, Mr. Russell never discussed it with me, nor did anyone from AMPI. It seemed like that after the first few transactions, it was just another thing to do.

10. The following schedule reflects these and other payments to Mr. Lilly and our corresponding billings to AMPI for the funds:

<u>PAYMENTS TO LILLY</u>			<u>BILLINGS TO AMPI</u>	
Check #	Amount	Date	Date	Amount
0556	\$ 5,000	12/19/69	12/22/69	\$ 8,000
0600	5,000	1/16/70	1/16/70	8,000
153	5,000	4/8/70	4/8/70	7,500
3238 a/	5,000	5/12/70	5/12/70	7,500
1041	5,000	7/16/70	7/16/70	7,500
1195	10,000	8/27/70	8/27/70	15,000
1149	5,000	10/23/70	10/23/70	7,500
238	5,000	11/10/70	11/10/70	7,500
270	5,000	12/14/70	12/14/70	7,500
1486	7,500	1/14/71	1/14/71	11,250
362	5,000	3/9/71	3/10/71	7,500
1434	1,000	5/28/71	5/28/71	2,000
527	1,000	6/28/71	6/28/71	2,000
578	1,000	7/28/71	7/28/71	2,000
622	4,000	8/24/71	8/24/71	8,000
678	3,000	9/14/71	9/14/71	6,000
1577	3,000	9/24/71	9/24/71	6,000
712 a/	4,000	10/5/71	10/4/71	8,000
765 a/	5,000	11/3/71	b/ ----	----
847 a/	5,000	12/14/71	12/24/71	10,200 c/
Totals	\$84,000.00			\$138,950.00

a/ Checks made payable to Cash

b/ Could not locate invoice

c/ \$200 due and owing by AMPI at the time was included.

11. I recall that on at least one other occasion, another employee of AMPI came to our office to pick up currency. On July 6, 1970, Mr. Wim Hollowell was given the proceeds of check #0978 (Exhibit E) dated July 6, 1970 and made payable to Cash in the amount of \$15,000. Two invoices of Mr. Russell (Exhibits F & G) for \$9,000 and \$11,000 totalling \$20,000 were sent to AMPI on July 6, 1970. I do not recall who arranged for these funds or why Mr. Hollowell was selected to receive the payment.

12. Mr. Russell's accountant is R. Boze Cooper of Oklahoma City, Oklahoma. In connection with the preparation of Mr. Russell's income tax returns, I made a list, each year, of all amounts deposited, amounts received in fees and reimbursed expenses, and all amounts paid out. I supplied this information to Mr. Cooper who prepared Mr. Russell's tax return based upon this information and upon personal conferences with Mr. Russell.

13. In 1971, when we had Mr. Russell's income tax computed for the calendar year 1970, we realized that he was going to need additional funds from AMPI for the taxes on the above described payments. Mr. Russell went to see Mr. Nelson at AMPI to see if something could be worked out. When Mr. Russell returned, he informed me that he had been given \$50,000 (Exhibit H) from AMPI.

14. On the same day that Mr. Russell advised me that he had been given the \$50,000 (Exhibit H), he requested me to prepare a Loan Agreement (Exhibit I). After a later review of the same, I called Mr. Russell's attention to the fact that if something should happen to him, his estate would be liable for the unpaid balance. Mr. Russell had me add an addendum to the loan agreement, whereby the debt would be cancelled in the event of his death. A copy of the amended agreement (Exhibit J) was forwarded to Mr. Nelson for his signature.

15. Mr. Russell's monthly retainer from AMPI was increased from \$1,000 to \$6,000. The retainer was increased

for twelve months beginning on April 1, 1971, and terminating on April 1, 1972 (See letter - Exhibit K) for a total retainer for that period of \$72,000. After April 1, 1972, he was compensated on a straight-time billing basis.

16. Mr. Russell made six payments to AMPI on the Loan Agreement from June 1971 through November 1971 for a total of \$16,666.68. No other payments were made. In addition, on April 18, 1972, Mr. Russell received a check from AMPI in the amount of \$66,321.48 (Exhibit L) which represented a settlement of legal fees et al.

17. I cannot identify all the billings from Mr. Russell to AMPI covered by this settlement. However, I can identify one such bill, dated March 16, 1972, in the sum of \$38,639.66 (Exhibit M). The problem of additional taxes also existed for 1972; however, since AMPI did not reimburse Mr. Russell for that year or tell him to whom the money was paid for legal services, Mr. Russell paid taxes on all money received by him from AMPI, except for reimbursed expenses.

18. Mr. Russell provided legal services to AMPI until October, 1973.

19. The attached Exhibits A - M described below and referred to in this affidavit are true and accurate copies of the documents.

EXHIBITS

A. Check number 0556 (front and back), drawn on Account 173 238 2, dated December 19, 1969, and made payable to Bob A. Lilly in the amount of \$5,000.

B. Billing to AMPI dated December 22, 1969 in the amount of \$8,000 for professional services rendered.

C. Check number 0600 (front and back), drawn on Account 173 238 2, dated January 16, 1970, and made payable to Bob A. Lilly in the amount of \$5,000.

D. Billing to AMPI dated January 16, 1970 in the

amount of \$8,000 for legal services rendered.

E. Check Number 0978 (front and back), drawn on Account 173 238 2 dated July 6, 1970 in the amount of \$15,000 made payable to Cash.

F. Billing to AMPI dated July 6, 1970 in the amount of \$11,000.00 for professional services rendered.

G. Billing to AMPI dated July 6, 1970 in the amount of \$9,000 for professional services rendered.

H. AMPI check number 6014 dated April 1, 1971 and made payable to Stuart Russell in the amount of \$50,000.

I. Promissory Note dated April 1, 1971 signed by Stuart H. Russell stating terms of a \$50,000 loan to Russell by AMPI.

J. Copy of the said Promissory Note as described above (Exhibit I), but with addendum cancelling the debt in the event of Mr. Russell's death.

K. A letter from Stuart Russell to Harold Nelson dated April 21, 1972, confirming oral agreement ending retainership agreement and initiating a straight-time reimbursement basis.

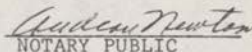
L. AMPI check number 4540 dated April 18, 1972, and made payable to Stuart H. Russell in the amount of \$66,321.48.

M. Billing to AMPI dated March 16, 1972 in the amount of \$38,639.66 for professional services rendered.

20. I have given this statement voluntarily, from my best memory and recollection, after reviewing the documents mentioned above and attached to this Affidavit.


JANE S. HART

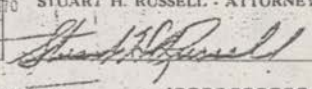
Sworn to and subscribed before me, this the 14th day of March, 1974.


NOTARY PUBLIC

My commission expires:

March 8, 1975

Exhibit C *DLW*STUART H. RUSSELL, ATTORNEY
239 FIRST NATIONAL BLDG. CI 6-591
OKLAHOMA CITY, OKLAHOMA 73102

 THE Liberty NATIONAL BANK AND TRUST COMPANY OF OKLAHOMA CITY		NO. 0600 executive club
DATE <u>January 16, 1970</u>		
PAY TO THE ORDER OF <u>Bob A. Lilly</u>		\$ 5,000.00
***FIVE THOUSAND and No/100 PROCESSED		
ENDORSEMENT OF THIS CHECK IS ACKNOWLEDGMENT OF PAYMENT AS SHOWN ABOVE		
JAN 20 1970		STUART H. RUSSELL, ATTORNEY
		
@1030*001912-#173 238 2#		#0000500000#

JAN 24 1970
 OKLA CITY
 12:38 PM
 12:38 PM
 12:38 PM

JAN 22 6 50 AM '70

 NO. 21177 LL 89-21477
 THE OKLAHOMA NATIONAL BANK
 100 N. MAIN ST. OKLAHOMA CITY, OKLA. 73102

23 JAN

 Art & Lilly
 ver. pt
Exhibit D *DLW*

January 16, 1970

 ASSOCIATED MILK PRODUCERS, INC.
 ATTENTION: Mr. Bob Isham
 Box 32287
 San Antonio, Texas 78216

 TO Legal Services Rendered in the case of United
 States (I.R.S.) vs. Rochester Dairy Cooperative
 (now AMPI). \$ 2,000.00

7928

Exhibit E *Jan*

STUART H. RUSSELL - ATTORNEY
209 FIRST NATIONAL BLDG.
OKLAHOMA CITY, OKLA. 73102

 THE Liberty NATIONAL BANK AND TRUST COMPANY OF OKLAHOMA CITY		NO. 0978 executive club
PAY TO THE ORDER OF <u>Cash</u>		DATE <u>JULY 6, 1970</u>
---FIFTEEN THOUSAND and NO/100--- ENDORSEMENT OF THIS CHECK IS ACKNOWLEDGMENT OF PAYMENT AT SIGNER ABOVE		\$15,000.00
15000.00-53		ISSUED STUART H. RUSSELL 1970 <i>Stuart H. Russell</i>
⑆1030⑉0019⑆ ⑈173 238 2⑈		⑈0001500000⑈

LIBERTY NATIONAL BANK
OKLAHOMA CITY, OKLA.
JUL 6 1970

Exhibit *Jan*

July 6, 1970

ASSOCIATED MILK PRODUCERS, INC.
ATTENTION: Mr. Bob Isham
Box 32287
San Antonio, Texas 78316

PJ 7/6/70

TO Professional Services Rendered in the case of Dane
O. Petty, et al vs. Associated Milk Producers, Inc.,
in the United States District Court for the Southern
District of Texas, Houston, Division, Case No. Civil-
70-H-319. \$11,000.00

1-1/2/70

Exhibit C

July 6, 1970

ASSOCIATED MILK PRODUCERS, INC.

ATTENTION: Mr. Bob Isham

Box 32287

San Antonio, Texas 78216

TO Professional Services Rendered in the case of Geo.
Benz & Sons, a Minnesota corporation, vs. Twin City
Milk Producers Association, Inc., et al., United
States District Court for the District of Minnesota,
Third Division, Case No. Civil 3-68-231.....\$9,000.00

Loc. 1-1.71

Exhibit I
[Signature]

PROMISSORY NOTE

OKLAHOMA CITY, OKLAHOMA
APRIL 1, 1971

\$50,000.00

ON THE 1ST DAY OF OCTOBER, 1972, FOR VALUE RECEIVED,
I PROMISE TO PAY TO ASSOCIATED MILK PRODUCERS, INC., GPM BUILD-
ING, SAN ANTONIO, TEXAS, OR ORDER,

FIFTY THOUSAND AND NO/100 DOLLARS (\$50,000.00)

WITH INTEREST FROM DATE AT THE RATE OF SIX (6) PERCENT PER ANNUM
TO MATURITY AND WITH INTEREST AT THE RATE OF TEN (10) PERCENT
PER ANNUM FROM MATURITY, AND TEN (10) PERCENT OF PRINCIPAL AND
INTEREST IN ADDITION THERETO AS ATTORNEY'S FEES IN CASE THIS
NOTE IS NOT PAID WHEN DUE AND THE HOLDER THEREOF SHALL PLACE
THE SAME IN THE HANDS OF AN ATTORNEY FOR COLLECTION. I HEREBY
WAIVE PRESENTMENT, DEMAND, PROTEST AND NOTICE OF PROTEST FOR
NONPAYMENT OF THIS NOTE, AND AGREE THAT ANY EXTENSION OF TIME
OR RENEWALS OF THIS NOTE SHALL NOT AFFECT MY LIABILITY, WHETHER
I HAVE NOTICE OF SUCH EXTENSION OR RENEWALS OR NOT.

I PRESERVE THE RIGHT TO, BUT AM NOT OBLIGATED TO,
REPAY SAID LOAN IN MONTHLY INSTALLMENTS OF \$2,777.78 PER MONTH,
TO BE APPLIED TOWARD THE PRINCIPAL OBLIGATION.

THIS DEBT IS INCURRED PRIMARILY FOR A BUSINESS PUR-
POSE AND NOT FOR A PERSONAL, FAMILY, HOUSEHOLD, OR AGRICULTURAL
PURPOSE.

[Signature]
STUART H. RUSSELL

G/Hubert J
HN

PROMISSORY NOTE

OKLAHOMA CITY, OKLAHOMA
APRIL 1, 1971

\$50,000.00

ON THE 1ST DAY OF OCTOBER, 1972, FOR VALUE RECEIVED, I PROMISE TO PAY TO ASSOCIATED MILK PRODUCERS, INC., GPM BUILDING, SAN ANTONIO, TEXAS, OR ORDER,

FIFTY THOUSAND AND NO/100 DOLLARS (\$50,000.00)

WITH INTEREST FROM DATE AT THE RATE OF SIX (6) PERCENT PER ANNUM TO MATURITY AND WITH INTEREST AT THE RATE OF TEN (10) PERCENT PER ANNUM FROM MATURITY, AND TEN (10) PERCENT OF PRINCIPAL AND INTEREST IN ADDITION THERETO AS ATTORNEY'S FEES IN CASE THIS NOTE IS NOT PAID WHEN DUE AND THE HOLDER THEREOF SHALL PLACE THE SAME IN THE HANDS OF AN ATTORNEY FOR COLLECTION. I HEREBY WAIVE PRESENTMENT, DEMAND, PROTEST AND NOTICE OF PROTEST FOR NONPAYMENT OF THIS NOTE, AND AGREE THAT ANY EXTENSION OF TIME OR RENEWALS OF THIS NOTE SHALL NOT AFFECT MY LIABILITY, WHETHER I HAVE NOTICE OF SUCH EXTENSION OR RENEWALS OR NOT.

I PRESERVE THE RIGHT TO, BUT AM NOT OBLIGATED TO, REPAY SAID LOAN IN MONTHLY INSTALLMENTS OF \$2,777.78 PER MONTH, TO BE APPLIED TOWARD THE PRINCIPAL OBLIGATION.

THIS DEBT IS INCURRED PRIMARILY FOR A BUSINESS PURPOSE AND NOT FOR A PERSONAL, FAMILY, HOUSEHOLD, OR AGRICULTURAL PURPOSE.

Stuart H. Russell
STUART H. RUSSELL

IN THE EVENT OF THE DEATH OF STUART H. RUSSELL PRIOR TO MATURITY DATE OF THIS NOTE, ANY UNLIQUIDATED BALANCE DUE A.M.P.I. WILL BE WAIVED.

H.S. NELSON,
GENERAL MANAGER

7933

Exhibit K
JH

STUART H. RUSSELL
Attorney at Law
2309 FIRST NATIONAL BUILDING
OKLAHOMA CITY, OKLAHOMA 73102

405/236-5591

April 21, 1972

AIR MAIL

File

Harold S. Nelson, Attorney
Associated Milk Producers, Inc.
Box 32287
San Antonio, Texas 78284

Dear Harold:

This letter will confirm our oral agreement under the terms of which the retainership agreement between myself and AMPI was discontinued effective April 1, 1972.

Billings for services rendered from that time forward will be based upon a straight time basis. We have instituted a time record-keeping system, which will account for the multitude of other regular legal matters previously covered by the regular retainer.

Yours very truly,

STUART H. RUSSELL

SHR:jh

cc: R.O. Isham ✓

*Exhibit M
JAN*

March 16 1972

ASSOCIATED MILK PRODUCERS, INC.

Box 32287

San Antonio, Texas 78216

TO Professional Services Rendered. \$38,639.66

U.S. SENATE SELECT COMMITTEE ON PRESIDENTIAL
CAMPAIGN ACTIVITIES

AFFIDAVIT

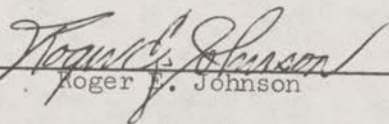
I, ROGER E. JOHNSON, being duly sworn, make this affidavit for the Senate Select Committee on Presidential Campaign Activities.

1. I am the Special Assistant to the Chief of Protocol, U.S. Department of State. From September 1, 1970 to March, 1972, I was Special Assistant to the President of the United States.

2. I hereby affirm that the attached White House memorandum dated December 17, 1970 is a true copy, and that the initials affixed thereto are mine.

3. I recall receiving in December, 1970 from Patrick J. Hillings a sealed letter, as referred to in the attached memorandum, and affirm that such memorandum and letter were forwarded to H.R. Haldeman.

4. I have no knowledge of the contents of said letter.



Roger E. Johnson

Sworn and subscribed to before
me on the 25th day of
January, 1974

Mary S. Missakian
Notary Public
Washington, D.C.
My Commission Expires April 30, 1976

7937

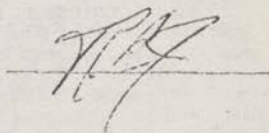
MEMORANDUM

THE WHITE HOUSE
WASHINGTON

December 17, 1970

TO: H. R. HALDEMAN
FROM: ROGER JOHNSON
SUBJECT: Letter to the President from Pat Hillings.

Pat Hillings handed me the attached letter and asked that it be directed to the President. It concerns a matter with which both Peter Flanigan and Chuck Colson are familiar and on which they are working.

A handwritten signature, likely of J. Edgar Hoover, is written over a horizontal line. The signature is stylized and cursive.

SENATE SELECT COMMITTEE
ON PRESIDENTIAL CAMPAIGN ACTIVITIESAFFIDAVIT

District of Columbia
City of Washington

I, Kirby Jones, a resident of 7108 Exeter Street, Bethesda, Maryland, being duly sworn, hereby depose and say as follows:

From August, 1969 to November, 1971, I was employed in the consulting firm of Ted Van Dyk Associates, Inc., then located at 1224 - 17th St., N. W. and now located at 1156 - 15th St., N. W., Washington, D. C. 20005. From November, 1971 until November, 1972, I was employed by the McGovern for President Committee, 1910 K Street, N. W., Washington, D. C. I am currently employed as Executive Director of the National Executive Conference of Washington, Inc., 1156 - 15th St., N. W., Washington, D. C. 20005.

In my capacity as a consultant with Ted Van Dyk Associates, Inc., I did not work on behalf of Associated Milk Producers, Inc., "AMPI" but with other clients, including an independent film company and a large advertising firm.

In September of 1970, Ted Van Dyk asked me whether I would be willing to forward \$10,000 to a man who worked for AMPI (who I later was told to be Bob Lilly), on the basis that AMPI could not pay the man through normal channels. For this, Ted Van Dyk Associates, Inc. would reimburse me in the sum of \$12,000 -- \$10,000 to cover my check to Mr. Lilly and \$2,000 to cover the additional income tax which would be necessitated by the \$12,000 payment from Ted Van Dyk Associates, Inc. to me, which I would report as income.

I asked Mr. Van Dyk the reason for this procedure. He informed me that AMPI wanted to give Mr. Lilly \$10,000 as a salary increase or bonus and that AMPI could not do this through its regular business operations. Mr. Van Dyk told me that AMPI had asked his company to do this, but that Mr. Van Dyk told them that he would have to send Mr. Lilly a proper IRS form, as he had done when given a similar request in 1969. AMPI then asked him to write a personal check to Mr. Lilly, for which presumably AMPI would make reimbursement. Mr. Van Dyk explained that such an increment of \$10,000 to his personal income would cost AMPI a considerable amount to cover Mr. Van Dyk's additional personal income taxes. AMPI finally asked if there were any individuals in Van Dyk's firm who could send such a check to Mr. Lilly. He told AMPI he would ask me. I agreed.

On or about September 9, 1970, I drew a check in the amount of \$10,000 payable to Bob Lilly on my personal checking account, and sent it to Bob Lilly. On or about September 11, 1970, I received a check, in the amount of \$12,000 payable to me, from Ted Van Dyk Associates, Inc. and signed by Ted Van Dyk, with the notation "For AMPI Convention Project." It is my understanding that Ted Van Dyk Associates, Inc. billed and received from AMPI \$12,000 for the payment to me. In early 1971, I received copy B of a United States Internal Revenue Service Form 1099 from Ted Van Dyk Associates, Inc. in the amount of \$12,000 reflecting the payment to me. For the calendar year 1970, I duly reported on my income tax return the \$12,000 as personal income and paid the tax due.

Attached to this affidavit are true copies of the following documents described above:

- (A) cancelled check #544, dated September 9, 1970, in the amount of \$10,000 payable to Bob Lilly and signed Kirby Jones.
- (B) Cancelled check #489, dated September 11, 1970, in the amount of \$12,000, payable to Kirby Jones and signed Ted Van Dyk.
- (C) Copy B of Form 1099 - U. S. Information Return for calendar year 1970, for Kirby Jones, from Ted Van Dyk Associates, Inc., for \$12,000.

At that time, I felt the whole procedure strange, but thought that it might have been a practice frequently followed with businesses. In addition, I was then planning to take my wife to Europe in November and felt I could make good temporary use of the extra \$2,000.

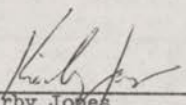
While working with Ted Van Dyk Associates, I had absolutely no professional contact with AMPI, never attended any of its official meetings, and was in no way involved with this client. Since I shared offices with Mr. Van Dyk, over the course of time, I did have infrequent occasion to meet one or two of the AMPI officials but only then in the most cursory manner.

I did not personally know the man -- Bob Lilly -- to whom I wrote the \$10,000 check. In fact, I have never talked with him or met him, then or since.

To this day, other than through recent accounts in the media, I have absolutely no knowledge that the money I sent to Mr. Lilly in

1970 was used for purposes other than those already related.

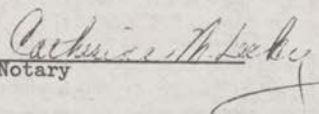
To Witness: Washington
District of Columbia



Kirby Jones

Subscribed and sworn before me this 12th day of February, 1974.





Notary

My commission expires February 14, 1978

KIRBY JONES P. BRANDON JONES 3807 UNDERWOOD STREET CHEVY CHASE, MARYLAND 20015		544
DAY TO THE ORDER OF <u>Bob Lilly</u>		<u>Sept. 9</u> 19 <u>70</u>
<u>Ten thousand and 00/100</u>		<u>\$10,000.00</u>
The RIGGS NATIONAL BANK of WASHINGTON, D.C. CHEVY CHASE OFFICE CONNECTICUT AVE. & MORRISON ST., N.W.		DOLLARS
MEMO: <u>Kirby Jones</u>		
⑆0540⑆0003⑆ 08⑆05549182⑆		⑆0001000000⑆

Bob Lilly 41-503 18-2117-06L 88-2117	SEP 15 1970 PAY ANY BANK 18-2117-06L 88-2117	SEP 15 1970 16 EP 30-72
---	---	-------------------------------

Exhibit B

THE VAN DYKE ASSOCIATES, INC. 1824 17TH STREET, N.W. WASHINGTON, D.C. 20036		489
PAY TO THE ORDER OF Kirby Jones	Sept. 11 1972	\$ 12,000
Twelve Thousand Dollars and 00/100		DOLLARS
For AMPI Convention Project		THE VAN DYKE ASSOCIATES, INC.
 NATIONAL BANK WASHINGTON, D.C.	00511-D1250 203-444-10	0000 2000000

In deposit only
 to account of
 Kirby Jones

 Kirby Jones

01000 01 100
 1000 01 100
 1000 01 100
 1000 01 100

Exhibit C

Form 1099—U.S. INFORMATION RETURN FOR CALENDAR YEAR 1970

Copy B
For Payee

(Please keep this copy—Do not attach to your income tax return)

Form 1099—U.S. INFORMATION RETURN FOR CALENDAR YEAR 1970							Copy B For Payee
(Please keep this copy—Do not attach to your income tax return)							
INTEREST							
1. Gross dividends and other distributions on stock	2. Earnings from savings and loan associations, credit unions, etc.	3. Other interest. Do not include amounts reportable in column 2	4. Petrolage dividends and certain other distributions by corporations	5. Bonds and royalties	6. Annuities, pensions, and other fixed or determinable income	7. Commissions, fees, prizes and awards, etc., to nonemployees, and forfeited income. (See Form 9-2, item 2)	
						12,000.00	
Type or print taxpayer identifying number —>			005-20-6467				
Kirby Jones 3807 Underwood Road Chevy Chase, Maryland			52-0893941 Ted Van Dyk Assoc., Inc. 1224 17th Street, N. W. Washington, D. C. 20036				
TO WHOM PAID If the identifying number is not shown above or is incorrectly shown, please furnish the correct number for this account to the payer (OVER)			BY WHOM PAID (Name, address (include ZIP code), and identifying number) Department of the Treasury—Internal Revenue Service				

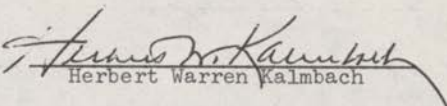
SENATE SELECT COMMITTEE ON PRESIDENTIAL CAMPAIGN ACTIVITIES

AFFIDAVIT

1. My name is Herbert Warren Kalmbach and I reside at 1056 Santiago Drive, Newport Beach, California.
2. I have caused to be produced to the Senate Select Committee on Presidential Campaign Activities certain records in my possession, custody or control and called for by a subpoena duces tecum served upon me by the Committee. Among the records produced are my daily logs for the calendar years 1969 and 1970. These logs are dated and were written on or about the dates appearing on the log pages. Attached to this affidavit are true copies of the following pages from those logs as they pertain to my contacts with the milk producers:
 - A. A document titled "Thursday 3-25".
 - B. A document titled "Wednesday 4-2".
 - C. A document titled "Kalmbach, DeMarco, Knapp & Chillingworth, Appointments and Notes for the Week 6-9-'69 to 6-15-'69".
 - D. A document titled "Friday, 6-13".
 - E. A document titled "Kalmbach, DeMarco, Knapp & Chillingworth" Appointments and Notes for the week Monday (6-30) Thursday (7-3)".
 - F. A document titled "Kalmbach, DeMarco, Knapp & Chillingworth, Appointments and Notes for the week of 7-7-69 to 7-13-69".
 - G. A document titled "Sat, 8-2".
 - H. A document titled "Kalmbach, DeMarco, Knapp & Chillingworth, Appointments and Notes for the week 8-4-69 to 8-10-69".
 - I. An undated document titled "Miscellaneous".
 - J. An undated document titled "Ehrlichman".
 - K. A document titled "8-11-'69 @ 10:00 Meeting with John Ehrlichman in John's Office at the Western White House".

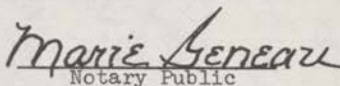
- L. A document titled "11-23 to 11-29".
M. A document titled "Friday 11-27".

District of Columbia } ss
City of Washington }


Herbert Warren Kalmbach

Subscribed and sworn to before me
this 11th day of June 1974.

My Commission Expires 10/31/78


Notary Public

ATTACHMENT A

DATE		<i>Tuesday 3-25</i>	
2	30		
	45		
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ATTACHMENT B

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3	30	See Milton Segner - Atty in Wash DC B100.00 milk producers from (202) 659-2900. (Suite 302) 1156 15th (15th + M Street)
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5	30	<u>Mills:</u> Segner?
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6-9-'69 to 6-15-'69

MONDAY (6-9) THURSDAY (6-12)

[illegible]

ATTACHMENT D

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Friday, 6-13

20/HS: (1)

Objective

Clear 100-250

ATTACHMENT E

MHSSemer100-250 12/31Calymon?Dent - JAG?Box in CityPrisel - 20207.75 (153.00) = \$54.75KALMBACH, DeMARCO, KNAPP & CHILLINGWORTHAppointments and Notes for the WeektoMONDAY (6-30)THURSDAY (7-3)

3696 A

ATTACHMENT G

Sat, 8-2

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~~① Milk + clients to meet with Larry Dent & Jack Gleason:~~

~~② Objective milk clients:~~

~~(a) 90% price supports for dairy farmers.~~

~~(b) Pres to address gathering in Kansas City, Mo (a meeting of dairy farmer cooperative organized by Milk Producers, Inc. (open date))~~

~~(c) Identification with the President - picture taking, etc.~~

ATTACHMENT H

KALMBACH, DeMARCO, KNAPP & CHILLINGWORTH

Appointments and Notes for the Week

8-4-69 to 8-10-69

MONDAY () THURSDAY ()

TUESDAY () FRIDAY ()

WEDNESDAY () SATURDAY ()

SUNDAY ()

Christman:4. Semer. Tony Ulanewicz

ATTACHMENT I

Miscellaneous:V. Lemer. Cahell.

ATTACHMENT J

Christman

4. ~~Senior~~ Group.

ATTACHMENT K

8-11-69 @ 10⁰⁰ meeting with John Ekulietson
in John's office at the Western White House.

③ OK re Letter.

ATTACHMENT L

(11-23 to 11-29)

Gen E } 171 miles

ATTACHMENT M

Friday 11-27

TDE lim:

new column

Senate Select Committee
On Presidential Campaign Activities

AFFIDAVIT

Washington
District of Columbia

Alexander W. Keema being sworn deposes and says:

I am a U.S. General Accounting Office auditor, assigned to the Senate Select Committee on Presidential Campaign Activities as an auditor/investigator. As part of my work for the Committee, I have compiled the attached schedules which reflect selected contributions for the period beginning January 1, 1971 and ending December 31, 1972, reported by the following political committees: "Trust for Agricultural Political Education," (TAPE); "Committee for Thorough Agricultural Political Education," (CTAPE); "Trust for Special Political Agricultural Community Education," (SPACE); and "Agricultural and Dairy Educational Political Trust," (ADEPT). I extracted the entries for these schedules from copies of reports submitted by the above-named committees to the Clerk of the House of Representatives under the provisions of the Corrupt Practices Act of 1925 for the period January 1, 1971 through April 6, 1972 and under the Federal Election Campaign Act of 1971 for the period April 7, 1972 through December 31, 1972. During the latter period, copies of these reports were also submitted to the General Accounting Office and the Office of the Secretary of the Senate.

The attached schedules attribute some \$332,500 in contributions during calendar year 1971 to President Nixon's re-election effort. Neither the reports of TAPE, ADEPT or SPACE, nor the names of the recipient committees indicate that President Nixon was the beneficiary of \$322,500 of these contributions. This amount is attributed to the President's re-election effort on the basis of the White House White Paper dated January 8, 1974, entitled "The Milk Price Support Decision," as well as documentation obtained by the Senate Select Committee on Presidential Campaign Activities from the Finance Committee to Re-Elect the President and from other sources.

Similarly, Senator Fred Harris was not specifically identified as the beneficiary of four contributions reported by ADEPT on November 2, 1971. The recipient committees were identified as being in support of Senator Harris in a memorandum submitted to the Senate Select Committee by ADEPT. All other recipient committees identify, in the committee name, the candidate supported.

I hereby attest that the entries on the attached schedules accurately reflect entries included in the above described reports.

Alexander W. Keema
Alexander W. Keema

Subscribed and Sworn to before me
on this 1st day of March, 1974.

Marie Geneaux
Notary Public
My Commission expires 10/31/78.

CONTRIBUTIONS BY THREE MAJOR DAIRY TRUSTS
DURING 1971 AND 1972,
TO 1972 PRESIDENTIAL CANDIDATES*

Presidential Candidate	Year	Dairymen, Inc. (SPACE)	Mid-America Dairymen (ADEPT)	AMPI (TAPE/ CTAPE)	Totals
<u>Republican</u>					
Richard M. Nixon	1971	\$ 65,000	\$ 65,000	\$202,500	\$332,500
	1972	50,000	45,000	0	95,000
Totals 1971-1972		\$115,000	\$110,000	\$202,500	\$427,500 **
Total Dairy Contributions-- All Republican Presidential Candidates		\$115,000	\$110,000	\$202,500	\$427,500
<u>Democratic</u>					
Wilbur Mills	1971	0	0	\$ 1,500	\$ 1,500
	1972	\$ 12,500	\$ 16,600	\$ 25,000	54,100
Totals 1971-1972		\$ 12,500	\$ 16,600	\$ 26,500	\$ 55,600
Hubert Humphrey	1971	0	\$ 125	\$ 5,000	\$ 5,125
	1972	\$ 3,500	1,100	\$ 7,500	\$ 12,100
Totals 1971-1972		\$ 3,500	\$ 1,225	\$ 12,500	\$ 17,225
Fred Harris	1971	\$ 0	\$ 10,000	\$ 0	\$ 10,000
	1972	0	0	0	0
Totals 1971-1972		\$ 0	\$ 10,000	\$ 0	\$ 10,000
Henry Jackson	1971	\$ 0	\$ 0	\$ 0	\$ 0
	1972	0	\$ 4,500	\$ 0	\$ 4,500
Totals 1971-1972		\$ 0	\$ 4,500	\$ 0	\$ 4,500
Edmund Muskie	1971	\$ 0	\$ 0	\$ 0	\$ 0
	1972	0	2,750	0	2,750
Totals 1971-1972		\$ 0	\$ 2,750	\$ 0	\$ 2,750
George Wallace	1971	\$ 0	\$ 0	\$ 0	\$ 0
	1972	\$ 2,000	0	0	2,000
Totals 1971-1972		\$ 2,000	\$ 0	\$ 0	\$ 2,000
Vance Hartke	1971	\$ 0	\$ 0	\$ 1,600	\$ 1,600
	1972	0	0	250	250
Totals 1971-1972		\$ 0	\$ 0	\$ 1,850	\$ 1,850
George S. McGovern	1971	\$ 0	\$ 0	\$ 0	\$ 0
	1972	0	0	0	0
Totals 1971-1972		\$ 0	\$ 0	\$ 0	\$ 0
Total Dairy Contributions-- All Democratic Presidential Candidates		\$ 18,000	\$ 35,075	\$ 40,850	\$ 93,925

* As reported to the Clerk of the House of Representatives

** Listed in the White House White Paper as "some \$427,000" from the dairy trusts to the "funding of the President's re-election effort".

CONTRIBUTIONS FROM DAIRY TRUSTS IN SUPPORT OF PRESIDENTIAL CANDIDATES 1971-1972

I. Reported by SPACE (Dairymen, Inc.)

Political Party Candidate - Receiving Committee	Amount of Contribution	Date of Contribution	Reporting Period
<u>Republican:</u>			
<u>Richard M. Nixon</u>			
Republican National Finance Committee	\$ 5,000	3/24/71	3/1/71/-5/31/71
Republican National Candidates Conference	5,000	3/24/71	3/1/71-5/31/71
Republican National Committee	5,000	3/24/71	3/1/71-5/31/71
Republican National Finance Operations Committee	5,000	3/24/71	3/1/71-5/31/71
Republican National Association (sic)	5,000	3/24/71	3/1/71-5/31/71
Kick-Off "72" Republican Dinner Committee	5,000	5/7/71	3/1/71-5/31/71
Americans Involved Committee	2,500	8/19/71	6/1/71-8/31/71
Association of Involved Volunteers Committee	2,500	8/19/71	6/1/71-8/31/71
Americans for a Preservation of a Decent American Society Committee	2,500	8/19/71	6/1/71-8/31/71
Americans United for Sound Money Committee	2,500	8/19/71	6/1/71-8/31/71
Committee for a Better American	2,500	8/19/71	6/1/71-8/31/71
Association for Preservation of Sound Political Ideals Committee	2,500	8/19/71	6/1/71-8/31/71
Association for Preservation of Basic American Ideals Committee	2,500	8/19/71	6/1/71-8/31/71
Association for More Effective Federal Action Committee	2,500	8/19/71	6/1/71-8/31/71
Americans United for Better Federal Planning Committee	2,500	8/19/71	6/1/71-8/31/71
Americans Working to Build a Better Community Committee	2,500	8/19/71	6/1/71-8/31/71
Americans Dedicated to Sound Economic Growth Committee	2,500	8/19/71	6/1/71-8/31/71
Supporters of the American Dream Committee	2,500	8/19/71	6/1/71-8/31/71
Salute to the President Committee	5,000	11/9/71	9/1/71-12/31/71
Democrats for Nixon Committee	25,000	8/2/72	7/28/72-8/31/72
Finance Committee to Re-Elect the President	25,000	10/28/72	10/27/72-12/31/72
Total Contributions - Richard M. Nixon	\$115,000		
Total SPACE Contributions - All Republican Presidential Candidates	\$115,000		

SPACE Contributions - Cont.

Political Party Candidate - Receiving Committee	Amount of Contribution	Date of Contribution	Reporting Period
<u>Democratic:</u>			
<u>Hubert H. Humphrey</u>			
Humphrey for President Committee	\$ 1,000	4/24/72	4/7/72-5/31/72
Friends of Humphrey Committee	2,500	9/25/72	9/1/72-10/16/72
Total Contributions - Hubert H. Humphrey	\$ 3,500		
<u>Wilbur Mills</u>			
Mills for President National Committee	\$ 5,000	5/15/72	4/7/72-5/31/72
Mills for President Committee	5,000	6/19/72	6/1/72-7/27/72
Mills for President Committee	2,500	8/15/72	7/28/72-8/31/72
Total Contributions - Wilbur Mills	\$12,500		
<u>George Wallace</u>			
George Wallace National Campaign Fund	\$ 2,000	5/4/72	4/7/72-5/31/72
Total Contributions - George Wallace	\$ 2,000		
Total SPACE Contributions - All Democratic Presidential Candidates	\$18,000		

CONTRIBUTIONS FROM DAIRY TRUSTS IN SUPPORT OF PRESIDENTIAL CANDIDATES 1971-1972

II. Reported by ADEPT (Mid-America Dairymen)

Political Party Candidate - Receiving Committee	Amount of Contribution	Date of Contribution	Reporting Period
<u>Republican:</u>			
<u>Richard M. Nixon</u>			
Kick-Off "72" Republican Dinner	\$ 5,000	4/5/71	3/11/71-6/1/71
Republican National Committee	5,000	4/5/71	3/11/71-6/1/71
Republican National Finance Committee	5,000	4/5/71	3/11/71-6/1/71
Republican National Finance Operations Committee	5,000	4/5/71	3/11/71-6/1/71
Republican Victory Committee	5,000	4/5/71	3/11/71-6/1/71
Republican Campaign Committee	5,000	4/5/71	3/11/71-6/1/71
Committee for a Republican Congress	5,000	4/5/71	3/11/71-6/1/71
Republican Congressional Candidates Conference	5,000	4/5/71	3/11/71-6/1/71
Republican National Associates	5,000	4/5/71	3/11/71-6/1/71
The Organization of Involved Americans	2,500	8/20/71	6/2/71-8/31/71
Americans United for Political Awareness	2,500	8/20/71	6/2/71-8/31/71
Americans United for Political Involvement	2,500	8/20/71	6/2/71-8/31/71
Americans Participating	2,500	8/20/71	6/2/71-8/31/71
Americans United for Decent Government	2,500	8/20/71	6/2/71-8/31/71
Americans United for an Informed Electorate	2,500	8/20/71	6/2/71-8/31/71
Salute to the President Dinner	5,000	11/9/71	9/1/71-12/31/71
California Democrats for Nixon	5,000	9/19/72	9/1/72-10/16/72
Massachusetts Democrats & Independents for Nixon	2,000	9/19/72	9/1/72-10/16/72
New York Democrats for Nixon	5,000	9/19/72	9/1/72-10/16/72
Texas Democrats for Nixon	7,000	9/19/72	9/1/72-10/16/72
Democrats for Nixon (Nat'l)	6,000	9/19/72	9/1/72-10/16/72
Missouri Finance Committee to Re-Elect the President	4,000	11/6/72	10/27/72-12/31/72
Illinois Finance Committee to Re-Elect the President	4,000	11/6/72	10/27/72-12/31/72
Iowa Finance Committee to Re-Elect the President	4,000	11/6/72	10/27/72-12/31/72

ADEPT Contributions Cont.

Political Party Candidate - Receiving Committee	Amount of Contribution	Date of Contribution	Reporting Period
Kansas Finance Committee to Re-Elect the President	\$ 4,000	11/6/72	10/27/72-12/31/72
Nebraska Finance Committee to Re-Elect the President	4,000	11/6/72	10/27/72-12/31/72
Total Contributions - Richard M. Nixon	\$110,000		
Total ADEPT Contributions - All Republican Presidential Candidates	\$110,00		

Democratic:Fred Harris

Action Committee for the Aged	\$ 2,500	11/2/71	9/1/71-12/31/71
Committee for Adequate Health Care	2,500	11/2/71	9/1/71-12/31/71
Committee for Citizen Participation	2,500	11/2/71	9/1/71-12/31/71
Committee for a Sound Economy	2,500	11/2/71	9/1/71-12/31/71
Total Contributions - Fred Harris	\$ 10,000		

Hubert Humphrey

Humphrey Reception Committee	\$ 125	2/4/71	1/1/71-3/10/71
Humphrey for President Committee	1,000	4/21/72	4/7/72-5/31/72
Friends of Humphrey Committee	100	9/5/72	9/1/72-10/16/72
Total Contributions - Hubert Humphrey	\$1,225		

Henry Jackson

Citizens for Jackson Committee	\$ 4,500	3/6/72	1/1/72-3/10/72
Total Contributions - Henry Jackson	\$ 4,500		

Wilbur Mills

Mills for President Committee	\$ 5,000	6/2/72	6/1/72-8/31/72
Mills for President Committee	5,000	6/16/72	6/1/72-8/31/72
Mills for President Committee	4,100	7/21/72	6/1/72-8/31/72
Mills for President Committee	2,500	8/11/72	6/1/72-8/31/72
Total Contributions - Wilbur Mills	\$ 16,600		

Edmund Muskie

Citizens for Muskie Committee	\$ 2,000	1/7/72	1/1/72-3/10/72
Muskie Dinner Committee	750	4/14/72	4/7/72-5/31/72
Total Contributions - Edmund Muskie	\$ 2,750		

Total ADEPT Contributions - All
Democratic Presidential Candidates \$ 35,075

CONTRIBUTIONS FROM DAIRY TRUSTS IN SUPPORT OF PRESIDENTIAL CANDIDATES 1971-1972

III. Reported by TAPE/CTAPE (Associated Milk Producers Inc.)

Political Party Candidate - Receiving Committee	Amount of Contribution	Date of Contributions	Reporting Period
<u>Republican:</u>			
<u>Richard M. Nixon</u>			
Republican Campaign Committee	\$ 3,000	3/22/71	3/1/71-6/2/71
Kick-Off 72 Republican Dinner	3,000	3/22/71	3/1/71-6/2/71
Republican Victory Committee	2,000	3/22/71	3/1/71-6/2/71
Committee for Republican Congress	2,000	3/22/71	3/1/71-6/2/71
Americans Dedicated to Better Public Administration	2,500	7/9/71	6/3/71-8/31/71
Association of Americans for Good Government	2,500	7/9/71	6/3/71-8/31/71
League for Concerted Action	2,500	7/9/71	6/3/71-8/31/71
League of Dedicated Voters	2,500	7/9/71	6/3/71-8/31/71
Association of Political Volunteers	2,500	7/9/71	6/3/71-8/31/71
Organization of Community Volunteers	2,500	7/9/71	6/3/71-8/31/71
Americans Dedicated to Greater Public Awareness	2,500	7/9/71	6/3/71-8/31/71
Americans United for Better Federal Administration	2,500	7/9/71	6/3/71-8/31/71
Association for Sensible Disarmament	2,500	7/9/71	6/3/71-8/31/71
Organization of Moderate Americans	2,500	7/9/71	6/3/71-8/31/71
Americans Organized for Political Stability	2,500	7/9/71	6/3/71-8/31/71
Association of Neighborhood Volunteers	2,500	7/9/71	6/3/71-8/31/71
Citizens for More Effective Community Involvement	2,500	7/9/71	6/3/71-8/31/71
Americans Dedicated to Support of Democracy	2,500	7/9/71	6/3/71-8/31/71
Organization of Dedicated Americans	2,500	7/9/71	6/3/71-8/31/71
League of Involved Citizens	2,500	7/9/71	6/3/71-8/31/71
Committee for a Better Nation	2,500	7/9/71	6/3/71-8/31/71
Citizens for Sound Policies at Home & Abroad	2,500	7/9/71	6/3/71-8/31/71
Americans United for Sensible Agricultural Policy	2,500	7/9/71	6/3/71-8/31/71
Citizens for a Better Environment	2,500	7/9/71	6/3/71-8/31/71

TAPE/CTAPE Contributions - Cont.

Political Party Candidate - Receiving Committee	Amount of Contribution	Date of Contribution	Reporting Period
Americans for Sound Ecological Policy	\$ 2,500	7/9/71	6/3/71-8/31/71
Committee for Better Government	2,500	7/9/71	6/3/71-8/31/71
Association of Political Activists	2,500	7/9/71	6/3/71-8/31/71
Americans Dedicated to Peace	2,500	7/9/71	6/3/71-8/31/71
Americans United for Better Leadership	2,500	7/9/71	6/3/71-8/31/71
Association for Fair Press	2,500	7/9/71	6/3/71-8/31/71
Association for Political Volunteers	2,500	7/9/71	6/3/71-8/31/71
Americans United for Sound Consumer Policies	2,500	7/9/71	6/3/71-8/31/71
Americans United for Objective Reporting	2,500	7/9/71	6/3/71-8/31/71
League of Citizen Activists	2,500	7/9/71	6/3/71-8/31/71
Citizens for Better Government	2,500	7/9/71	6/3/71-8/31/71
Americans United for Honesty in Government	2,500	7/9/71	6/3/71-8/31/71
Committee for Political Integrity	2,500	7/9/71	6/3/71-8/31/71
Americans Dedicated to Stable Growth	2,500	7/9/71	6/3/71-8/31/71
Americans Dedicated to Clean Environment	2,500	7/9/71	6/3/71-8/31/71
Americans United for Political Moderation	2,500	7/9/71	6/3/71-8/31/71
Americans United for Sensible Politics	2,500	7/9/71	6/3/71-8/31/71
Association for Representative Government	2,500	7/9/71	6/3/71-8/31/71
Americans United for Responsive Administration	2,500	7/9/71	6/3/71-8/31/71
Organization of Responsible Americans	2,500	7/9/71	6/3/71-8/31/71
Organization of Sensible Citizens	2,500	7/9/71	6/3/71-8/31/71
Americans for Sound Educational Policy	2,500	7/9/71	6/3/71-8/31/71
Americans Concerned	2,500	7/9/71	6/3/71-8/31/71
Supporters of Rational Federal Reorganization	2,500	7/9/71	6/3/71-8/31/71
Sound Politics Association	2,500	7/9/71	6/3/71-8/31/71
Committee for Adequate Political Information	2,500	7/9/71	6/3/71-8/31/71
Organization of Citizen Politicians	2,500	7/9/71	6/3/71-8/31/71

TAPE/CTAPE Contributions - Cont.

Political Party Candidate - Receiving Committee	Amount of Contribution	Date of Contribution	Reporting Period
Americans United for Sound Government	\$ 2,500	7/9/71	6/3/71-8/31/71
Americans United for Economy in Government	2,500	7/9/71	6/3/71-8/31/71
Americans United for Economic Stability	2,500	7/9/71	6/3/71-8/31/71
People United for Good Government Committee	5,000	9/2/71	9/1/71-12/31/71
League of Mature Americans	2,500	9/10/71	9/1/71-12/31/71
Volunteers for Good Government	2,500	9/10/71	9/1/71-12/31/71
Volunteers Against Citizen Apathy	2,500	9/10/71	9/1/71-12/31/71
League for American Volunteers	2,500	9/10/71	9/1/71-12/31/71
Americans United for Effective Government	2,500	9/10/71	9/1/71-12/31/71
Association for Better Communities	2,500	9/10/71	9/1/71-12/31/71
Association of Concerned Neighbors	2,500	9/10/71	9/1/71-12/31/71
Americans United for Safer Streets	2,500	9/10/71	9/1/71-12/31/71
Americans Dedicated to Volunteer Action	2,500	9/10/71	9/1/71-12/31/71
Americans for a More Informed Electorate	2,500	9/10/71	9/1/71-12/31/71
Association of Participating Volunteers	2,500	9/10/71	9/1/71-12/31/71
Citizens United in Pursuit of the American Dream	2,500	9/10/71	9/1/71-12/31/71
Americans for Progress	2,500	9/10/71	9/1/71-12/31/71
Association of Progressive Americans	2,500	9/10/71	9/1/71-12/31/71
Americans Dedicated to Progressive Policies	2,500	9/10/71	9/1/71-12/31/71
Association of Americans for Retention of Sound Ideals	2,500	9/10/71	9/1/71-12/31/71
Committee for Better Communities	2,500	9/10/71	9/1/71-12/31/71
League for Political Expression	2,500	9/10/71	9/1/71-12/31/71
Committee for Involvement in Public Affairs	2,500	9/10/71	9/1/71-12/31/71
Americans for Greater Awareness in Public Issues	2,500	9/10/71	9/1/71-12/31/71
Americans Dedicated to Greater Citizen Activity	2,500	9/10/71	9/1/71-12/31/71

TAPE/CTAPE Contributions - Cont.

Political Party Candidate - Receiving Committee	Amount of Contribution	Date of Contribution	Reporting Period
Citizens for Volunteer Action	\$ 2,500	9/10/71	9/1/71-12/31/71
Americans Dedicated to Sound Political Philosophies	2,500	9/10/71	9/1/71-12/31/71
League of Thoughtful Americans	2,500	9/10/71	9/1/71-12/31/71
Association for Concerned Citizens	2,500	9/10/71	9/1/71-12/31/71
Total Contributions - Richard M. Nixon	\$202,500		
Total TAPE/CTAPE Contributions - All Republican Presidential Candidates \$202,500			
<u>Democratic:</u>			
<u>Vance Hartke</u>			
Volunteers for Hartke	\$ 100	4/21/71	3/1/71-6/2/71
Volunteers for Hartke	1,500	8/17/71	6/3/71-8/31/71
Hartke Presidential Campaign Deficit Fund	250	12/7/72	10/28/72-12/31/72
Total Contributions - Vance Hartke	\$ 1,850		
<u>Hubert Humphrey</u>			
Humphrey for Senate Committee*	\$ 5,000	12/3/71	9/1/71-12/31/71
Humphrey Dinner Committee	1,000	4/6/72	3/9/72-5/31/72
Humphrey for President Campaign	4,000	5/5/72	8/9/71-5/31/72
Friends of Humphrey	2,500	8/16/72	6/1/72-8/31/72
Total Contributions - Hubert Humphrey	\$12,500		
<u>Wilbur Mills</u>			
Wilbur Mills Appreciation Rally	\$ 500	8/2/71	6/3/71-8/31/71
Friends of Mills Committee	1,000	9/23/71	9/1/71-12/31/71
Mills for President	25,000	6/13/72	6/1/72-8/31/72
Total Contributions - Wilbur Mills	\$ 26,500		
Total TAPE/CTAPE Contributions - All Democratic Presidential Candidates \$ 40,850			

* Documentation on file with the Senate Select Committee on Presidential Campaign Activities indicates that the Humphrey for Senator Committee was used in part to support Senator Humphrey's presidential campaign in 1971 and 1972.

AFFIDAVIT

THE STATE OF TEXAS |
|
COUNTY OF TRAVIS |

Before me, Louise Crow, a Notary Public in and for Travis County, Texas, on this day personally appeared Joe R. Long, who being by me here and now duly sworn, upon his oath deposes and says:

My name is Joe R. Long, I maintain my office at 208 in the Westgate Building, Austin, Texas. I am over 21 years of age. This Affidavit is furnished to the Senate Select Committee on Presidential Campaign Activities, pursuant to a request of Alan S. Weitz, Assistant Counsel, such request having been received by letter, dated March 19, 1974.

In response to Question Number 1 in the above described letter, the following is submitted:

During the week of December 17, 1969, Mr. Jake Jacobsen, of Austin, Texas, who at that time was my law partner, requested that I make a donation of \$2,000 to Mr. Bob Lilly, who was an employee of Associated Milk Producers, Inc. (AMPI), for the purpose of assisting Mr. Lilly in the repayment of a loan which at that time I understood had been made by him in August of 1969 from Citizens National Bank, Austin, Texas. Mr. Jacobsen represented that Mr. Lilly had made the loan in August, 1969, believing that it could be paid from funds later to be collected by Texas Agricultural Political Education (TAPE), and that subsequent to the making of the loan, the Trustees of TAPE had discovered that they could not

repay the loan with the use of TAPE funds. Mr. Jacobsen represented that Mr. Lilly had no way to repay the loan and was requesting help from Mr. Jacobsen and myself to enable him to meet his obligation at the bank. AMPI was at that time a client of our law firm. Sometime prior to June 12, 1970, either Mr. Jacobsen or Mr. Lilly (I have no recollection of which person) again requested that I make a donation to Mr. Lilly for the same purpose. In December, 1969, after the request, I made a donation to Mr. Lilly for this purpose in the amount of \$2,000. On June 12, 1970, I made a donation to Mr. Lilly for this purpose in the amount of \$2,125. I did not make any donation to Mr. Lilly on June 12, 1969, as referred to in the above described letter.

Subsequent to my original interview on November 3, 1973 with staff members of the Senate Select Committee on Presidential Campaign Activities, I discovered, through examination of documents at Citizens National Bank, that the loan in question was in fact made to Mr. Lilly on December 17, 1969, and that the proceeds of the loan were used by him to reimburse the TAPE bank account for funds withdrawn under the authority of the signatory of the account in August of 1969.

I have no knowledge of the purpose for which Mr. Jacobsen made payments to Mr. Lilly on December 17, 1969 or June 12, 1970.

In response to Question Number 2, the following is submitted:

The checks listed under Question Number 2 were withdrawn from the partnership account of the law firm of Jacobsen and Long during the years 1970 and 1971. The checks were withdrawn by the partners from retained earnings in the law firm.

I have no knowledge of the purpose of Mr. Jacobsen's withdrawals, as those funds were exclusively his.

I have no independent recollection of the purpose of the withdrawals which I made on the dates indicated in the letter, as they were withdrawals of my funds in the usual course of my business.

In response to Question Number 3, the following is submitted:

I did not bill AMPI or recoup from AMPI monies in connection with donations described relating to Question Number 1 above. I have no knowledge that the firm of Jacobsen and Long either billed or recouped from AMPI monies in connection with the donations described in Question Number 1. I did not prepare nor review the bills which Mr. Jacobsen submitted to AMPI, and have no knowledge as to the purpose of any such bills which he rendered.

In response to Question Number 4, the following is submitted:

The billings listed in Item 4 were submitted to AMPI for legal services which I performed as an attorney representing AMPI, and were submitted on the basis of legal services rendered in connection with the matters outlined in the bills.

In response to Question Number 5, the following is submitted:

I did not participate in the preparation or submission of these bills and have no knowledge as to the reason or purpose for their rendition.

In response to Question Number 6, the following is submitted:

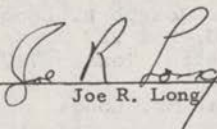
I have no knowledge of the purpose, source, or disposition of \$5,000 in cash allegedly delivered by Bob Lilly to Jake Jacobsen on November 10, 1971, and do not recall, nor do I believe that it was delivered in my presence.

In response to Question Number 7, the following is submitted:

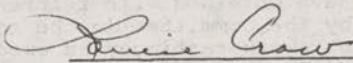
I have no knowledge of the purpose, source, or disposition of \$5,000 in cash allegedly delivered by Jake Jacobsen to David Parr on November 10, 1971, and do not recall nor do I believe that it was delivered in my presence in the Austin, Texas airport.

In response to Question Number 8, the following is submitted:

I have no knowledge as to whether AMPI or other corporate funds were used directly or indirectly to provide the funds described in Questions 6 and 7.


Joe R. Long

Subscribed and Sworn to by the said Joe R. Long on this the 8th day of April, 1974, to certify which witness my hand and seal of office.


Louise Crow, Notary Public in
and for Travis County, Texas

SAM J. ERVIN, JR., R.C., CHAIRMAN
 HOWARD H. BAKER, JR., TENN. VICE CHAIRMAN
 HERMAN E. TALMADGE, GA. EDWARD J. GURNEY, FLA.
 DANIEL K. INOUE, HAWAII LOWELL P. WEICKER, JR., CONG.
 JOSEPH M. MONTGOMERY, N. MEX.

SAMUEL DASH
 CHIEF COUNSEL AND STAFF DIRECTOR
 FRED D. THOMPSON
 MINORITY COUNSEL
 RUFUS L. COMSTOCK
 DEPUTY COUNSEL

United States Senate

SELECT COMMITTEE ON
 PRESIDENTIAL CAMPAIGN ACTIVITIES
 (PURSUANT TO S. RES. 10, 91ST CONGRESS)
 WASHINGTON, D.C. 20510

March 19, 1974

Mr. Joseph R. Long
 P.O. Box 222
 Austin, Texas 78767

Dear Mr. Long:

The Senate Select Committee on Presidential Campaign Activities has been investigating certain dairy cooperatives, including Associated Milk Producers Inc. (AMPI), and participation by them and their political action arms in the 1972 Presidential Campaign. We appreciate your past cooperation in providing us with documents and in having submitted to an interview by the Committee staff. However, most of the information we have obtained with reference to you has been received by the Committee in the form of either an affidavit or sworn testimony in executive session. Therefore, we request that you execute and submit to the Committee an affidavit with respect to the following matters:

- (1) For what purpose did you and Mr. Jacobsen make the following payments to Mr. Lilly:

a. December 17, 1969	--	\$5,000
b. June 12, 1969	--	\$5,000

- (2) For what purpose were the funds generated by the following checks (drawn on the Jacobsen & Long bank account, #36-263-8, Citizens National Bank, Austin, Texas) used. Specifically, were any of these monies given to Bob Lilly or any other AMPI representative, or otherwise used, directly or indirectly, for political purposes:

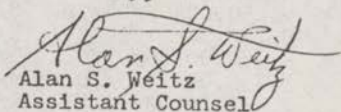
<u>Check #</u>	<u>Amount</u>	<u>Date of Check</u>	<u>Date Negotiated</u>	<u>Endorsed By</u>
1537	\$3,000.00	2/2/70	2/2/70	Jake Jacobsen
1538	2,000.00	2/2/70	2/2/70	Joe R. Long
1835	4,250.00	7/24/70	8/6/70	Joe R. Long
1836	5,750.00	7/24/70	8/6/70	Jake Jacobsen
1919	4,250.00	9/9/70	9/9/70	Joe R. Long
1920	5,750.00	9/9/70	9/9/70	Jake Jacobsen
2229	2,250.00	2/15/71	2/16/71	Joe R. Long
2230	2,750.00	2/15/71	2/16/71	Jake Jacobsen

- (3) Did you, Mr. Jacobsen or the firm of Jacobsen & Long bill AMPI and/or recoup from AMPI monies in connection with the payments described in items (1) and (2) above?
- (4) Were the following billings by your firm to AMPI in whole or in part connected with the payments described in items (1) and (2) above:
- | | | |
|----------------------|----|----------|
| a. December 17, 1969 | -- | \$10,000 |
| b. January 6, 1970 | -- | 10,000 |
| c. April 21, 1970 | -- | 10,000 |
| d. July 16, 1970 | -- | 22,000 |
| e. August 31, 1970 | -- | 22,000 |
- (5) Please explain the portion of the billings from your firm to AMPI in 1970 and 1971 listed as "For professional services rendered in excess of amount covered by retainer" or a similar caption.
- (6) What was the purpose, source, and disposition of the \$5000 in cash delivered by Bob Lilly to Jake Jacobsen, allegedly in your presence, on or about November 10, 1971?
- (7) What was the purpose, source and disposition of the \$5000 in cash delivered by Jake Jacobsen to Dave Parr, allegedly in your presence on or about November 10, 1971 in the Austin, Texas Airport?
- (8) Were AMPI, or any other corporate, funds used directly or indirectly to provide the funds described in items (6) or (7)?

7976

Since we must complete our investigation soon, we request that you file your affidavit with the Committee by April 1, 1974.

Sincerely,


Alan S. Weitz
Assistant Counsel

ASW:jh

cc: Charles McNelis, Esq.

UNITED STATES SENATE
SELECT COMMITTEE ON
PRESIDENTIAL CAMPAIGN ACTIVITIES

AFFIDAVIT

District of Columbia

City of Washington

I, Eleanor Manuel, a resident of 8614 Garland Avenue, Takoma Park, Maryland, being duly sworn, hereby depose and say as follows:

1. I was employed by the Republican National Committee, hereafter referred to as the RNC, on August 14, 1952. Since 1954, I have been charged with the supervision of the telephone operation within the national headquarters. In the course of my duties, I am responsible for reviewing all records and bills relating to the telephone operation.

2. Pursuant to a request by the Presidential Campaign Activities Committee, I have supplied the attached true copies of bills of long distance telephone calls made by Herbert Kalmbach during the period January 1 to April 30, 1972. I was responsible for checking telephone bills during that period and the markings which appear on the attached bills were made by me at the time of the receipt of those bills.

3. Long distance telephone calls made by Mr. Kalmbach between January 1 and February 1, 1972 were charged to a telephone extension number in RNC Chairman Robert Dole's office. I identified the long distance telephone calls made by Mr. Kalmbach by checking each bill

Affidavit
Page 2

with the telephone company and then writing the number "1000" beside each call the telephone company indicated was made by Mr. Kalmbach.

4. Beginning on February 2, 1972, Mr. Kalmbach started charging his long-distance telephone calls to a credit card, number 175-8845-032-M, which was supplied by the accounting office at the direction of Chairman Dole. I was notified by the accounting office of the credit card number when it was issued to Mr. Kalmbach.

Eleanor Manuel
Eleanor Manuel

Subscribed and sworn to before me
January 25, 1974.
Ruth W. Miller

Editor's note: To avoid duplication,
only four pages of the long-distance
telephone bills are shown.

CALLS AND TELEGRAMS

AREA	TELEPHONE	BILL DATE	AREA	TELEPHONE NO.	AMOUNT
502	434 6500	4-16-72	202	456 1414	5.00
4	4		202	687 2544	1.30
4	4		512	271 2478	1.80
4	4		512	824 2478	2.15
4	4		212	271 1CC0	1.85
5	4		202	785 1CC0	1.85
4	4		714	529 1414	1.85
6	4		202	456 1414	1.85
4	4		213	680 7761	1.85
6	4		202	333 7761	1.85
4	4		714	644 1414	1.85
7	4		202	456 1414	1.85
4	4		202	456 1414	1.85

CALLS AND TELEGRAMS

AREA	TELEPHONE NUMBER	DATE	PLACE CALLED	AREA	TELEPHONE NO.	AMOUNT
3 27	562 484	4-16-72	WASHINGTON DC	202	456 1414	
			FROM INGLND CAL	213	670	2.30
3 27			NEWPORTCH CAL	714	644 4111	
			FROM INGLND CAL	213	670	6.0
3 28			WASHINGTON DC	202	456 1414	
			FROM LOSANG CAL	213	687	2.75
3 31			WASHINGTON DC	202	456 1414	
			FROM LOSANG CAL	213	687	10.85
3 31			AUSTIN TEX	512	476 2444	
			FROM LOSANG CAL	213	687	1.20
3 31			WASHINGTON DC	202	456 1414	
			FROM LOSANG CAL	213	687	2.15
3 31			WASHINGTON DC	202	456 1414	
			FROM LOSANG CAL	213	687	3.65

CALLS AND TELEGRAMS

AREA	TELEPHONE NUMBER	BILL DATE	AREA	TELEPHONE NO	AMOUNT
402	434 6500	4-16-72	202	456 1414	1.85
4	7 WASHINGTON DC		714	644	
4	7 FROM NAPT B CAL		714	492 0011	.65
4	7 SANCLEMENTE CAL		714	644	
4	7 FROM NAPT B CAL		202	456 1414	1.85
4	7 WASHINGTON DC		213	687	
4	7 FROM LOSANG CAL		213	274 2266	3.75
4	8 BEVERLYHLS CAL		714	646	
4	7 FROM NAPT B CAL		202	456 1414	1.40
4	7 WASHINGTON DC		714	529	
4	7 FROM BREA CAL		202	456 1414	2.75
4	10 WASHINGTON DC		213	687	
4	7 FROM LOSANG CAL		202	333 0570	4.45
4	10 WASHINGTON DC		213	687	
4	7 FROM LOSANG CAL		213	687	

CALLS AND TELEGRAMS

AREA	TELEPHONE	DATE	PLACES CALLED	AREA	TELEPHONE NO	AMOUNT
202	484	6500		4-16-72		
3	31		LAGUNA BCH CAL	714	494 1737	
			FROM LOSANG CAL	213	687	.70
3	31		NEWPORT BCH CAL	714	644 4111	
			FROM LOSANG CAL	213	687	.90
3	31		WASHINGTON DC	202	456 1414	
			FROM LOSANG CAL	213	621	4.10
4	1		WASHINGTON DC	202	456 1414	
			FROM DEVHLS CAL	213	271	4.90
4	3		WASHINGTON DC	202	456 1414	
			FROM NEWYORK NY	212	759 6100	4.80
4	3		WASHINGTON DC	202	456 1414	
			FROM INGLWD CAL	213	670	1.85
4	4		WASHINGTON DC	202	785 1000	
			FROM LOSANG CAL	213	687	1.85

* DIALED CALLS

IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF TEXAS
SAN ANTONIO DIVISION

UNITED STATES OF AMERICA,

Plaintiff,

v.

ASSOCIATED MILK PRODUCERS, INC.,

Defendant.

CIVIL ACTION

NO. SA 72 CA 49

AFFIDAVIT OF RICHARD W. McLAREN

STATE OF ILLINOIS)

COUNTY OF COOK)

ss

Richard W. McLaren, being first duly sworn, states that he makes the following affidavit for filing with the United States District Court for the Western District of Texas (San Antonio Division) in the above-entitled matter.

1. I am a United States District Judge sitting in the United States District Court for the Northern District of Illinois. From February 1, 1969 to February 2, 1972, I was the Assistant Attorney General of the United States in charge of the Antitrust Division of the Department of Justice and I had the responsibility, subject to the final authority of the Attorney General, for authorizing antitrust investigations and the enforcement of the Sherman Act and other federal antitrust laws. Such responsibility encompasses inquiry by the Antitrust Division into contracts, combinations and conspiracies which may restrain and monopolize interstate trade and commerce, and monopolization of or attempts to monopolize such trade and commerce.

2. On August 10, 1971 the staff of the Midwest Office (Chicago) of the Antitrust Division recommended that a grand jury be authorized to further investigate the activities of Associated Milk Producers, Inc. This recommendation was concurred in by John E. Sarbaugh, Chief, Midwest Office; Gerald A. Connell, Chief of the General Litigation Section; and Robert B. Hummel, Deputy Director of Operations. On September 9, 1971 I requested the Attorney General, John Mitchell to authorize a grand jury investigation into a possible conspiracy by AMPI and others to eliminate competition in the marketing of milk in certain Midwestern States, in violation of Section 1 of the Sherman Act, and into possible attempts to monopolize the marketing of milk in that area in violation of Section 2 of the Sherman Act. Prior to sending such recommendation to Attorney General John Mitchell, I contacted Richard Lyng, Assistant Secretary of the United States Department of Agriculture, and discussed the staff's recommendation with him. Mr. Lyng indicated to me that a grand jury investigation of AMPI's activities would not be opposed by his Department. At that time I was aware from news accounts that, approximately one week before I sent said request to Attorney General Mitchell, President Nixon had addressed AMPI's second annual meeting in Chicago, to which AMPI reportedly had brought 40,000 members and their wives.

3. I was thereafter informed that the Chicago and Washington Offices of the Antitrust Division continued to receive complaints about AMPI's activities from milk processors and milk producers who were not members of AMPI and the cooperatives to which they belonged. On October 29, 1971, after learning that counsel for AMPI were publicly stating (and had, presumably, advised their

clients) that AMPI was exempt from the antitrust laws, I sent a second memo to Attorney General Mitchell urging that he approve a grand jury investigation of the activities of AMPI. On November 10, 1971 Robert Hummel (with the concurrence of John Sarbaugh) suggested to me that, since AMPI's continuation of its predatory activities appeared to be causing irreparable injury to non-members, the Antitrust Division should think in terms of an immediate civil injunctive case against AMPI and not await a determination of our grand jury request.

4. To the best of my recollection and belief, on or about November 30, 1971 Attorney General Mitchell discussed with me the requests I had made for a grand jury investigation and, after reviewing the legal and tactical questions involved, including the difficulties of obtaining a criminal conviction in the face of a defense that the defendants' activities were exempt from the antitrust laws, Attorney General Mitchell suggested that the Antitrust Division proceed along civil rather than criminal lines. Investigation by Civil Investigative Demands, as authorized by 15 U.S.C. §§1311-14, can be a long and cumbersome process if the organization under investigation decides to resist the Demand through a court proceeding or otherwise cause delay in compliance; such investigations have sometimes taken more than a year to complete. In my judgment, the situation was sufficiently urgent from the standpoint of antitrust enforcement that on November 30, 1971 I requested the staff to review the information it had and try to obtain by interviews whatever additional evidence was needed to bring a civil injunctive case against AMPI.

5. On December 20, 1971 the staff of the Midwest Office recommended that a civil complaint be filed against AMPI. The recommendation was reviewed by all persons in the Antitrust Division in the normal chain of review: John Sarbaugh, Robert Hummel, and Bruce Wilson and Walker B. Comegys, my Deputy Assistant Attorneys General. All concurred in the recommendation that a suit be filed against AMPI.

6. On January 18, 1972 I met with Assistant Secretary of Agriculture Richard Lyng and showed him a copy of the complaint against AMPI which I proposed to recommend. Mr. Lyng stated that he had no objection to the suit being filed and that he would advise the Secretary of my proposed action. On that same day, following my meeting with Mr. Lyng, I sent the proposed complaint to Attorney General Mitchell and strongly urged he approve filing the proposed suit against AMPI.

7. On Saturday, January 22, 1972, the Attorney General signed the complaint and requested that, prior to filing suit, I give AMPI the opportunity to enter into negotiations for a consent decree to be filed simultaneously with the complaint ("prefiling negotiations"). On Monday morning, January 24, 1972, I directed that John Sarbaugh notify AMPI that the Attorney General had signed a complaint against AMPI and offer AMPI the opportunity to engage in prefilling negotiations. I was informed that John Sarbaugh telephoned Stuart Russell, counsel for AMPI, and told him that AMPI had until the close of business on Thursday, January 27, 1972, to decide whether AMPI wished to engage in prefilling negotiations. I was further informed that Department policy with respect to prefilling negotiations was explained to Mr. Russell; i.e., that prefilling negotiations afford the defendant the opportunity to enter into a consent decree to be filed simultaneously with a complaint; that prefilling negotiations are offered by the Department in situations where the defendant has agreed in principle to the relief requested by the Department; that under Division practice, after agreeing to the prefilling procedure, parties have sixty days to negotiate a definitive consent decree; and that prefilling is not engaged in when there are genuine issues of law or fact in dispute between the Department and the defendant.

8. I was informed that, on Tuesday, January 25, 1972, counsel for AMPI in Chicago came to the Midwest Office and read the complaint, and that on January 26, 1972, he advised the staff that AMPI wanted to engage in prefiling negotiations.

9. On January 27, 1972 I was informed by John Sarbaugh that counsel for AMPI had met with the Chicago staff and Mr. Sarbaugh. Mr. Sarbaugh told me that at that meeting AMPI counsel questioned the propriety of filing a complaint at all; stated that a substantial number of the practices questioned were exempt from the antitrust laws under the Capper-Volstead Act; stated that AMPI had new management and new counsel, and they wanted to review with us the facts we had to support our complaint; noted that I would very shortly be leaving the Antitrust Division; suggested that Attorney General Mitchell might also be leaving soon, thus necessitating new signatures if a complaint against AMPI were to be filed at a later date; and stated that dairymen were big political contributors. Mr. Sarbaugh further informed me that at the January 27, 1972 meeting, AMPI counsel were again told by him that prefiling negotiations were not entered into if there were genuine issues of dispute and that prefiling negotiations were designed to settle matters where defendant wished to consent fully to the relief requested; that Mr. Sarbaugh told AMPI counsel that there was no commitment to negotiate for sixty days and that whenever, in his view, there was a slowdown in negotiations, he would recommend terminating them even if sixty days had not expired; and that AMPI counsel then stated that they thought that there was sufficient agreement to warrant prefiling negotiations. Mr. Sarbaugh informed me that, based on the above conference, he did not believe that AMPI intended to

consent to all the relief requested in the complaint and that he felt that AMPI might intend to use the prefiling negotiation period to attempt to block politically the filing of this suit.

10. Upon receiving the above report from Mr. Sarbaugh, I was concerned that there were genuine issues of fact and law in dispute between the Government and AMPI, that AMPI counsel were not in fact willing to consent to all the relief the Government felt necessary, and that AMPI counsel might not intend to use the sixty days to negotiate in good faith. Accordingly, I directed the staff to prepare a proposed form of decree to be delivered to AMPI counsel by the close of business on Friday, January 28, 1972, and to instruct AMPI counsel to advise the Antitrust Division by the close of business on Monday, January 31, 1972, whether it would consent in principle to the basic prohibitions in the proposed decree; otherwise, the complaint would be filed on February 1, 1972, which was my penultimate day in office as Assistant Attorney General. On Monday afternoon, January 31, 1972, I was informed by Mr. Sarbaugh that AMPI counsel stated that AMPI could not agree in principle to the prohibitions in our consent decree; that AMPI's president had not received a copy of the proposed judgment until Monday morning; and that AMPI could not resolve in one day all the problems raised by the proposed judgment. In consequence, I directed that the suit be filed on Tuesday morning, February 1, 1972.

11. Except for the communications with Attorney General Mitchell described above, to the best of my recollection and belief, I did not at any time have any direct or indirect communication with anyone in the White House, the Republican National Committee, any fund raiser for President Nixon, or any fund raiser for any political committee or other organization, relating to the investigation of or suit against AMPI.

or relating to any direct or indirect political contributions by any agricultural cooperative. In particular, I had no communications relating to such matters with Messrs. Herbert Kalmbach, John Dean, Gordon Strachan, Charles Colson, H. R. Haldeman, John Erlichman, or any persons acting under their directions.

12. To the best of my recollection and belief, I did not at any time have any direct or indirect communications from Attorney General Mitchell, or from anyone acting under his direction, relating to any direct or indirect political contributions by any agricultural cooperative.

13. In making the decision to file suit against AMPI, as described above, I exercised my authority as Assistant Attorney General to authorize the filing of a complaint, signed by the Attorney General, whenever I determined that prefiling negotiations were not appropriate because there were significant issues in dispute between the parties. To the best of my recollection and belief, I did not communicate with Attorney General Mitchell about the proposed AMPI suit after January 22, 1972. Specifically, to the best of my recollection and belief, I did not inform him of my decision to terminate prefiling negotiations and order the filing of the AMPI complaint, as hereinabove described.

14. I deny that I directed the investigation of AMPI or the filing of the suit against AMPI for any improper purpose. The investigation of AMPI was initiated solely as a result of the independent decision of the Antitrust Division pursuant to its obligations to enforce the antitrust laws of the United States. My sole reason for directing that the AMPI suit be

filed was to prevent and restrain what appeared from our investigations to be serious violations by AMPI of the anti-trust laws.

Richard W. McLaren

RICHARD W. McLAREN

Subscribed and sworn to before
me a Notary Public in and for
Cook County, Illinois, this
19TH day of December, 1973.

Charles A. Carlson 2/22/77

My commission expires

U.S. Senate Select Committee
on Presidential Campaign Activities

AFFIDAVIT

I, Ben E. Morgan, reside at 7608 Parkview Circle, Austin, Texas. I am employed by Community National Bank, Austin, Texas as President. I have been employed by Community National Bank of Austin since March of 1970, and I am familiar with the bank's procedures for processing checks negotiated at this bank.

I have examined copies of the checks described below, drawn on the account of Jacobsen and Long, Citizens National Bank of Austin, Austin, Texas, account number 36-263-8, that were presented to Community National Bank for negotiation on the dates listed. With the possible exceptions of checks #1537 and #1538, I have determined, based upon markings and endorsements on the copies, that all of the checks were cashed by this bank.

Although checks #1537 and #1538 are devoid of this bank's tellers marking that would normally appear on their face if they were cashed, I conclude that they too must have been cashed as I am unable to locate any depository account(s) in this bank for Mr. Jacobsen, Mr. Long or their spouses during the period February 1970.

Check #	Amount	Date of Check	Date Negotiated	Endorsed by
1537	\$ 3,000.00	2/2/70	2/2/70	Jake Jacobsen
1538	2,000.00	2/2/70	2/2/70	Joe R. Long
1835	4,250.00	7/24/70	8/6/70	Joe R. Long
1836	5,750.00	7/24/70	8/6/70	Jake Jacobsen
1919	4,250.00	9/9/70	9/9/70	Joe R. Long
1920	5,750.00	9/9/70	9/9/70	Jake Jacobsen
2229	2,250.00	2/15/71	2/16/71	Joe R. Long
2230	2,750.00	2/15/71	2/16/71	Jake Jacobsen

Sworn to and subscribed before me
this 1st day of March,
1974

Shirley D. Milner
Notary Public

Ben E. Morgan
Ben E. Morgan

My Commission expires:

6-1-75

Editor's note: Only check No. 1919 is published. The other checks were previously entered as Jacobsen exhibits 9, 10, 14, 15, 16, 19, and 20 in Book 15.

7989

 CITIZENS NATIONAL BANK OF AUSTIN		1919
September 9, 1970		
PAY TO THE ORDER OF JOE R. LONG		\$ 4,250.00
Four Thousand Two Hundred Fifty and no/100		
BY DEPOSITING THIS CHECK WHEN PAID IS ACCEPTED IN FULL PAYMENT OF THE CREDITED ACCOUNT		
SEP 10 1970		DOLLARS
JACOBSEN AND LONG AUSTIN TEX		<i>Paula A. Bulkeley</i>
⑆ 1241 2367 ⑆		⑆ 0000425000 ⑆

Joe R Long

CITIZENS NATIONAL BANK
 COMMUNITY NATIONAL BANK
 AUSTIN, TEXAS
 SEP 10 1970

332

CITIZENS NATIONAL BANK OF AUSTIN

JOHN PARKER, CASHIER

January 8, 1974

I, John Parker, reside at 7102 Grand Canyon, Austin, Texas. I am employed by The Citizens National Bank of Austin, Austin, Texas, as Cashier. I have been employed by The Citizens National Bank of Austin since August, 1970, and I am familiar with the bank's procedures for processing checks negotiated at this bank.

On January 7, 1974, I met Mr. Annunzio Chinni, a properly identified member of the Staff of the United States Senate Select Committee on Presidential Campaign Activities.

I have examined copies of the checks described below, that were drawn on Account Number 36-263-8, scribed Jacobsen and Long, and have made the following determination based upon bank markings, and endorsements:

<u>Check #</u>	<u>Dated</u>	<u>Amount</u>	<u>Date Cashed</u>	<u>Endorsed By</u>
1442	12-17-69	\$2000.00	12-17-69	Bob A. Lilly
1443	12-17-69	3000.00	12-17-69	Bob A. Lilly
1485	1-8-70	1000.00	1-8-70	Joe R. Long
1486	1-8-70	1000.00	1-8-70	Joe R. Long
1608	3-18-70	1725.00	3-18-70	Jake Jacobsen
1609	3-18-70	1275.00	3-18-70	Joe R. Long
2710	11-10-71	2750.00	11-10-71	Jake Jacobsen
2711	11-10-71	2250.00	11-10-71	Joe R. Long

The proceeds from the above transactions were not deposited to accounts maintained by Mr. Long or Mr. Jacobsen at this bank.

John Parker

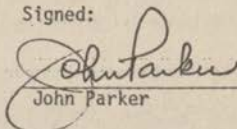
January 8, 1974

Page 2

The following is my recollection concerning the blank checks sent to San Antonio:

Some time during the year 1972, I received a request to send some blank counter checks to one of the bank's accounts in San Antonio, Texas, related to the Associated Milk Producers Incorporated. I do not recall who requested the checks or the number of blanks requested. Mr. Wallace, a bank employee, confirms that I instructed him to deliver the counter checks. I do not recall the date or much of the details surrounding this event, because it was not significant at the time. I had been working closely with the individuals in San Antonio setting up their reconciliation procedures and the request could have come directly from someone there. I made the decision to dispatch Mr. Wallace.

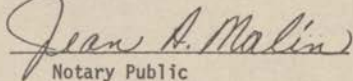
Signed:

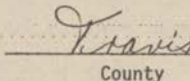

John Parker

Before me this day personally appeared the individual whose signature appears above who by me being duly sworn upon oath says that the statements set forth above are true and correct.

Subscribed and sworn to before me this 8th day of January.

19 74.


Notary Public

 , Texas
County

SENATE SELECT COMMITTEE ON PRESIDENTIAL CAMPAIGN ACTIVITIES

AFFIDAVIT

District of Columbia

City of Washington

I, William D. Pleasant, a resident of 2727 29th Street, N. W., Washington, D. C., being duly sworn, hereby depose and say as follows:

1. I am a hacker for the ABC Cab Company of Washington, D. C., where I have been employed since January, 1973. From July, 1971 until January, 1973 I was employed by the Yellow Cab Company of Washington, D. C. as a hacker. Prior to that, from January, 1968 until July, 1971, I was a hacker for the Eastern Cab Company of Washington, D. C.

2. During the period 1970 through 1972, I would chauffeur for Mr. Nelson, Mr. Parr, and other AMPI officials when they came to Washington, D. C. The way this was usually arranged was that I would get a call from Mr. Nelson or his secretary in San Antonio giving me the arrival time. I would pick up the person or persons at the airport and drive them wherever they wanted using a daily rate.

3. On one occasion I remember some discussion of John Connally. On that occasion, I picked up Mr. Nelson, Mr. Parr,

-2-

and possible others at the Madison Hotel. One of the party, Mr. Nelson, I believe, upon entering my cab, asked how long it would take to get to the airport. After answering him and being instructed to take them to Page Airways, there was some discussion that they had to catch Connally at Page because Connally was leaving from Page.

On the way to the airport and in the vicinity of the Bureau of Engraving building, I saw a limousine, that I recognized as belonging to Secretary Connally, pull in front of my cab. I told the occupants of my cab that Secretary Connally's limousine was in front of us. I was instructed to honk the horn and pull alongside. As I did this, I noticed Mr. Nelson and Mr. Parr waving to the other car. I was not able to see whether the Secretary was in his limousine but I gathered from the reaction in my cab that he was.

After a short time, I pulled in front of the limousine and proceeded to Page Airways where I discharged my passengers.

I did not see Secretary Connally or his limousine while at Page Airways.

TO WIT: WASH. D.C.
DISTRICT OF COLUMBIA

SUBSCRIBED & SWORN BEFORE ME THIS DAY JANUARY 25, 1974
WILLIAM D. PLEASANT

William D. Pleasant
William D. Pleasant

Romaine J. Baard
NOTARY

My Commission Expires June 14, 1977

UNITED STATES SENATE SELECT
COMMITTEE ON PRESIDENTIAL
CAMPAIGN ACTIVITIES

AFFIDAVIT

State of Texas
City of Arlington

I, Marvin M. Stetler, being duly sworn, hereby depose and say as follows:

I worked for the Midland National Bank, Midland, Texas, from 1960 through June, 1968. In 1968, I was hired by Mr. Jake Jacobsen to be President of the Citizens National Bank, Austin, Texas. In March, 1970, I resigned as President of Citizens National Bank to accept my current position as President of the First National Bank in Arlington, Arlington, Texas.

The following is my statement concerning the withdrawal of \$100,000.00 from the T.A.P.E. account in the Citizens National Bank on August 1, 1969, and a \$100,000.00 loan made at a later date by Bob Lilly, secured by a Certificate of Deposit.

I have reviewed Exhibits A through G that appear to be copies of bank records that relate to the above mentioned transactions:

- (A) Signature Card for the T.A.P.E. account, dated 7-23-69, account #61-101-8.
- (B) Debit slip dated 8-1-69, withdrawal of \$100,000.00 from the T.A.P.E. account, signed by Bob Lilly.
- (C) Loan Application dated 12-17-69 by Bob Lilly.
- (D) Security Agreement pledging \$100,000.00 Certificate of Deposit #188 in the name of Milk Producers, Inc.
- (E) Deposit slip for \$100,000.00 dated 12-17-69 to the account of T.A.P.E.
- (F) Cancelled check #113 drawn on the account of T.A.P.E. in the amount of \$100,000.00, dated 12-19-69.
- (G) Copy of Security Agreement dated 12-17-69, signed by Bob Isham, which pledges a Certificate of Deposit #219 in the amount of \$100,000.00 as security for a loan by T.A.P.E. for the benefit of Bob A. Lilly.

Note.—Exhibits C and D above, have been previously entered as Jacobsen exhibit 2 in Book 15 and Lilly exhibit 4 in Book 14, respectively.

Mr. Jake Jacobsen, Chairman of the Board of Directors, Citizens National Bank, secured the account of the Milk Producers. Since the account was brought to the bank by Mr. Jacobsen, I assumed that he had arranged for it through a personal relationship with the milk people. I personally did nothing to solicit the account. It was my understanding at the time that it was to be a sizeable account.

In late July of 1969, I received a telephone call from Mr. Jacobsen in which he informed me that the Milk Producers would like to withdraw \$100,000.00 in cash, and he wanted to know if we could have the currency available on a specified date, that date later proved to be August 1, 1969. He said the money was to be withdrawn through a debit memo as per the instructions of Bob Isham, and that Bob Lilly, a representative of the Milk Producers, would pick up the money. I told Mr. Jacobsen that we could have the money available and that it would probably take two or three days, no more than a week, to accumulate that much currency. I do not specifically recall, but I probably would have asked Bill May, who was then our Vault Teller, to arrange to have the cash in the vault.

I do not remember ever having met Mr. Isham. I did not receive an authorization from Mr. Isham regarding the withdrawal of the \$100,000.00 cash. I do not recall making an effort to contact Mr. Isham in advance of delivering the funds to Mr. Lilly. These arrangements were made by Mr. Jacobsen, and I have never been informed that they were contrary to the wishes of Mr. Isham, Milk Producers, or anyone else.

On August 1, 1969, Mr. Bob Lilly came to my office at the Citizens National Bank. Mr. Lilly was alone. I arranged to have the currency brought to my office. Mr. Ken Odil, Executive Vice President, Citizens National Bank was present at the time. The money was stacked on my desk and Mr. Lilly was given the debit memo to sign. Mr. Lilly signed the debit memo and started to count \$100,000.00 in cash. I recall that he did not complete counting the money. He simply opened an empty attache case and raked the money into it. Mr. Lilly did not discuss the transaction or the use of the funds. Mr. Lilly was in my office for no more than twenty minutes and departed hurriedly.

I instructed Bill May, our Vault Teller, and Bobby Whittaker, our Head Teller, to report the large withdrawal to the Treasury Department. A withdrawal of cash through a debit memo is not an unusual banking transaction; however, this is the largest single cash withdrawal in which I have been personally involved.

Exhibit C reflects that a loan application was prepared for Bob Lilly on December 17, 1969 in the amount of \$100,000.00. The loan application was not signed by an officer of the bank. Although it has my name typed in the space provided for the lending officer, I did not sign the application. It did, however, have the initials of three members of the Loan-Discount Committee signifying its approval.

Exhibit D reflects that there was a pledge of a Certificate of Deposit #188 in the amount of \$100,000.00 in the name of Milk Producers, Inc. to guarantee the loan of Bob A. Lilly. The signature line is for "Milk Producers, Inc., by Assistant General Manager". The signature itself is illegible.

I have no personal recollection as to any of the circumstances surrounding this loan. I do not remember who arranged for the loan, or under what circumstances it was presented to the bank. I do not remember whether there was or was not a Corporate Resolution authorizing the pledge of Milk Producer funds for the benefit of a loan to Bob A. Lilly.

Exhibit F, the copy of cancelled check #103 on the account of T.A.P.E., account #61-101-8, in the amount of \$100,000.00, dated 12-19-69, has a notation in the lower left corner, "Certificate of Deposit", which may indicate that it was used for that purpose.

Maurice M. Still

State of Texas
County of Tarrant

Sworn before me this 7th day of February, 1974.

Glenn Long
Notary Public in and for
Tarrant County, Texas.

My commission expires 6-1-75

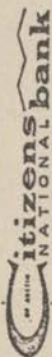
NAME T. A. P. E. ACCOUNT NUMBER 61-101-8
 #01 15-72 PARTNERSHIP OR FIRM ACCOUNT MEM-2-1
 TO CITIZENS NATIONAL BANK OF AUSTIN, AUSTIN, TEXAS #3
 You are authorized to receive any of the signatures subscribed below in the payment of funds or the transaction of any business for this account. It is agreed that all transactions between you and the undersigned shall be governed by the contract printed on the reverse side of this card.
 Only One Signature Authorized
 Only One Signature Required
 AUTHORIZED SIGNATURE(S) OF Robert O. Isham, Trustee
 (Robert O. Isham, Trustee)
 ADDRESS 101 North West-Mission Hwy., San Antonio, Texas 78204
 DATE OPENED 7-23-69 SIGNATURE AUTHORITY DATED 7-23-69 INITIAL DEPOSIT ph ACCOUNT OPENED BY ph
 Cgm W

CITIZENS NATIONAL BANK OF AUSTIN
 DEBIT
 Austin, Texas, 8-1-69
 We are charging your account as per items below:
 For Receipt of \$100,000.00 cash acknowledged
this 1st day of August, 1969 per instructions
of Bob Isham. By: Robert O. Isham
 PLEASE SEE THAT THE AMOUNT IS DEDUCTED ON YOUR BOOKS SO THAT OUR ACCOUNTS WILL AGREE.
 APPROVED BY:
 T. A. P. E. AUG 1 1969
 Acct. # 61-101-8 EXT
 100 000 00
 000100000000

Manu M. Siller

Note.--Exhibits C and D have been previously printed as Jacobson exhibits Nos. 2 and 3 and appear in Book 15.

PLEASE BEAR DOWN TO MAKE COPY



P. O. BOX 4595 • AUSTIN, TEXAS 78751

NO CARDON™ PAPER REQUIRED.

FOR ACCOUNT OF

61-101-8

ACCOUNT NO. 1

NAME _____

T. A. P. E.

ADDRESS

CITY

WNO

STATE

TEXAS

DEC 1 7 1959

AUSTIN, TEXAS.

12-17-69

19-

DOLLARS

433

CURRENCY

CHECKS-
LIST
SEPARATELY

Bob A. Lilly

100,000.00

TOTAL

100,000.00

DO NOT WRITE IN THIS SPACE

Marian M. Steele

8000

SECURITY AGREEMENT

(PLEDGE)

T. A. P. E. for benefit of Bob A. Lilly

Debtor's Name
 1011 N. W. Military Highway Bexar San Antonio, Texas
 Mail Address City County State Zip
 (hereinafter called in accordance with the Uniform Commercial Code-DEBTOR) for value received hereby grants to
 Citizens National Bank

Secured Party's Name
 (hereinafter called in accordance with the Uniform Commercial Code-BANK) whose mail address is
 P. O. Box 4595 Austin Travis Texas
 City County State Zip
 a security interest in and delivers to SECURED PARTY the following described property (which hereinafter is referred to as COLLATERAL) to-wit:

One (1) Citizens National Bank of Austin Certificate of Deposit No. 00219
 for \$100,000.00 issued to T. A. P. E.

to secure DEBTOR'S note to SECURED PARTY dated 12-17-69, 19, for \$100,000.00.

DEBTOR WARRANTS, COVENANTS AND AGREES:

1. That all financial or credit statements deposited with or relied upon by SECURED PARTY prior to, contemporaneously with, or subsequent to execution of this Security Agreement are or will be true, correct, complete, valid and genuine.
2. That all investment securities, instruments, chattel paper and any like property delivered to SECURED PARTY as COLLATERAL (a) are genuine, free from adverse claims or other security interest, default, prepayment or discharge; (b) all persons appearing to be obligated thereon have authority and capacity to contract and are bound thereon as they appear to be from the face thereof; and (c) the same comply with applicable laws concerning form, content and manner of preparation and execution.
3. That DEBTOR owns the COLLATERAL and has the right to transfer any interest therein; the COLLATERAL is not subject to the interest of any third person; and DEBTOR will defend the COLLATERAL and its proceeds against the claims and demands of all third persons.
4. That DEBTOR shall pay prior to delinquency all taxes, charges, liens and assessments against the COLLATERAL, and upon DEBTOR'S failure to do so, SECURED PARTY at its option may pay any of them and shall be the sole judge of the legality or validity thereof and the amount necessary to discharge the same. Such payment shall become part of the indebtedness secured by this Security Agreement and shall be paid to SECURED PARTY by DEBTOR immediately without demand, with interest thereon at the rate of ten per cent (10%) per annum.
5. SECURED PARTY'S duty with reference to the COLLATERAL shall be solely to use reasonable care in the custody and preservation of COLLATERAL in SECURED PARTY'S possession, and to receive collections, remittances and payments on such COLLATERAL as and when made and received by SECURED PARTY and the SECURED PARTY shall have the option of applying the amount or amounts so received, after deductions of any collection costs incurred, as payment upon any indebtedness of DEBTOR to SECURED PARTY pursuant to provisions of this Security Agreement or holding the same for the account of DEBTOR. SECURED PARTY shall not be responsible in any way for any depreciation in the value of the COLLATERAL nor shall any duty of responsibility whatsoever rest upon SECURED PARTY to take necessary steps to preserve rights against prior parties or to induce collection of the COLLATERAL by legal proceedings or otherwise.

The warranties, covenants, trusts and agreements on the reverse hereof are hereby incorporated herein and made a part hereof for all intents and purposes. DEBTOR and SECURED PARTY as used in this Security Agreement include the heirs, executors, or administrators, successors or assigns of those parties.

All references to DEBTOR shall also be applicable to OWNER OF COLLATERAL.

Dated 12-17-69

Trust for Agricultural and Forest Education

By: Robert L. Dillman Trustee
 Sec. use of this on/wh/ COY
 COLL

Martin M. G

CITIZENS NATIONAL BANK OF AUSTIN

I, Don Wallace, Reside at 2115 Brunswick, Austin, Texas. I am employed by Citizens National Bank of Austin, Austin, Texas, in their Loan Department. I have been employed by the bank since June 7, 1971.

On January 8, 1974 I met with Annunzio Chinni, a properly identified staff member of the United States Senate Select Committee on Presidential Campaign Activities, and related the following events:

In April 1972, I was employed in the Collections Department of the Citizens National Bank. Mr. Parker, Cashier and Personnel Manager, instructed me to deliver an envelope addressed to The Associated Milk Producers, Inc., San Antonio, Texas. I have examined my expense records and they reflect that on April 4, 1972, I was reimbursed by the Bank for a dinner meal in San Antonio. I attached the Dinner Check from Jim's Coffee Shop. The reimbursement was authorized because I made the trip to San Antonio late in the day. To the best of my recollection, the envelope was addressed to Mr. Bob Lilly. I do not know Mr. Lilly, and I do not recall the name of the individual to whom I delivered the envelope. I was not informed as to the contents of the envelope.

Don Wallace
Signed

1-8-74
Date

Notarized By Charlotte C. Smith
Date 1-8-74 In and for Travis County Texas



SENATE SELECT COMMITTEE ON PRESIDENTIAL CAMPAIGN ACTIVITIES

AFFIDAVIT

District of Columbia
City of Washington

I, Alan S. Weitz, a resident of Washington, D.C., being duly sworn, hereby depose and say as follows:

1. I have been assistant counsel to the Senate Select Committee on Presidential Campaign Activities from September 24, 1973 to the present.

2. In the course of the Committee's investigation, Mr. Donald Sanders, Deputy Minority Counsel, and I interviewed Mr. Murray Chotiner on December 7, 1973, and Mr. David Dorsen (Assistant Chief Counsel), Mr. Dennis Summers (Assistant Counsel), Mr. Robert Silverstein (Assistant Minority Counsel) and I interviewed Mr. Chotiner, again, on December 10, 1973. On the day of the first interview, Mr. Sanders wrote a memorandum summarizing the substance of the interview. On the day of the second interview, I wrote a memorandum summarizing the substance of the interview.

3. On January 24, 1974, Mr. Dorsen advised me that he had telephoned Mr. Chotiner's office to arrange to obtain sworn testimony in executive session before the Committee on the subjects of the interviews, and was advised by Mr. Chotiner's secretary that he had been in a serious automobile accident the preceding day. Mr. Chotiner died on January 30, 1974.

4. I am executing this affidavit in order to preserve, in the most reliable form, the substance of Mr. Chotiner's account related to us of relevant events. To this end,
(1) Mr. Sanders and I reviewed the December 7, 1973 memorandum;
(2) I caused my December 10, 1973 memorandum to be retyped on Committee letterhead stationery to correct any typographical errors, to spell out certain names and to rewrite certain cryptically-phrased sentences in the original December 10 memorandum. I did not alter the substance of the earlier memorandum; and (3) I showed the retyped December 10 memorandum to Messrs. Dorsen, Summers and Silverstein.

5. Mr. Sanders and I agree that the December 7 Sanders memorandum is a true and accurate account of the substance of the December 7 interview with Mr. Chotiner. Messrs. Dorsen, Summers, and Silverstein and I agree that the retyped December 10 memorandum is a true and accurate account of the substance of the interview with Mr. Chotiner of that date.

Affidavit
Page 2

6. Attached to this Affidavit are the following:

Exhibit A: copy of the December 7, 1973 memorandum from Donald G. Sanders to the File re: Murray Chotiner Interview;

Exhibit B: the retyped December 10, 1973 memorandum from Alan Weitz to the File re: Second Chotiner Interview.

Alan S. Weitz
Alan S. Weitz

Subscribed and sworn to before me
this 27th day of February, 1974.

Marie Geneau
Notary Public

My Commission Expires 10/31/78.

Exhibit A

SAM J. ERVIN, JR., N.C., CHAIRMAN
 HOWARD H. BAKER, JR., TENN. VICE CHAIRMAN
 HERMAN E. TALMADGE, GA. EDWARD J. GURNETT, FLA.
 DANIEL K. INOUYE, HAWAII LOWELL P. WEICKER, JR., CONN.
 JOSEPH M. MONTEYTA, N. MEX.

SAMUEL DASH
 CHIEF COUNSEL AND STAFF DIRECTOR
 FRED D. THOMPSON
 MINORITY COUNSEL
 ROYUS L. EDWINSON
 SENATE COUNSEL

United States Senate

SELECT COMMITTEE ON
 PRESIDENTIAL CAMPAIGN ACTIVITIES
 (Pursuant to S. RES. 16, 90 CONGRESS (1))
 WASHINGTON, D.C. 20510

MEMORANDUM

To: File

From: Donald G. Sanders

Date: December 7, 1973

Subj: Murray Chotiner Interview
 Milk Fund

Murray Chotiner was interviewed today in his office at 1701 Pennsylvania Avenue, Washington, D.C., telephone 298-9030. Attending were Donald G. Sanders, Alan Weitz, and Chotiner.

From January 1970 to March 1971, Chotiner was Special Counsel to the President. Previously, he was General Counsel to the Special Representative for Trade Negotiations in the White House. In March 1971, he became of counsel for Reeves & Harrison.

Chotiner said his first contact with the milk industry was in 1970 at which time he met Parr and Nelson. He was introduced by Harrison. He learned the dairy people were going to assist the 1970 candidates. Harrison knew that Chotiner was serving as the White House liaison with the 1970 candidates. Chotiner thinks Parr and Nelson may have been on their way to see Harry Dent in an adjoining office. Chotiner didn't discuss with them any details of the contributions. Chotiner knew that Colson had responsibility for groups and organizations.

Chotiner was not a party to any meetings in late 1970 between the dairy people and Colson and associates. Harrison told Chotiner recently that Parr and Nelson met with Colson (Harrison didn't attend), at which time Parr was supposed to have said that dairy farmers were not being treated properly; that they were for the President and wanted to help him. There was also talk of \$1,000,000 or \$2,000,000 to be contributed to the campaign. Parr told Harrison of this talk. Parr said Colson said there couldn't be any quid pro quo.

In 1971-1972, Colson showed Chotiner the Hillings letter which he had in his safe. Chotiner was probably talking to Colson about the milk industry troubles with the Department of Agriculture. One trouble was the milk products imports, and one must have been the milk price

support. This was at a time when Chotiner was back in private practice. He doesn't keep a calendar or log which would show meetings with Colson. Chotiner has only met with him a few times since leaving the White House. Most of Chotiner's clients are retainers--doesn't bill on a time basis.

Chotiner was shocked at Hillings' letter--thought it was crass. Hillings had said that he never intended for the President to see it; that he felt it was necessary as the dairy people were getting kicked in the pants.

Aside from the Parr and Hillings statements, Chotiner doesn't know of any specific amount of money to be given by the dairy industry.

Colson once told Chotiner that he wanted to disassociate himself from any further contact with the dairy industry--based on Hillings' letter. Chotiner recalled that Harrison said he had toned down the Hillings' letter. Chotiner didn't know what was meant by "special project," and when he asked Harrison what was meant by this, Harrison said he didn't recall. Chotiner didn't talk with Hillings about the letter. — ?

Shortly after joining Reeves and Harrison in March 1971, Chotiner did tell people in the Government that the milk support level should be increased. He left the White House on March 6, 1971. After the Secretary of Agriculture decision on March 12, Chotiner talked with Ehrlichman (Gridiron Dinner), Whitaker, Colson, Cashen. Separately, but in substance, he told them the Republicans usually carry the Midwest, but they need the farm vote to do it, that they need the Midwest to carry the election. He commented that nearly every prominent Democrat had sponsored legislation to raise support. If the price is going up, he said it was stupid to let the Democrats get the credit for it.

Chotiner was not sure that he knew of trust funds at this time.

He knew the dairy folks bought one or two tables at the Republican fundraiser on March 24, 1971.

Chotiner recalled talking with Harrison about the appearance that the milk people didn't want to buy any tickets for the dinner--he told Harrison he thought they should buy some. He didn't talk with anyone else about this.

After the dinner, Chotiner did talk with Nelson. He said if they wanted to make a contribution, Harrison would let them know to whom to give it. Kalmbach was also present; it was at the Madison Hotel.

There was some annoyance or conflict between Colson and Harrison. Therefore, Chotiner/asked to serve as liaison between the dairy people and the Government. He was asked by Ehrlichman (or someone in his behalf). Chotiner was going to California, and was asked to stay for

a meeting. After dinner, Chotiner met Nelson in the lobby, called Kalmbach's room, and met in his room (he had been in bed). Chotiner told them he would act as dairy liaison with the Government for their problems, and Harrison would continue to serve as dairy counsel. Chotiner said nothing else of significance was discussed at this meeting.

Chotiner told Nelson that Harrison would provide names of committees for any contribution the dairy industry might make. Chotiner said Harrison would be in touch with them. Kalmbach didn't say much. There was no discussion of price support or definite amounts to be contributed.

Chotiner speculated that the only reason Harrison couldn't have met with Nelson and Kalmbach as well as Chotiner was because of the friction between Colson and Harrison. Chotiner did not know why it was so important to have the meeting that night so as to cause him to postpone a trip.

When asked how he knew that Harrison would serve to tell Nelson how the contributions were to be made, Chotiner said it was just based on the fact that Harrison was counsel for AMPT.

Chotiner saw Colson on March 23. He didn't recall if that is when he learned of Hillings' letter or the bad rapport with Harrison.

Exhibit B

SAM J. ERVIN, JR., N.C., CHAIRMAN
 HOWARD H. BAKER, JR., TENN. VICE CHAIRMAN
 HERMAN E. TALMADGE, GA. EDWARD J. GURNEY, FLA.
 DANIEL K. INOUYE, HAWAII LOWELL P. WICKER, JR., CONN.
 JOSEPH M. MONTOYA, N. MEX.

SAMUEL DASH
 CHIEF COUNSEL AND STAFF DIRECTOR
 FRED O. THOMPSON
 MINORITY COUNSEL
 RUFUS L. EDMISTEN
 DEPUTY COUNSEL

United States Senate

SELECT COMMITTEE ON
 PRESIDENTIAL CAMPAIGN ACTIVITIES
 (PURSUANT TO S. RES. 8, 90 CONGRESS)
 WASHINGTON, D.C. 20510

MEMORANDUM

TO: FILE

FROM: ALAN WEITZ

DATE: DECEMBER 10, 1973 (RETYPE FEBRUARY 13, 1974)

SUBJECT: SECOND CHOTINER INTERVIEW

Today, Dave Dorsen, Dennis Summers, Bob Silverstein and I continued our interview with Murray Chotiner.

1. March 24, 1971

Colson was "uptight" and annoyed with Marion Harrison and Pat Hillings. He had told this to Chotiner even before he left the White House, (Colson and Chotiner were 2 of 4 special counsel) and again when Chotiner saw Colson twice on the 23rd (9 or 9:30 A.M. and 6 P.M.) Colson may even have shown the Hillings letter to Chotiner on the 23rd. (Between the 6th and the 24th, Chotiner also had one meeting in San Antonio with Harrison, Hillings and the client.)

On the evening of the 24th at the Republican fund-raising dinner, Ehrlichman (or one of his staff) told Chotiner that Colson was uptight and annoyed and that he didn't want to have anything to do with dairy people if they represented them. Ehrlichman then asked Chotiner if he would take over as liaison for the dairy people on quotas, price supports and other government matters. Chotiner replied that, since he was Of Counsel and the dairy people were Harrison's clients, he couldn't take over, but he would help. Ehrlichman also asked if he could meet with the milk people, in Kalmbach's presence, to tell them so. Chotiner said he couldn't the

next day since he had plans to fly out to California. Ehrlichman then suggested that they meet that night. So, at the dinner, Chotiner told Nelson "let's get together with Kalmbach to talk about the milk decision" and then he talked briefly to Kalmbach to get his room number in the Madison Hotel. Chotiner also informed Harrison. Chotiner hasn't talked to Ehrlichman about this since then.

Chotiner explained that it would have been unseemly for a government official to have been present when Chotiner told Nelson of the change in representation, but that Kalmbach lent greater credence to it.

Chotiner said Ehrlichman did not mention the price decision or contributions. Chotiner says that he didn't learn of the Administration decision until it was publicly announced on the 25th. The dairy people were very happy after the meeting with the President.

Chotiner went to the Madison Hotel after the dinner and called Kalmbach's room but couldn't reach Kalmbach. Nelson arrived and after waiting for some time, he and Chotiner realized they had been calling the wrong number. They then reached Kalmbach and went up to his room. Since the dinner ended around 11 P.M., and they waited a half hour or so, it was 11:30 or midnight when they finally met with Kalmbach.

It appeared to Chotiner that Nelson and Kalmbach already knew each other. At the meeting, Chotiner said:

"Harold, it's no criticism of Marion or Pat; maybe they don't like the way they comb their hair, but there's bad feeling between Colson and Marion and Pat. So they want me to represent you in dairy matters unless you object."

Nelson: "O.K." (He seemed to have heard about it before; in fact he never asked about Harrison's absence from the meeting.)

Chotiner: "Herb, is that your understanding?"

Kalmbach: "Yes."

Nelson: "We had a satisfactory meeting with the President and we appreciate it. We contribute to both Democrats and Republicans. If we want to contribute to Republicans, how should we do so?"

Chotiner: "Harrison is still your attorney for such matters, and he'll give you the names of committees."

Chotiner does not recall any further discussion; he and Nelson then left Kalmbach's room. Chotiner went home and the next day (the 25th) he left for California.

Chotiner says that he assumed the contributions would be substantial, although he didn't know the specific amount. Chotiner does not believe there was any specific reference at the meeting to substantive issues.

After the meeting, he informed Harrison, but he never talked to Colson about it. After Chotiner met with Colson once or twice, Mitchell called Chotiner (in April or shortly after returning from California) to tell him that signals had been changed and Harrison was again acceptable as representative of the dairy people vis-a-vis Colson. Chotiner told Harrison, and Harrison didn't seem surprised. Nonetheless, Harrison continued to deal primarily with Cashen, and Chotiner with Colson.

Chotiner knows of no dairy contacts with Connally.

2. 1971 Contributions

Chotiner doesn't remember telling Harrison, after the March 24 meeting, about the contributions discussed by Nelson at the meeting. At some point, (Chotiner thinks more than a week after the 24th), Harrison showed Chotiner some of the "silly" names of committees. Chotiner remembers names of only some committees, of the 100, being provided at first to Harrison and the dairy people.

Chotiner wasn't directly involved in the contributions. However, in the summer of 1971, Harrison went to Europe. Before he left, he told Chotiner that the contributions were not coming in as anticipated. Chotiner confirmed this by calling FCRP, and called Dave Parr who said he wasn't sure he had all the names of the committees. So Chotiner

had Harrison's secretary send a list of the 100 committees to Parr, marked to indicate committee names already sent to the dairy people by Harrison. Chotiner had some idea that the contributions were being coordinated among the three dairy co-ops. When the checks came in to Chotiner, he merely had a secretary take them to FCRP. After August, 1971, he had no further participation in the contributions.

2. A. 1972 Solicitations

Only recently did he hear from Harrison of AMPI meetings with Kalmbach in 1972. Chotiner says he had no contemporaneous knowledge of such meetings or of any further solicitations.

3. Ellsberg Break-In

Sometime in 1971, Colson asked Chotiner if the dairy people wanted to give \$5000 to another committee, for some work or project. Chotiner passed the information on to Harrison, without ever knowing any details.

Chotiner cannot explain why Harrison thinks Colson called Harrison directly. Chotiner told us that Colson may have called Chotiner who told Harrison who, in turn, called either Colson or Cashen.

Chotiner says that Harrison once told him that someone (presumably Colson) "over there" (in the White House) had suggested that AMPI hire Wagner and Baroody for public relations work. Chotiner knows nothing further except that he thinks they were retained. He thinks they needed public relations work to help their image.

4. Antitrust Suit

Harrison told Chotiner about the Justice Department antitrust suit against AMPI, after it was filed. Chotiner may have talked to Colson about it. The key objection by AMPI was that there had been no 30 or 60 day pre-filing negotiation period. Harrison and Chotiner decided to wait until the new antitrust chief was named before pursuing it. (Chotiner got the impression from Harrison that McLaren was responsible for filing the suit just prior to his leaving the Department.) But the next night, after the Harrison-Chotiner conversation,

Chotiner saw Mitchell at a party. Chotiner took the opportunity to tell Mitchell that AMPI should be treated like any other defendant in the up-coming post-filing negotiations. He says Mitchell didn't respond.

Chotiner was first shown the Harrison letters (attached)*last week, and he was upset. He says that, contrary to the implication of the March 25 letter to Mehren, they did not discuss talking to Kleindienst, but only to McLaren's successor. Although Chotiner never again talked to Mitchell about the suit, he understands Harrison did later talk to Kleindienst. (Chotiner once talked to Bruce Wilson about an unrelated matter.)

In 1972, AMPI fired Reeves & Harrison because the firm was not getting a good response from the Administration.

5. FCRP

Chotiner was in charge of ballot security in the President's 1972 campaign. He was reimbursed for his expenses and for the money he paid to reporters. When he left the White House, he received money from Kalmbach for part of his secretarial and phone expense (but never his rent at Reeves & Harrison.) AMPI paid for part of his secretary's furnishings; he always paid for his rent (\$625 per month) out of his monthly payment from the firm.

*The Harrison letters referred to above have been previously printed in Book 16 as Mehren exhibits Nos. 1B and 1C.

UNITED STATES SENATE SELECT
COMMITTEE ON PRESIDENTIAL
CAMPAIGN ACTIVITIES

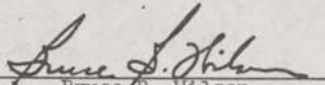
AFFIDAVIT

State of District of ColumbiaCity of Washington

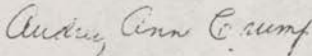
I, Bruce B. Wilson, being duly sworn, make this affidavit for the Senate Select Committee on Presidential Campaign Activities.

1. I am the Deputy Assistant Attorney General, Antitrust Division, Department of Justice, and as such, I am familiar with the civil antitrust suit captioned United States v. Associated Milk Producers, Inc., Civil Action No. SA 72 CA 49.

2. I hereby affirm that the following listed documents (see attachment) are now contained in the files of the Department of Justice and that the attached are true and accurate copies thereof.


Bruce B. Wilson

Sworn and subscribed to
before me on the 23d day
of January, 1974.



My Commission Expires August 31, 1976

ATTACHMENT

1. A memorandum, dated February 23, 1971, from Robert B. Hummel to John E. Sarbaugh concerning a preliminary inquiry into price-fixing activities of major milk producers.
2. A memorandum, dated August 11, 1971, from John E. Sarbaugh to Baddia J. Rashid concerning the request for a grand jury investigation of AMPI.
3. A memorandum, dated August 17, 1971, from Robert B. Hummel to Gerald Connell.
4. A memorandum dated August 23, 1971, from Gerald A. Connell to Robert B. Hummel concerning the conduct of AMPI.
5. A memorandum, dated August 25, 1971, from Robert B. Hummel to Messrs. Comegys and McLaren.
6. A memorandum, dated September 9, 1971, from Walker B. Comegys to Richard McLaren.
7. A memorandum, dated September 9, 1971, from Richard McLaren to the Attorney General concerning the proposed grand jury investigation of AMPI.
8. A memorandum, dated October 29, 1971, from Richard McLaren to the Attorney General concerning the proposed grand jury investigation of AMPI.
9. A memorandum, dated November 10, 1971, from Robert B. Hummel to Richard W. McLaren concerning AMPI.
10. A memorandum, dated November 30, 1971, from Attorney General John Mitchell to Dick McLaren.
11. A memorandum, dated November 30, 1971, from Richard McLaren to Baddia J. Rashid.
12. A memorandum, dated January 18, 1972, from Richard McLaren to the Attorney General concerning the proposed civil antitrust suit against AMPI.

13. A memorandum, dated January 22, 1972, from John Mitchell to Dick McLaren.
14. A memorandum, dated January 24, 1972, from John E. Sarbaugh to File No. 60-139-166 concerning a telephone conversation with Stuart H. Russell.
15. A memorandum, dated January 25, 1972, from Ronald L. Futterman to File No. 60-139-166 concerning a meeting with Martin Burns.
16. A memorandum, dated January 27, 1972, from James J. Kubik to File No. 60-139-166 concerning a telephone conversation between Kubik and Martin Burns.
17. A memorandum, dated January 27, 1972, from James J. Kubik to File No. 60-139-166 concerning a meeting attended by Martin Burns, Erwin Heininger and various members of the staff of the Chicago Antitrust Division.
18. A copy of the civil complaint in the suit captioned United States v. Associated Milk Producers, Inc., Civil Action No. SA 72 CA 49, filed February 2, 1972.
19. A Department of Justice Press Release, dated February 1, 1972, concerning the civil antitrust suit filed against AMPI.
20. A memorandum, dated July 26, 1973, from Thomas E. Kauper to the Attorney General concerning political contributions and the filing of the case against Associated Milk Producers, Inc.

EXHIBIT 1

Files

Corres

Mr. Rashid

Mr. McLaren

Mr. Comegys

Chicago

Miss McGrann

Miss Peck

Chrono

Hold

John E. Sarbaugh, Chief
Chicago OfficeRobert B. Hummel
Deputy Director of Operations

RJFavretto:mvm

February 23, 1971

File: 60-139-0-

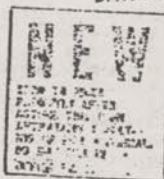
Milk - Dallas, Texas - Price Fixing
Major Milk Producers in the Dallas, Texas Area

Attached is a copy of a memorandum from Mr. Markus
to Mr. Hummel, dated August 25, 1970, which is self-
explanatory. You are hereby authorized to conduct a
preliminary inquiry into the price-fixing activities
of major milk producers in the Dallas, Texas area.

Attachment

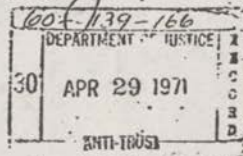
F.T.C. CLEARANCE GRANTED

DATE 2/17/71



INDEXED ON

Sinst-Milk A. B.



Form DJ-156
(Ed. 4-25-64)

UNITED STATES GOVERNMENT

Memorandum

DEPARTMENT OF JUSTICE

JESarbaugh:abh

TO : Baddia J. Rashid
Director of Operations

DATE: August 11, 1971

FROM : John E. Sarbaugh, Chief
Midwest Office

File: 60-139-0

cc: Mrs. Schneiderman
Mr. HunterSUBJECT: Associated Milk Producers, Inc.
Request for Grand Jury InvestigationFILE
B. J. R.

Attached are (1) Rebecca Schneiderman's memorandum of August 10, 1971 recommending a grand jury investigation in Tulsa, Oklahoma, of alleged antitrust violations by AMPI in the marketing of milk in the Midwest and summarizing facts showing possible violations in several geographic areas in the Midwest, including Chicago, Tulsa, Ardmore (Oklahoma), and several cities in Texas; and (2) proposed Memorandum For The Attorney General.

AMPI is a huge agricultural cooperative with 30,000 dairy farm members located in the Midwest from Canada to Mexico, plus Pennsylvania. AMPI is engaging in practices which are:

1. Forcing nonmember milk producers to join AMPI unwillingly, and
2. Forcing milk processors and manufacturers to enter into full requirement contracts with AMPI unwillingly.

More specifically, AMPI uses the Department of Agriculture regulations and its economic power in such a way as to result in the foregoing situation by:

1. Agreeing with manufacturers of dairy products such as cheese, powdered milk, and butter, that their suppliers of milk will receive the federal milk order blend price if the manufacturer will resell fluid milk only as directed by AMPI.
2. Agreeing with about 20 smaller cooperatives to set up a fund to pay a premium price to producers and manufacturers not covered by any federal market order if the producers and manufacturers agree not to sell fluid milk in federal milk marketing areas.
3. Threatening to cut off the supply of AMPI fluid milk to processors and manufacturers unless the processor or manufacturer signs a full requirement contract with AMPI.

4. Informing nonmember milk producers, supplying noncompliant processors and manufacturers, that they must join AMPI immediately or they will not be allowed to join later, when the noncompliant processors and manufacturers are no longer available as customers and the only customer for milk might be AMPI.

5. Flooding an area with Class II milk (used in processing cheese, butter and powdered milk) which has a lower price than Class I milk (fluid milk), thus lowering the federal milk order blend price to the detriment of nonmember producers, but not to the detriment of member producers who are subsidized by AMPI.

6. Shipping AMPI produced dairy products (including ice cream and fluid milk) into areas where AMPI is having difficulty inducing a processor or manufacturer to enter into a full requirement contract for fluid milk, and selling in that area at cut prices in competition with such processors or manufacturers.

7. Penalizing processors and manufacturers who will not enter into full requirement contracts by charging them more for milk they buy from AMPI than is charged processors and manufacturers who buy milk from AMPI under full requirement contracts.

8. Boycotting milk haulers who pick up milk from nonmember producers.

9. Buying out, at inflated prices, milk haulers, processors and manufacturers which continue to deal with nonmember producers.

These tactics by AMPI run counter to our antitrust concept of lawful conduct in the market place and are not exempt from the antitrust laws. These tactics are not confined to joint marketing efforts by agricultural producers. They involve coercive acts against agricultural producers who do not want to join AMPI and against nonco-op processors and manufacturers who do not want to buy all their milk requirements from AMPI.

AMPI, however, would undoubtedly attempt to justify its actions by claiming it has increased and maintained the prices that producers receive for milk. This is supportive of a long-time effort by the Department of Agriculture. And it is generally conceded that the Midwest producer is not receiving an unreasonably high price for his milk. Also the consumer is not paying unreasonably high prices for milk in the areas where AMPI operates.

The Department of Agriculture regulates milk to the extent of determining the minimum price to be paid by processors and manufacturers, and of establishing rules for determining which producers, processors, and manufacturers are covered by which local pricing orders. Although it is safe to assume that the

Department of Agriculture has received many complaints against AMPI's tactics, it has been very slow to respond. However, United States v. Borden Company, 308 U.S. 188, decided in 1939 that such regulations by the Department of Agriculture did not immunize agricultural cooperatives' nonprice-fixing activities from the prohibitions of the Sherman Act. Except for the exemption allowing producers to market jointly, the activities of an agricultural cooperative are subject to the same antitrust strictures as other business entities.

Even though AMPI has been able to obtain a premium price over the federal milk order price from fluid milk processors, there is evidence that some farmers in AMPI receive less than independent farmers or farmers in other cooperatives because: (1) AMPI skims money that would otherwise go to the farmer to finance its administrative staff and its organizing activities; and (2) AMPI has developed a schedule of payments to its producers (called the "base plan") that makes milk production uneconomical to some producers. Finally, it should be noted that most of our complainants are producers or their representatives who do not think AMPI membership is advantageous.

I believe we know enough about the nature of AMPI's practices to decide at this time whether AMPI should be criminally prosecuted if we can obtain evidentiary proof in support of these tactics. I think some governmental investigation is needed. In the absence of any such action by the Department of Agriculture, I think it is appropriate for us to make such an investigation.

I concur in Rebecca Schneiderman's recommendation for a grand jury investigation.

Attachment

Form DJ-96a
(Rev. 5-22-66)

DEPARTMENT OF JUSTICE

ROUTING SLIP

TO:	NAME	DIVISION	BUILDING	ROOM
1.	<i>Cornell</i>			
2.				
3.				
4.				

FILE

B. J. R.

☐ SIGNATURE	☐ COMMENT	☐ PER CONVERSATION
☐ APPROVAL	☐ NECESSARY ACTION	☐ AS REQUESTED
☐ SEE ME	☐ NOTE AND RETURN	☐ NOTE AND FILE
☐ RECOMMENDATION	☐ CALL ME	☐ YOUR INFORMATION

☐ ANSWER OR ACKNOWLEDGE ON OR BEFORE _____

☐ PREPARE REPLY FOR THE SIGNATURE OF _____ *60-139-166*

REMARKS

Can I have your thoughts on civil v. criminal route here. And also, how clear is the illegality of the various aspects of the conduct?

FROM:	NAME	BUILDING & ROOM	EXT.	DATE
	<i>R. B. H.</i>			<i>8/17</i>

EXHIBIT 4

UNITED STATES GOVERNMENT

DEPARTMENT OF JUSTICE

Memorandum

FILE

GAConnell:g

TO : Robert B. Hummel
Deputy Director of Operations

DATE: August 23, 1971

File: 60-139-0

FROM : Gerald A. Connell, Chief
General Litigation Section

60-139-166

SUBJECT: Associated Milk Producers Incorporated

Your August 17 buckslip asks for my comments on the conduct of AMPI -- how clearly illegal it is and what I think about proceeding criminally.

AMPI is said to require some of its customers to purchase from it exclusively; that is, it tells customers that it will not sell any milk to them unless they buy all their milk from it. (It is also said to have arrangements whereby a person who does not buy exclusively from it can still buy but at a higher price; the legality of this practice is not clear since I don't know what justification they claim for this practice.) AMPI's coercing people into dealing with it exclusively is clearly a violation of Section 2 of the Sherman Act. The best precedent is Lorain Journal, (342 U.S. 143). The defendant there had a "substantial monopoly" of the advertising business in and around Lorain and refused to sell advertising space to people who bought advertising time on the local radio station. This conduct was characterized by the District Court as "bold, relentless and predatory commercial behavior." This language was quoted with approval by the Supreme Court.

Another case dealing with coerced exclusive dealing is Columbia River Packers Association v. Hinton, 34 F. Supp. 970 (D. Oregon 1939). "The exclusive buying clause in the union's contract, which forbids plaintiff from buying fish from others than members of the defendant union, and the clauses in the Union's constitution and by-laws which forbid union members from selling to plaintiff and to others not contracting with the union on the exclusive terms demanded, are, in my view, in restraint of trade and void."

60-139-166

AUG 27 1971

An early Maryland and Virginia milk case (193 F.2d 907) also considered the question of what was called a "full supply" contract -- which amounted to exclusive dealing. The cooperative and seven of its customers had been indicted and charged with conspiring to restrain trade. The District Court convicted the cooperative and two of the customers, but the Circuit Court reversed the convictions. The two customers accounted for 13.8% of the milk sales in the area. The Circuit Court simply found that these contracts were not "made for the purpose of eliminating and suppressing competition." 193 F.2d at 915. The facts in that case differ from the facts here (and those in Lorain Journal) in that the cooperative was not charged with coercing or pressuring customers into dealing with it exclusively.

AMPI is also said to have threatened to refuse to sell to customers doing business in an area where AMPI has a monopoly, if the same customers didn't deal with it exclusively in an area where AMPI had competition. This is a variation on the first practice and is also a clear violation of Section 2 of the Sherman Act. The best precedent I know of is Griffith, (334 U.S. 100). "A man with a monopoly of theatres in any one town commands the entrance for all films into that area. If he uses that strategic position to acquire exclusive privileges in a city where he has competitors, he is employing his monopoly power as a trade weapon against his competitors Though he makes no threat to withhold the business of his closed or monopoly towns unless the distributors give him the exclusive film rights in the towns where he has competitors, the effect is likely to be the same where the two are joined It is in either case a misuse of monopoly power under the Sherman Act." 334 U.S. at 107-08.

The practice of AMPI of manipulating the blend mix in a market so that its members could sell at a profit while non-members operated at a loss is harder to assess. The fact that it is not a sale below AMPI's cost could make proof that it has been done with the necessary "intent" somewhat difficult.

I suppose that AMPI would have some explanation why it is competitive for it to do this. But assuming we could prove that AMPI did this just to eliminate some competitors, then I think it would be a Section 2 violation (and maybe 15 U.S.C. §13a as well). * /

* / The Maryland-Virginia case cited above also dealt with a "classified use" method of pricing milk. Under a provision in the "full supply" contracts the buyer paid the cooperative for the milk at a price which varied depending on how the milk was used. While I don't think the court's holding that this method of pricing in that case was not objectionable ~~is~~ is relevant to our consideration of AMPI's manipulation of the blend mix in Oklahoma, I think that the Chicago office should be aware of this opinion.

Since the facts available to us show that AMPI is engaged in conspicuously predatory behavior, I would not hesitate to investigate further by use of a grand jury. Granted, the cases I cited (except for Maryland-Virginia) were not criminal prosecutions -- but they could have been. If the grand jury investigation were to convince us that AMPI is not acting as badly as we think it is, or that it was undertaking these practices with the bona fide belief that they were not illegal, we could then decide that a criminal prosecution would not be appropriate. But on the facts available to us now I think that a grand jury would be justified.

I am attaching to this memorandum some correspondence we have had with Mr. Oberweis. Obviously, this should be handled by the Chicago office. I am also attaching a copy of a memorandum recording a conversation I had with Mr. Colvert of Colvert Dairy last year. Mr. Colvert never complied with my request to put in writing the details of his complaint.

Attachments

EXHIBIT 5

DEPARTMENT OF JUSTICE

ROUTING SLIP

NAME	DIVISION	BUILDING	ROOM
1. <i>Mr. [illegible]</i>			
2. <i>Mr. [illegible]</i>			
3.			
4.			

FILE

B. J. R.

☐ SIGNATURE ☐ COMMENT ☐ PER CONVERSATION
☐ APPROVAL ☐ NECESSARY ACTION ☐ AS REQUESTED
☐ SEE ME ☐ NOTE AND RETURN ☐ NOTE AND FILE
☐ RECOMMENDATION ☐ CALL ME ☐ YOUR INFORMATION
☐ ANSWER OR ACKNOWLEDGE ON OR BEFORE _____
☐ PREPARE REPLY FOR THE SIGNATURE OF _____

60-139-166

REMARKS *Re: Milk Marketing - Midwest*
Request g. j. activ.
 I agree that a grand jury is necessary and appropriate. The Chicago Office and Messrs. Morrison and Connell are unanimous in their views; the violations are per se and outside Capper-Volstead. Moreover, the AMPI appears to be very heavy-handed in its methods.

FROM:	NAME	BUILDING & ROOM	EXT.	DATE
	<i>KBH</i>			<i>5/5/71</i>

Form DJ-66a
(Rev. 6-1-56)

DEPARTMENT OF JUSTICE

ROUTING SLIP

TO:	NAME	DIVISION	BUILDING	ROOM
1.	<i>Mr. T. C. Foreman</i>			
2.				
3.				
4.				

☐ SIGNATURE	☐ COMMENT	☐ PER CONVERSATION
☐ APPROVAL	☐ NECESSARY ACTION	☐ AS REQUESTED
☐ SEE ME	☐ NOTE AND RETURN	☐ NOTE AND FILE
☐ RECOMMENDATION	☐ CALL ME	☐ YOUR INFORMATION
☐ ANSWER OR ACKNOWLEDGE ON OR BEFORE _____		
☐ PREPARE REPLY FOR THE SIGNATURE OF _____		

REMARKS

Dick —

The President

talked to this group (AMPI)

after Labor Day —

Brook —

FROM:	NAME	BUILDING & ROOM	EXT.	DATE
	<i>Mrs. [illegible]</i>			<i>7/12/71</i>

EXHIBIT 7

Form No. AT-1a
(Rev. 11-20-67)

DEPARTMENT OF JUSTICE

ROUTING SLIP

TO:	NAME	DIVISION	BUILDING	ROOM
1.	Attorney General			
2.				
3.	<i>File</i>			
4.				

☐ SIGNATURE ☐ COMMENT ☐ PER CONVERSATION
☐ APPROVAL ☐ NECESSARY ACTION ☐ AS REQUESTED
☐ SEE ME ☐ NOTE AND RETURN ☐ NOTE AND FILE
☐ RECOMMENDATION ☐ CALL ME ☐ YOUR INFORMATION

☐ ANSWER OR ACKNOWLEDGE ON OR BEFORE 60-139-166
☐ PREPARE REPLY FOR THE SIGNATURE OF Assn of Milk Producers, Inc.

REMARKS

Proposed Grand Jury - Associated Milk etc

Recognizing that we probably will get plenty of flack on this, I still think that the predatory and coercive activities which AMPI allegedly has engaged in requires us to move. I have talked to Dick Lyng at Agric., and he has no objection. In fact, not for quotation, he pretty well confirms that AMPI has some very rough characters and there is fire under the smoke.

RMCL

9/9/71

FROM:	NAME	BUILDING, ROOM, EXT.	DATE
	ASSISTANT ATTORNEY GENERAL Antitrust Division		

EXHIBIT 8

ASSISTANT ATTORNEY GENERAL
ANTITRUST DIVISIONDepartment of Justice
Washington, D.C. 20530

October 29, 1971

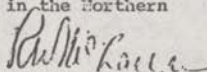
60-139-166
FILE
B. J. R.SUPPLEMENTAL MEMORANDUM TO THE ATTORNEY GENERALRe: Proposed Grand Jury - Associated Milk Producers, et al.

With further reference to the above subject (copy of prior memorandum attached), we continue to receive pleas for action from small co-ops, processors and state authorities. I am told that counsel for Associated Milk Producers publicly states that AMP is exempt from the antitrust laws, and AMP continues to drive smaller competitors to the wall by use of tactics reminiscent of the "robber barons" of a century ago.

In particular, it is said that AMP is selling below cost to customers in areas served by competing co-ops, while at the same time offering higher prices to the other co-ops' producers; it is engaging in full line forcing (if you want any milk at all, buy from us exclusively), and so on, thus forcing competing co-ops and smaller processors and distributors to sell out to AMP.

Three large co-ops (of which AMP is one), we are told, now handle 30% or 90% of the milk produced between the Alleghenies and the Rockies. These co-ops are the result of some 25 co-op mergers in the last few years, and we understand that the three big co-ops themselves are now talking merger. I do not think we can stop this, if true, under Section 7 of the Clayton Act -- anticompetitive as it would be. What we can do is to bring proceedings under Sections 1 or 2 of the Sherman Act if the above-outlined allegations of predatory practices are true.

For these additional reasons, I urge that you authorize the requested grand jury investigation in the Northern District of Oklahoma.

The Dept of Agriculture has no objection officially; they are willing to appear to press this action.

 RICHARD W. McLAUGHLIN
 Assistant Attorney General
 Antitrust Division

Approved:

Date:

60-139-166 *EX-57*

To A.P.
 Prior memo
 went to
 your desk
 on Sept. 10,
 date of last
 writing.
 S.L.

EXHIBIT 9

Files

Corres. Unit
Mr. Rashid
Chicago
Office.
Mr. McLaren
Rhono

Richard W. McLaren.
Assistant Attorney General
Antitrust Division

RJFavretto:dml

November 10, 1971

File: 60-139-166

Robert B. Hummel
Deputy Director of Operations

Associated Milk Producers, Inc.

Mr. Favretto and I met on Friday, November 5, with Everett Hutchinson, Thomas McDade, Morris Atlas, and Gary Gurwitz, attorneys who are representing four small Texas dairy cooperatives in treble damage suits against AMPI. They repeated allegations of predatory practices on the part of AMPI similar to those which we have heard from other farmer groups and dairies in the course of a preliminary investigation conducted by our Chicago Office. Particular emphasis was placed upon AMPI's manipulation of a marketing area's blend price by flooding that market with milk from other marketing areas. This tactic is used to lower the price to independent farmers in an effort to force them to join AMPI. Counsel claims that AMPI regards itself as perfectly free to do this under the marketing orders of the Department of Agriculture, and has admitted so in papers filed in these private cases. I stated that any specific facts which they wished to bring to our attention should be directed to our Chicago Office.

After the meeting, I called John Sarbaugh and filled him in. We agreed that in view of the fact that AMPI is apparently making no bones about its policies, we ought to think in terms of an immediate civil injunctive case against AMPI and not await a determination of our grand jury request. Sarbaugh's staff will explore this avenue.

RJF
RBH

OFFICE OF
THE ATTORNEY GENERAL



EXHIBIT 10

November 30, 1971

MEMORANDUM FOR: DICK MCLAREN

PER OUR CONVERSATION I REQUEST THAT YOU
GO THE CIVIL ROUTE.

JOHN M. MITCHELL

60-129-166
FILE
B. J. R.

EXHIBIT 11

Form No. AT-1a
(Rev. 11-20-64)

DEPARTMENT OF JUSTICE

ROUTING SLIP

COPY

TO:	NAME	DIVISION	BUILDING	ROOM
1.	Mr. Rashid			
2.				
3.				
4.				

☐ SIGNATURE	☐ COMMENT	☐ PER CONVERSATION
☐ APPROVAL	☐ NECESSARY ACTION	☐ AS REQUESTED
☐ SEE ME	☐ NOTE AND RETURN	☐ NOTE AND FILE
☐ RECOMMENDATION	☐ CALL ME	☐ YOUR INFORMATION
☐ ANSWER OR ACKNOWLEDGE ON OR BEFORE	Proposed Milk Case	
☐ PREPARE REPLY FOR THE SIGNATURE OF	Chicago Office	

REMARKS

The Atty Genl is willing that we issue CID's on this matter. I think what more we need probably can now be obtained by interviews.

RMCL 11/30/71

FROM:	NAME	BUILDING, ROOM, EXT.	DATE
ASSISTANT ATTORNEY GENERAL			
Antitrust Division			

COPY

MEMORANDUM FOR: DICK McLAREN

PER OUR CONVERSATION I REQUEST THAT YOU
GO THE CIVIL ROUTE.

JOHN N. MITCHELL

Form No. AT-1a
(Rev. 11-20-63)

DEPARTMENT OF JUSTICE

COPY

ROUTING SLIP

TO:	NAME	DIVISION	BUILDING	ROOM
1.	Attorney General			
2.				
3.				
4.				

☐ SIGNATURE	☐ COMMENT	☐ PER CONVERSATION
☐ APPROVAL	☐ NECESSARY ACTION	☐ AS REQUESTED
☐ SEE ME	☐ NOTE AND RETURN	☐ NOTE AND FILE
☐ RECOMMENDATION	☐ CALL ME	☐ YOUR INFORMATION

☐ ANSWER OR ACKNOWLEDGE ON OR BEFORE Proposed Civil Case vs. Assoc.

☐ PREPARE REPLY FOR THE SIGNATURE OF Milk Producers, Inc.

REMARKS

In this case we allege that AMPI has (and is) engaged in a number of grossly predatory practices to restrain and monopolize the milk business. The only reason we don't ask criminal action is that there is some indication that they have mistaken legal advice that they are exempt from the anti-trust laws.

Independent co-ops are begging for protection against the professional management of this juggernaut -- from us and from Agriculture.

I met with Dick Lyng of Agric. this a.m. He has no opposition to our suit and will discuss promptly with Secty. I strongly urge approval.

FROM:	NAME	BUILDING, ROOM, EXT.	DATE
ASSISTANT ATTORNEY GENERAL	RMcL		1/18/72
Antitrust Division			

To Deck Mr. Lacer
I suggest that you
get these people in
before you fill
G. M.

1-22-72

EXHIBIT 14

FILE
B. J. R.

Files

JESarbaugh:gw

January 24, 1972

File: 60-139-166

John E. Sarbaugh, Chief,
Midwest Officecc: Mr. Rashid
Mrs. Schneiderman
Mr. Kubik
Mr. FuttermanMilk - Central U.S.

I called Stuart H. Russell, attorney for Associated Milk Producers, telephone (405) 236-5991. I told him that we had been authorized to file an antitrust complaint against AMPI. I also told him that we had been authorized to ask AMPI if it wanted to engage in pre-file negotiations looking toward a consent decree. I stated that we could give AMPI until the close of business on Thursday to decide if it wanted to negotiate. If it did we would have 60 days under the Division practice to try to negotiate a consent decree. If AMPI did not want to negotiate, I stated that we planned to file the Complaint on Friday, January 23, 1972. I also stated that the Complaint was available in this office for AMPI to read and that notes could be made from it. I stated I could not give him a copy of the complaint until it was actually filed.

He stated that he was confident AMPI would want to negotiate; that he would get in touch with Martin Burns, counsel for AMPI in Chicago and that Martin Burns would be most likely contacting this office to see the complaint.

I told him that the complaint was being typed final and that it would be finished late tomorrow morning.

Martin Burns called and said he would arrange with Mrs. Schneiderman or Mr. Futterman to read the complaint on January 25, 1972.

EXHIBIT 15

The Files

FILE
B. J. R.

RLFutterman:de

January 25, 1972

File: 60-139-166

Ronald L. Futterman

cc: Mr. Rashid ✓
Mrs. Schneiderman
Mr. KubikMilk - Central U.S.

On January 25, 1972, Martin Burns, Chicago counsel for AMPI, came to the Chicago office and read the civil complaint we intend to file against AMPI.

EXHIBIT 16

JJKubik:isd

The Files

January 27, 1972

James J. Kubik

FILE
B. J. R.

File: 60-139-166

cc: Mr. Rashid ✓
Mrs. Schneiderman
Mr. FuttermanMilk - Central U. S.

On January 26, 1972 the writer received a telephone call from Martin Burns, local counsel for AMPI, who indicated that AMPI desires to enter into pre-filing negotiations regarding the captioned matter. In answer to his question about the proposed complaint, I explained to him that at no time during the pre-filing negotiations would a copy of the complaint be available for distribution to anyone outside the Antitrust Division because it is subject to revision at any time prior to the actual filing. However, I stated that a copy of the complaint would be made available for his inspection during the negotiations in the Chicago office.

Burns, on behalf of AMPI, requested that a negotiation conference with the staff be held at the Chicago office at 10:00 AM on January 27, 1972 and this request was agreed to.

EXHIBIT 17

JJKubik:isd

January 27, 1972

The Files

File: 60-139-166

James J. Kubik

cc: Mr. Rashid ✓
Mrs. Schneiderman
Mr. FuttermanMilk - Central U. S.FILE
B. J. R.

On January 27, 1972, Martin Burns and Erwin Heininger came to the Chicago Office in order to affirm AMPI's intention to engage in pre-filing negotiations and to discuss the complaint. Also present during this conference were John E. Sarbaugh, Rebecca J. Schneiderman, Ronald L. Futterman, and James J. Kubik.

This meeting was Heininger's first opportunity to read the complaint and it was explained to him that he may make detailed notes regarding its contents, but no copy would be available to him (or to anyone else outside the Division) until the complaint is filed as it is not until then a public document and is subject to revision.

Heininger stated that at the present time AMPI was experiencing some intra-organizational difficulties due to a change in management personnel. A person by the name of Merrin has now become the chief executive officer of AMPI. He also stated that due to the "state of flux" that AMPI is now in, he would need some time to discover information which would be helpful to him regarding the allegations and prayer for relief in our complaint. It was then made clear to Heininger that the 60 day period for pre-filing negotiation was the maximum time allowed by the Division and that no extension would be granted *renewed*.

Heininger, Burns, and the staff proceeded to discuss some of the allegations in the complaint and the difficulties of drafting a consent decree which both sides could agree to and AMPI could live with. However, Heininger stated that some of the relief asked for was not objectionable. It was decided that the Government and counsel for AMPI would each try to work out proposals for a consent decree which would become the basic for further pre-filing negotiations.

IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF TEXAS
SAN ANTONIO DIVISION

UNITED STATES OF AMERICA,

Plaintiff,

v.

ASSOCIATED MILK PRODUCERS, INC.,

Defendant.

CIVIL ACTION NO.

Filed:

Equitable Relief, Sought

COMPLAINT

The United States of America, plaintiff, by its attorneys, acting under the direction of the Attorney General of the United States, brings this civil action against the above named defendant and complains and alleges as follows:

I

JURISDICTION AND VENUE

1. This complaint is filed and this action is instituted against the above named defendant under Section 4 of the Act of Congress of July 2, 1890, c. 647, 26 Stat. 209, as amended entitled "An Act to protect trade and commerce against unlawful restraints and monopolies", commonly known as the Sherman Act (15 U.S.C. § 4), in order to prevent and restrain continued violations by the defendant, as hereinafter alleged, of Sections 1 and 2 of the Sherman Act.

2. The defendant transacts business and is found within the Western District of Texas, San Antonio Division.

II

THE DEFENDANT

3. Associated Milk Producers, Inc. (hereinafter "AMPI") is an agricultural cooperative marketing association, as defined in 7 U.S.C. § 291, incorporated and existing under the laws of the State of Kansas with its principal office and place of business at San Antonio, Texas. AMPI has a membership of more than 40,000 milk producers located in the following states, among others: Wisconsin, Minnesota, South Dakota, Iowa, Nebraska, Illinois, Indiana, Missouri, Kansas, Tennessee, Arkansas, Oklahoma, New Mexico and Texas. AMPI also owns and controls numerous large volume plants that process and distribute fluid milk and milk products. AMPI was formed in the latter part of 1969 as a combination of and the successor in interest to some 36 or more cooperatives, including Milk Producers, Inc. and Pure Milk Association. Any reference to defendant AMPI, unless the context requires otherwise, is also a reference to previously existing corporations and entities that have been merged or consolidated into AMPI.

III

CO-CONSPIRATORS

4. Various corporations and individuals not made defendants herein, including but not limited to milk haulers and processors, have participated in the violations alleged and have performed acts and made statements in furtherance thereof.

IV

DEFINITIONS

5. As used herein:

- (a) "Milk" means the raw milk of cows prior to pasteurization;
- (b) "Fluid milk" means pasteurized milk sold for human consumption in fluid form;
- (c) "Milk products" mean products manufactured from milk such as butter, ice cream, cheese and powdered milk;
- (d) "Processor" means a person, partnership or corporation engaged in the business of purchasing milk and processing, bottling and/or packaging fluid milk and milk products;
- (e) "Producer" means any person engaged in the production of milk approved for consumption as Grade A milk by any duly constituted state or municipal health authority;
- (f) "Cooperative" means any marketing association of producers meeting the requirements of 7 U.S.C. § 291;
- (g) "Plant" means the land, buildings, facilities and equipment constituting a single operating unit or establishment in which milk is processed;
- (h) "Federal milk marketing order" means an order and applicable rules of practice and procedure relating thereto, establishing minimum prices which processors within a defined market area are required to pay producers, and adopted

pursuant to the provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. § 601, et seq.).

V

TRADE AND COMMERCE

6. Producers may join together in cooperatives to collectively market and process their milk, and may make necessary contracts and agreements to effect such purposes. Producers in at least 14 midwestern states have joined together to market their milk through AMPI. Although milk is usually transported to nearby plants, it can be transported very long distances. In marketing milk AMPI treats the entire area in which it has members as one market, and has on many occasions sold milk to plants located far from where such milk was produced. AMPI accounts for a substantial majority of the milk marketed throughout AMPI's entire marketing area; AMPI controls over 90 percent of the milk market in many local markets, as defined by federal milk marketing orders, and 100 percent of the milk marketed in some such local markets.

7. Under the Agricultural Marketing Agreement Act, 7 U.S.C. § 601, et seq. ("the Act"), the Secretary of the United States Department of Agriculture is granted inter alia the power to issue federal milk marketing orders. The purpose of such orders is to provide for orderly marketing conditions such as will establish parity prices for farmers, protect the interest of the consumer, establish and maintain quality of products and establish and maintain an orderly flow of supply. These statutory objectives are sought to be achieved by a

complex economic regulatory scheme which, among other things, sets minimum prices that all processors must pay farmers for prescribed classifications of various milk products meeting specified quality standards. An order becomes effective if producers who produce at least two-thirds of the volume of milk produced for the market favor the order. Cooperatives are permitted to vote for their members. There are presently in effect more than 60 different federal milk marketing orders, each applicable to a different geographical area. While most major metropolitan areas in the United States are covered by federal milk marketing orders, there are many milk producing areas that are not federally regulated.

8. Federal milk marketing orders establish market-wide producers' pools, as authorized by 7 U.S.C. § 608c (5)(B). Under this regulatory scheme, administered by a Federal Milk Market Administrator (an agent of the Secretary of Agriculture), processors make payment or account for their purchases of milk to the Administrator, according to the end use of the milk they have purchased. Federal milk marketing orders establish a Class I price for milk used as fluid milk and a lower Class II price for milk manufactured into milk products in each marketing area. Each month the total volume of milk in each of the two categories used by processors in a market is multiplied by the appropriate coefficient price. These two dollar figures are totalled and then divided by the total volume of milk. The resultant "uniform price" for the month represents the average value of all milk sold in the market area. The Administrator pays the "blend price", which is the uniform price after the addition and subtraction of certain functional differentials, to each milk producer or association of producers

for sales in that market, or verifies that such price has been paid. Thus, except to the extent that the functional adjustments differ, each milk producer or the cooperative of which he is a member receives the same price per unit of milk sold regardless of the actual end use of its milk; the producer or his cooperative selling to a processor for Class I use receives no more than a producer selling to a processor for Class II manufacturing use. The cost of milk to each processor, however, is based on actual utilization. A processor who, for example, has 100 percent Class I utilization will pay or account to the Administrator at the Class I price for all its milk even though only the blend price is paid to the producers of its milk or the producers' cooperatives.

9. A cooperative collects the money all of its members are entitled to under federal milk marketing orders, and can determine how such money shall be allocated among its members. AMPI also collects a premium above the federal order price from most processors to whom it sells milk. AMPI has established a "base-excess" plan as a basis for payments to its members in certain parts of its marketing area. Under this plan, each member is assigned a specified number of pounds as base, and all milk produced over that amount is excess or surplus milk. AMPI pays its members approximately twice as much for base milk as for surplus milk. To obtain enough base to make milk producing profitable, many members of AMPI must buy another member's base, or produce excess for a period of years. In either case a substantial investment is required of AMPI members for them to operate profitably. Under the membership obligations of AMPI such investment is forfeited if a member sells milk in competition with AMPI for a period of five years after he terminates his membership in AMPI.

10. Federal milk marketing orders differ as to what milk is considered to be part of the milk used in a given market area. However, the provisions of some marketing orders permit cooperatives to report Class II milk as having been used in a given market area when, in fact, it has not been. This practice is called "loading the pool". The effect of loading the pool may be to drive the uniform and blend prices significantly downward. Members of AMPI may be insulated from such economic loss by receiving payments from AMPI out of funds collected in other market areas.

11. Milk must be transported from dairy farms where it is produced to plants. Most individual producers do not produce sufficient quantities of milk to make it economically feasible for them to transport their milk themselves. In many areas independent milk haulers traditionally perform this service. Such haulers must transport the milk of enough producers to provide them with a minimum volume of milk for a profitable business.

12. AMPI is engaged in interstate commerce, and there is a continuous flow of milk in interstate commerce. During the period covered by this complaint, AMPI has sold and shipped substantial quantities of milk in states other than the states in which it was produced. AMPI also owns a number of plants in many states at which it processes milk and from which it sells and ships fluid milk and milk products across state lines.

VI

VIOLATIONS ALLEGED

13. Beginning in or about 1967, the exact date being unknown to the plaintiff, and continuing up to and including the date of the filing of this complaint, defendant and the co-conspirators have engaged in a combination and conspiracy

to unreasonably restrain and monopolize the above described interstate trade and commerce in violation of Sections 1 and 2 of the Act of Congress of July 2, 1890, as amended (15 U.S.C. §§ 1 and 2), commonly known as the Sherman Act.

14. Beginning in or about 1967, the exact date being unknown to the plaintiff, and continuing up to and including the date of the filing of this complaint, defendant has attempted to monopolize the above described interstate trade and commerce in violation of Section 2 of the Act of Congress of July 2, 1890, as amended (15 U.S.C. § 2), commonly known as the Sherman Act.

15. In furtherance of the aforesaid combinations and conspiracies, and pursuant to the aforesaid attempt to monopolize, the defendant and co-conspirators have done the following things, among others:

- ✓ |
- (a) Depressed the price competing producers of AMPI could receive for their milk under the applicable federal milk marketing order in various geographic areas, by loading the pool, while insulating AMPI members from economic loss;
 - (b) Agreed that processors who purchase milk from AMPI will not purchase milk from competitors of AMPI, or will pay a substantially higher price for their milk than their competitors who do not deal with AMPI's competitors;

- (c) Agreed that some processors would not sell or deliver milk acquired from AMPI to other processors except as directed by AMPI;
- (d) Agreed that haulers who haul milk produced by members of AMPI will not haul milk produced by competitors of AMPI;
- (e) Acquired the business and assets of processors who processed milk produced by competitors of AMPI and terminated said processing;
- (f) Acquired the business and assets of haulers who transported milk produced by competitors of AMPI and terminated said transporting; and
- (g) Compelled producer-members of AMPI to sign membership agreements which unreasonably, restrained the right of said members to withdraw from AMPI and market milk in competition with AMPI.

16. The violations alleged in this complaint are continuing and will continue unless the relief hereinafter prayed for is granted.

VII

EFFECTS

17. The violations alleged in this complaint have had the following effects, among others:

- (a) Competition among the defendant and other producers and cooperatives in the sale of milk has been restrained and eliminated;

- ✓ (b) Sale of milk in the AMPI marketing area has been monopolized;
- ✓ (c) Producers have been denied unrestricted access to milk haulers;
- ✓ (d) Producers have been denied the unrestricted opportunity to sell milk to processors;
- ✓ (e) Processors and haulers have been deprived of the benefit of free and open competition among producers; and
- ✓ (f) Consumers and other purchasers have been deprived of the opportunity to buy fluid milk and milk products in an unrestricted market and at competitive prices.

PRAYER

WHEREFORE, the plaintiff prays:

1. That the Court adjudge and decree that the defendant AMPI has engaged in combinations and conspiracies to unreasonably restrain and monopolize, and has unlawfully attempted to monopolize, the aforesaid trade and commerce in violation of both Sections 1 and 2 of the Sherman Act.

2. That the defendant AMPI, its successors, assignees, transferees, officers, directors, members, agents and employees and all persons acting or claiming to act on behalf thereof be permanently enjoined and restrained from:

- (a) Directly or indirectly, continuing, maintaining or renewing the unlawful combinations, conspiracies and attempt to monopolize alleged in this complaint, or from engaging in any other

combination or conspiracy having a similar purpose or effect, or from adopting or following any practice, plan, program or device having a similar purpose or effect;

- ✓
- (b) Refusing to employ independent milk haulers who transport or are potential transporters of milk for non-members of AMPI or using threats or coercion or persuasion to induce independent milk haulers to refuse to haul milk for non-members of AMPI;
 - ✓
 - (c) Purchasing or acquiring control of haulers who transport milk of non-members of AMPI for the purpose of eliminating such transporting;
 - (d) Refusing or threatening to refuse to sell milk to or purchase surplus milk from processors unless said processors agree to the condition, agreement or understanding that they will not purchase milk from AMPI's competitors;
 - (e) Agreeing with processors that they will not sell or deliver milk acquired from AMPI except as directed by AMPI;
 - (f) Discriminating or threatening to discriminate against processors who purchase milk produced by competitors of AMPI in any way, including but not limited to, charging said processors higher prices than AMPI charges competitors of said processors;

- ✓ | (g) Purchasing, acquiring, owning or controlling plants which have bought milk produced by non-members of AMPI for the purpose of eliminating said plants as markets for said producers;
- ✓ | (h) Using threats or coercion to induce producers to join AMPI;
- ✓ | (i) Compelling producer-members of AMPI to sign membership agreements which unreasonably restrain the right of said members to withdraw from AMPI and market their milk in competition with AMPI; and
- ✓ | (j) Loading the pool of marketing areas where AMPI has competition from independent producers or producer cooperatives.

3. That the plaintiff shall have such other and further relief as the Court may deem just and proper.

4. That the plaintiff recover the costs of this suit.

JOHN N. MITCHELL
Attorney General

REBECCA J. SCHNEIDERMAN

RICHARD W. McLAREN
Assistant Attorney General

RONALD L. FUTTERMAN

BADDIA J. RASHID

JAMES J. KUBIK

Robert B. Hummel

ROBERT B. HUMMEL

Attorneys, Department of Justice
Room 2634 United States Courthouse
Chicago, Illinois 60604

312 - 353-7565

JOHN E. SARBAUGH

Attorneys, Department of Justice

SEACAL V. WHEATLEY
United States Attorney



Department of Justice

EXHIBIT 19

Bucci
File

FOR IMMEDIATE RELEASE
MONDAY, FEBRUARY 1, 1972

The Department of Justice filed a civil antitrust suit today charging Associated Milk Producers, Inc., one of the nation's largest dairy marketing cooperatives, with monopolizing the sale of milk produced by dairy farmers in 14 states.

Attorney General John N. Mitchell said the complaint was filed in the United States District Court in San Antonio, Texas, where AMPI maintains its headquarters.

The suit charged that AMPI, a cooperative marketing association with more than 40,000 dairy farmer members, has combined and conspired with milk haulers and processors to unreasonably restrain and monopolize the sale of milk to processors, in violation of Sections 1 and 2 of the Sherman Act.

The suit also charged that AMPI has attempted to monopolize the sale of milk to processors in violation of Section 2 of the Sherman Act.

AMPI has members in the states of Wisconsin, Minnesota, South Dakota, Iowa, Nebraska, Illinois, Indiana, Missouri, Kansas, Tennessee, Arkansas, Oklahoma, New Mexico, and Texas.

-2-

Assistant Attorney General Richard W. McLaren, head of the Antitrust Division, said that AMPI has acted to restrain and monopolize milk sales in the 14-state area since 1967 by a variety of practices designed to eliminate the competition of independent milk producers.

According to the complaint, these practices include:

--Manipulating federal milk marketing orders, after issuance by the Secretary of Agriculture, for the purpose of depressing the price of milk received by independent milk producers in competition with AMPI;

--Agreeing with milk processors who purchase milk from AMPI that they will not purchase milk from AMPI's competitors, or that such processors who do will pay a higher price for their milk than other processors who do not deal with AMPI's competitors;

--Agreeing with milk processors that they will not sell or deliver milk acquired from AMPI except as directed by AMPI;

--Agreeing with milk haulers who haul AMPI milk that they will not haul milk produced by AMPI's competitors;

--Acquiring milk haulers and processors who deal with AMPI's competitors, and terminating such dealings; and

--Unreasonably restricting the right of dairy farmer members to freely withdraw from AMPI and market milk in competition with AMPI.

-3-

The complaint charged that, as a result of these practices, competition among AMPI and other milk producers or dairy marketing cooperatives has been eliminated; that milk producers have been denied unrestricted access to milk haulers and processors; and that consumers have been deprived of the opportunity to buy processed milk and milk products at competitive prices.

The suit asked that AMPI be prohibited from continuing the practices cited in the complaint, and also asked that AMPI be enjoined from using threats or coercion to induce dairy farmers to join AMPI or to induce independent milk haulers and processors to refuse to haul or process milk for non-members of AMPI.

AMPI is an agricultural marketing association organized pursuant to the Capper-Volstead Act for the purpose of marketing the milk of its dairy farmer members. AMPI was formed as the successor to about 36 dairy marketing cooperatives which were merged in 1969.

(COVER MEMORANDUM)

*Orig. Ret'd from
AC
7/3/73*

Copy was not sent to Files.

*(Will need review for files)
maybe later*

Files
 Mr. Kauper
 MF. Wilson 60-139-166
 Mr. Saylor
 Mr. Burke

TEK:pm

JUL 25 1973

MEMORANDUM FOR THE ATTORNEY GENERAL

Re: Political Contributions and Filing of Case
 against Associated Milk Producers, Inc.

Attached is a memorandum, setting forth the material in the front office files concerning the filing, in February, 1972, of our case against Associated Milk Producers, Inc. Our files in this matter are dispersed, since the case is being tried by our Chicago field office. I am informed, however, based on searches covering the period up to filing, that the front office file is complete.

There is nothing in our files that suggests that the case was filed because AMPI declined to make political contributions, although obviously we cannot attest to what Mr. Kalmbach may have said. Nor would our files reveal any contacts that might have been made with Attorney General Mitchell.

AMPI has long protested that the case was filed in an unusual way. There was no grand jury, and no use of civil investigative demands. The case was brought solely on the basis of interviews, which is hardly unusual. The complaint was originally scheduled for pre-filing negotiations -- i.e., AMPI was to be given 60 days to negotiate a decree prior to filing. That process was started on January 24, 1972, and AMPI counsel examined the proposed complaint on January 25, 1972.

Thereafter, I am told by Chicago Office staff that they advised Dick McLaren that AMPI's counsel was seeking to delay, having made open references to the fact that Dick McLaren was leaving and that Attorney General Mitchell might also be leaving. The suggestion apparently was that if AMPI delayed long enough, they would get a more sympathetic ear. Dick McLaren then advised the staff to prepare a final decree, and to file within twenty-four hours, if the decree was not accepted. It was not, and the complaint was filed on February 1, 1972. This, I believe, was McLaren's last day in office. The facts in this paragraph do not appear in any documents I have been able to locate, but come orally from staff personnel. It must be conceded that this was somewhat unusual. McLaren, I suspect, feared there might be pressure not to file.

THOMAS E. KAUPER
 Assistant Attorney General,
 Antitrust Division

AFFIDAVIT

Zittle, John of San Antonio, Texas, personally known to me, personally appeared before me and upon being duly sworn did state as follows:

He is employed by Southwestern Bell Telephone Company and is manager of telephone account number 512+824-2478; and that during the period January 1, 1972 through April 30, 1972, telephone number 512+824-2478 was listed in the name of Dr. Geo. L. Mehren at 406 Country Lane, San Antonio, Texas, and the service furnished at such address was residence telephone service.

John Zittle
John Zittle
Manager Unit I
Central District
Southwestern Bell Telephone Company
San Antonio, Texas

STATE OF TEXAS X

COUNTY OF BEXAR X

Subscribed and sworn to before me the 4th day of

February, 1974.

Betty Jo Gimbel
Notary Public
BETTY JO GIMBEL
Notary Public, Bexar County, Texas

THE JOURNAL OF THE ROYAL ANTHROPOLOGICAL INSTITUTE

THE JOURNAL OF THE ROYAL ANTHROPOLOGICAL INSTITUTE
OF GREAT BRITAIN AND IRELAND
PUBLISHED BY THE INSTITUTE
4, BEDFORD SQUARE, LONDON, W.C.1
1900

ADDITIONAL MATERIAL SUBMITTED FOR THE RECORD

December 19, 1969

Milk Producers, Inc.
1019 N. W. Military Drive
San Antonio, Texas

Attn: Harold Nelson

TO SHARON, PIERSON AND SEMMES

For legal retainer for the month of December 1969. . . . \$ 2,000.00

For additional legal services in connection with the
legislative and administrative program of the dairy in-
dustry including legal research on parity decisions,
marketing orders, and marketing agreements; preparation
of memorandum on need for establishment of milk support
prices at 90% of parity; meetings with Federal officials;
attendance at MPI meetings; telephone calls and
correspondence. \$ 8,500.00

Disbursements (local transportation, miscellaneous
expenses. 16.21

TOTAL \$10,516.21

W. DE VIER PIERSON SHIRLEY F. PIERSON		No 508		2
PAY TO THE ORDER OF		1-26		1970
Cash				\$ 5000.00
Five thousand and no/100				DOLLARS
NATIONAL SAVINGS & TRUST COMPANY WASHINGTON, D.C.		JAN 26 1970		
1500 04 50 0000-151		National Sa		
1:0540000521: 5300394 60		50000.00-151		
		000005000000		

Pay Any Bank or Trust Co., D.C.
NATIONAL SAVINGS
& TRUST CO.
WASHINGTON, D.C.

JAN 27 70 012 9601

KSW

JAMES R. JONES
214 SOUTH MARSH AVENUE
TULSA, OKLA. 74114

350

December 23rd 69 \$5.000.00
1969

Pay to the order of Bob Lilly \$5,000.00

FIVE THOUSAND DOLLARS AND NO/100----- DOLLARS

FARMERS & MERCHANTS BANK
AND TRUST COMPANY
TULSA, OKLAHOMA

41067-42664 94 3615 04 0000500007

Bob Lilly

JAMES R. JONES
214 SOUTH MARSH AVENUE
TULSA, OKLA. 74114

540

May 10th 69 \$500.00
1969

Pay to the order of Bob Lilly \$500.00

Five Hundred Dollars and 00/100----- DOLLARS

FARMERS & MERCHANTS BANK
AND TRUST COMPANY
TULSA, OKLAHOMA

41067-42664 94 3615 04 00005000007

*For deposit only
Bob Lilly*

CITIZEN NATIONAL
BANK OF OKLAHOMA
TULSA, OKLA. 74114

41067-42664 94 3615 04 00005000007

JAMES R. JONES
FIRST DISTRICT, OKLAHOMA

MEMBER:
COMMITTEE ON ARMED
SERVICES
COMMITTEE ON INTERIOR AND
INSULAR AFFAIRS

Congress of the United States
House of Representatives
Washington, D.C. 20515

June 22, 1974

ASSISTANT MAJORITY WHIP

WASHINGTON OFFICE:
527 Cannon Office Building
(202) 535-5211

DISTRICT OFFICE:
4555 Federal Building
Tulsa, Oklahoma 74101
(918) 581-7111

Honorable Sam Ervin
Senate Office Building
Washington, D. C.

Dear Senator Ervin:

Some months ago, members of your committee staff talked to me informally concerning the time I was retained by Associated Milk Producers, Inc. Since I did not meet with the Committee itself, I wanted to take this opportunity to outline some of the pertinent points.

I was hired by MPI's General Manager Harold Nelson on January 24, 1969, on an annual retainer of \$40,000. This retainer arrangement was in the standard professional form, that is, it was understood I would bill for expenses and work performed over the basic retainer. The expenses billed for included mostly travel and long distance telephoning for AMPI. I paid my staff and office expenses out of my fees earned. My Tulsa attorney, who is handling my legal claims against AMPI for compensation due and owing to me for 1971 and 1972, spoke with Nelson who confirmed this retainer agreement.

My first responsibility was to disband all previous publications of the cooperative and to create one monthly magazine for the entire cooperative. In addition to having sole responsibility for the monthly magazine, which included editing, writing, soliciting and billing for outside advertising, lay-out, printing and mailing, I coordinated regional public relations activities which included releases, speeches, setting up meetings, and initiating certain promotional activities. I also was responsible for legal opinions on communications matters.

I kept accurate accounts of time and expenses devoted to AMPI work, except for certain months in late 1970 when I was engaged in a political race. According to these records, I spent an average of more than 70 hours per month during my three years on retainer.

On three occasions in 1969, 1970 and 1971, I was asked by Bob Lilly to contribute to the cooperative's political fund, TAPE. This was not unexpected since I had been making speeches and writing articles urging farmers to participate in the political process and contribute. I made contributions in 1969 and 1970 and declined to contribute in 1971.

Page Two:

In December, 1969, and May, 1970, I made contributions of \$5,000. The checks were made to Bob Lilly because that is what he requested. I do not know why Lilly requested that it be payable to him, but I had no reason to question his motive or intent at that time or at anytime I was retained by AMPI, because I knew him as the person in charge of the TAPE program.

It was my understanding that my contributions would be used to purchase tickets to Democratic dinners. As a former official in a Democratic Administration, I expected to be asked to support my Party. My wife and I attended several Democratic fundraising dinners including dinners in Washington in 1969, 1970 and 1971 with tickets purchased by TAPE. In each instance after being asked by my Party to buy tickets, I forwarded the request to Bob Lilly who sent a TAPE check along with a receipt for me to have signed and returned. I showed your staff some of these receipts. These actions reinforced my belief that my contributions were being used for proper purposes.

The first time I suspected that my contributions might have been used for improper purposes was early this year after I talked to staff members of your Committee.

My contributions to TAPE were made from my own funds which I had earned or which were reasonably expected to be owing to me. For example, in December, 1969, when Lilly first made a request for a contribution, I did not have the funds in the bank. Figuring my hours worked for AMPI at my regular rate, I found that I had exceeded my basic retainer of \$40,000 by \$6,690 as of December 19 and I estimated that I would work four hours in Tulsa for AMPI for the remainder of 1969. Therefore, I submitted an excess billing of \$6,890 for 1969. In fact, my estimate was low as I worked nine, instead of four, additional hours during the rest of that year.

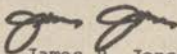
In April, 1970, when Lilly asked for a second contribution, I again did not have sufficient funds on hand. I submitted a special billing projecting what my time in excess of basic retainer would be for that year. This was figured as follows: since my time spent on AMPI work for the first three months of 1970 was the same or greater than 1969, I rounded off my 1969 excess billing to \$6,900 and added the \$250 which I had not billed for in 1969. This was a reasonable basis for calculation because the nature of my work was predictable requiring approximately the same amount of hours each month. Thus explains the special billing of \$7,150 in 1970.

Page Three:

My time sheets corroborate the computation for billings in both 1969 and 1970. My time sheets for 1971 substantiate that my work for AMPI exceeded my basic retainer by several thousand dollars. These time records have been given to your staff.

If there is any further information which I may provide to be helpful to you and the Committee, please let me know.

Sincerely Yours,

A handwritten signature in dark ink, appearing to be 'James R. Jones', written in a cursive style.

James R. Jones

LAW OFFICES

KENNELLY, BLUM AND WALL

FEDERAL BAR BUILDING WEST
1819 H STREET, NORTHWEST
WASHINGTON, D. C. 20006
(202) 293-2139

THOMAS A. KENNELLY
DAVID E. BLUM
JOHN WALL

BOSTON OFFICE
739 BOYLSTON AVENUE
BOSTON, MASS. 02116
(617) 267-4091

March 27, 1974

Mr. David M. Dorsen
Assistant Chief Counsel
United States Senate
Select Committee on Presidential
Campaign Activities
Washington, D. C. 20510

Dear Mr. Dorsen:

This is in reply to your letter of March 19, 1974, in which you seek clarification concerning Congressman Jones' billings to AMPI on December 19, 1969, and April 9, 1970.

The December 19, 1969 billing of \$6890 represents the exact amount of Mr. Jones' fees in excess of \$40,000 for the year 1969 through December 20.

The April 9, 1970 billing represents Mr. Jones' projection at that time of anticipated 1970 fees in excess of \$40,000, based upon his 1969 experience.

The retainer agreement between Mr. Jones and Mr. Harold Nelson, General Manager of AMPI, (an oral agreement entered into in late January 1969), was that Jones would become the editor of Dairymen Digest, a monthly magazine published by AMPI. In addition, Jones would perform legal services as requested by AMPI. At that time, AMPI was still known as MPI, and was emerging from a consolidation of 14 dairy cooperatives in eight states. Dairymen Digest was a new periodical combining various publications into one. The first issue appeared in April 1969.

Inasmuch as Mr. Jones was a practicing lawyer in Tulsa, it was agreed that he would receive a retainer from AMPI in the amount of \$40,000 per annum. He would bill his time spent on AMPI matters at his usual rate of \$50 for hours in Tulsa and \$70 for hours away from Tulsa.

As is common with retainer arrangements, it was agreed that if Mr. Jones performed services in excess of the value of \$40,000, he would be paid for such services at his regular hourly rate.

In 1969, Mr. Jones recorded all hours spent on AMPI matters on the time sheets which have been provided to you.

As Congressman Jones has previously related to you, sometime in December 1969 he was approached by Mr. Bob A. Lilly for a \$5000 contribution to TAPE. Mr. Jones readily agreed because he believed strongly in the aims and objectives of TAPE.

Not having \$5000 on hand at the time, he determined from his time sheets that as of December 19 the amount of services rendered by him for the year totalled \$46,690. He then figured an additional four hours would be spent on December 20, the day on which Dairymen Digest went to press. Adding \$200 (4 hours at \$50 per hour) to the prior figure of \$46,690, he arrived at a total of \$46,890. Accordingly, he billed AMPI for \$6890, and from this amount he made his contribution by check in the amount of \$5000 on December 19. (As it turned out, he actually worked six hours on December 20).

In April 1970 Mr. Lilly again requested a contribution from Mr. Jones in the amount of \$5000. It was Mr. Jones' understanding that Mr. Lilly wanted the contribution for the 1970 elections. Mr. Jones again agreed to contribute \$5000. Although only four months had passed since his prior contribution, he could readily understand that the money was needed prior to the Spring primaries and he rightfully concluded that this would be the only request made of him in 1970.

At no time either on this occasion or during the previous December did Mr. Lilly or anyone else suggest to Mr. Jones that the contributions solicited were to be used for anything but legitimate TAPE purposes. At no time was he advised that these moneys were to be used to cover up for illegal contributions by AMPI or TAPE or for any other illegal purpose. Nor was it suggested to him that the contributions should be from any source other than fees due and owing or reasonably anticipated to be due and owing him for services rendered.

In April 1970 Mr. Jones again did not have \$5000 readily available to him and so he projected his anticipated fees in excess of \$40,000 for 1970 based on his actual overage for 1969. He did this as follows:

Having previously computed his overage through December 20, 1969 at \$6890, rounded off to \$6900, he noted from his time sheets that he had rendered five additional hours of service from December 21 through the end of 1969. 5 hours x \$50 = \$250. He added the \$250 to \$6900, arriving at a total of \$7150, which is the amount of the billing he submitted on April 9, 1970.

An analysis of his time sheets for the first three months of 1970 indicates that his projection was on target at that time. These time sheets show that through March 31, 1970 he performed services, again computed at the rates of \$50 and \$70 per hour, which totalled \$12,060. Using the first three months as a basis upon which to project work expected to be performed through the balance of the year, the projection would be \$48,240 with a resulting overage of \$8240. Therefore, since he was devoting at least as many hours to AMPI matters in 1970 as he had been in 1969, he had every reason to expect that his overage would be at least equal to if not greater than that of the prior year.

It is unfortunate, in retrospect, that he did not keep time records from August to December 1970, when he was busily engaged in his Congressional campaign. But I suggest that his failure to keep records in August really is not very material in determining what his intent was when he submitted his bill four months earlier.

In fact he did do the work even though he did not keep records. He got the magazine out and has copies to prove it. He attended the monthly board meetings and has expense receipts to prove it.

He did the work sporadically and at odd hours and on airplanes and with the help of others. He conservatively estimates his time spent on the magazine and in attending board meetings (and not including other activities for AMPI) between August and December 1970 as follows:

Magazine: 30 hours per mo. x 5 mos. = 150 hrs. x \$50	\$ 7500.00
Board meetings: 5 meetings x 15 hrs. ea. (includes travel) = 75 hrs. x \$70	5250.00
	\$ 12750.00

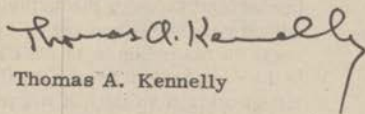
The actual records for the first seven months of 1970, including travel time per his receipts, show that he earned, at the previously mentioned rates, more than \$32,000. Add to this the above unrecorded \$12,750, and we see that he earned, by conservative estimate, at least \$44,750, which is quite close to his projected figure in April 1970.

I am also enclosing, to make the account more complete, Mr. Jones' time sheets for the year 1971. These show that in 1971 his total hours spent on AMPI business, based on his previously mentioned hourly rates, are valued in excess of \$79,000. This overage of more than \$39,000, for which he has still not been compensated by AMPI, far exceeds any unsubstantiated hours for which he may have been paid in 1970.

I hope this letter will be of some assistance to you in reading Mr. Jones' AMPI expense records for the years in question. If you have any additional questions, please do not hesitate to call me.

We will be in further contact with you with respect to our views concerning Congressman Jones' memo of January 18, 1972.

Sincerely,



Thomas A. Kennelly

TAK/jbk
Enclosures

8065

December 19, 1969

Mr. Bob Lilly
Milk Producers, Inc.
1011 North West Military
San Antonio, Texas 78213

STATEMENT OF ACCOUNT

Professional services
and expenses

\$6,890.00

Rec'd

938
12-19-69

Approved:

James R. Jones
James R. Jones

REQUEST FOR CHECK

TO DEPT: _____ DATE: 12-19-67

ISSUE CHECK TO: _____ AMOUNT: 6980

Tim Jensen

CHARGE ACCOUNT NO. _____ BY _____ DATE _____

APPROVED FOR PAYMENT

CHECKED FIGURES

PAID - CHECK NO. _____

12-19-67

CHARGE TO ACCOUNT OR ACCOUNT NO. _____

Legal Services

REQUESTED BY Lille

D. Jensen

APPROVED BY

8069

April 9, 1970

Dear Bob:

Enclosed is the statement we discussed on the telephone. I believe this is a correct statement. However if there are any adjustments necessary, we can handle these later.

With best wishes,


James R. Jones

Mr. Robert Lilly
c/o Associated Milk Producers, Inc.
G.P.M. Building
Fourth Floor
San Antonio, Texas 78216

8070

April 9, 1970

Mr. Robert Lilly
c/o Associated Milk Producers, Inc.
G.P.M. Building
Fourth Floor
San Antonio, Texas 78216

STATEMENT OF ACCOUNT

For Professional Services rendered
on special projects \$7,150.00

OK
04/10/70

Approved James Jones

	BY	DATE
CHASPE ACCOUNT NO.		
APPROVED FOR PAYMENT	<u>[Signature]</u>	<u>4-20-70</u>
CHECKED FIGURES	<u>1679</u>	
PAID - CHECK NO.		

RECEIVED APR 14 1970

ENCLOSURE EOP

ASSOCIATED MILK PRODUCERS, INC.

PHONE A/C 512 344-1392 TELEX 76-7446

P. O. BOX 32287

SAN ANTONIO, TEXAS 78216

Nº 1019

30-2
1140

April 20, 1970

REGISTERED
D-2237
P/Alldesoocts \$7,150.00PAY
TO THE ORDER OF

JAMES R. JONES
2101 SOUTH MADISON AVENUE
TULSA, OKLAHOMA 74114

MAY 1 1970

ASSOCIATED MILK PRODUCERS, INC.

Robert D. Anderson

302

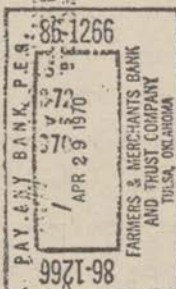
THE ALAMO NATIONAL BANK
OF SAN ANTONIO, TEXAS

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FARMERS & MERCHANTS BANK
AND TRUST COMPANY
TULSA, OKLAHOMA

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AND TRUST COMPANY
TULSA, OKLAHOMA

FOR IMMEDIATE RELEASE

January 8, 1974

Office of the White House Press Secretary

THE WHITE HOUSE

For many months, there have been repeated allegations that two Presidential actions in 1971 -- one relating to Federal support prices for milk and the other to antitrust action against the International Telephone and Telegraph Corporation -- were taken either in return for political contributions or the promise of such contributions. Both allegations, given broad circulation, have been repeatedly denied and are utterly false.

Today the White House is issuing separate papers on the milk case and the ITT case. They support the President's previous statements that his actions were totally proper.

With regard to milk supports, as the paper indicates, the President's action was based upon several factors -- first and foremost, intensive Congressional pressure, generated in part by the dairy interests; secondly, the economic merits of the case itself; and finally, traditional political considerations relating to the needs of the farm States. The economic consequences of that milk decision show it to have been in the national interest.

With regard to the ITT antitrust cases, the President's only actions in the matter came in April of 1971. The President was not aware at that time of any pledge by ITT to make a contribution toward expenses of the Republican National Convention, nor, in fact, had such a pledge even been made. The ultimate resolution of the ITT matter -- requiring ITT to undergo the largest divestiture in antitrust history -- was itself judged to be reasonable and fair by two former Solicitors General, Erwin Griswold and Archibald Cox.

Tapes, papers and other documents relating to the milk and ITT matters have previously been delivered voluntarily by the White House to the Special Prosecutor and are available to the Grand Jury. The decision to turn over these materials reflects the President's desire to cooperate with the Special Prosecutor and his confidence that the Special Prosecutor and the Grand Jury will respect the confidentiality of these materials. Consistent with his stated determination to maintain that confidentiality, these materials are not being publicly released today. In view of the fact that the documents and tapes are on file with the Special Prosecutor, it should be clear that the accounts published today are consistent with the basic facts contained in those documents and tapes.

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FOR IMMEDIATE RELEASE

JANUARY 8, 1974

Office of the White House Press Secretary

THE WHITE HOUSESummary - the Milk Price DecisionThe Charge

It has been publicly alleged that President Nixon in 1971, in exchange for a promise of political contributions from the dairy industry, ordered an increased in the level of Federal support prices for milk. That charge has been frequently denied and is totally false.

The Facts

On March 12, 1971, the Secretary of Agriculture announced that the price of milk for the 1971-72 marketing year would be supported by the Federal Government at approximately 80 percent of parity. His announcement was made in the face of strong pressure from the dairy industry for a support level between 85 and 90 percent of parity; the industry, along with its supporters in the Congress, argued that the 80 percent level would lead to underproduction and would not represent a fair return on farm investments.

Subsequent to Secretary Hardin's announcement, there was a concerted effort in the Congress to pass legislation forcing the President to raise price supports to a minimum of 85 percent of parity. In the House of Representatives, 125 Members introduced or co-sponsored legislation for higher support prices. In the Senate, 29 Members introduced such legislation. Support for mandatory legislation came from both sides of the aisle, but was predominantly Democratic.

On March 23, 1971, following a meeting with representatives of the dairy industry who argued the merits of their case, and then a meeting with key advisors who agreed that the Congress would likely force his hand the President decided that the milk support level should be raised to 85 percent of parity for the coming year. His decision was announced by Secretary Hardin on March 25.

It is fallacious to suggest that the President's decision was influenced by a promise of political contributions from the dairy industry. The President had been informed of the dairy industry's intentions to raise funds for the 1972 campaign, but he at no time discussed the contributions with the dairy industry and the subject was not mentioned in his meetings of March 23, 1971. It is also worth noting that the ultimate contributions by the dairy industry to the President's re-election effort (1) were far less than the industry leaders had hoped to raise; (2) were far less than the dairy industry gave to other candidates for the House and Senate, including many prominent Democrats; and (3) represented less than one percent of the total contributions to President Nixon's re-election campaign.

HOW THE DECISION WAS MADE: The President's action took several factors into account:

- intensive Congressional pressure;
- the economic merits of the case itself, as presented by the industry leaders in the meeting with the President, and as weighed by the President's advisors;
- traditional political considerations relating to the needs of the farm states.

THE RESULTS: The economic consequences of the decision have been beneficial to the entire country.

- The price of milk to the consumer did not skyrocket, as some feared. Rather, the price of milk to the consumer in the year in question rose at the lowest rate of recent years. It also rose at a rate significantly below the general rate of inflation.
- The cost to the Government of the milk price support program did not go up as a result of the President's decision. It went down.
- Government inventories of surplus dairy products did not expand. In fact, they went down. No massive surplus was created.
- The level of dairy production was ample to meet the needs of consumers but was not excessive, and thus did not burden the Government with special expenditures.

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FOR IMMEDIATE RELEASE

JANUARY 8, 1974

Office of the White House Press Secretary

THE WHITE HOUSEThe Milk Support Price Decision

During the spring of 1971, Secretary of Agriculture Clifford Hardin announced that certain dairy products would be supported by the Federal Government at 80 percent of parity during the 1971-72 marketing season. Subsequently, under heavy pressure from the Congress to increase supports and after consultation with his senior advisers, the President reconsidered and requested the Secretary to raise the price support level for the coming year to 85 percent of parity.

Because the President also met with dairy leaders during this same period and because campaign contributions were given to his re-election effort during 1971, there have been charges in the media and elsewhere that the President's actions on price supports were the result of promises from the dairy industry to contribute to the 1972 Republican Presidential campaign. These allegations are unsupported by evidence and are totally false.

I. The Decisions of March, 1971

The decision announced each year by the Secretary of Agriculture of the price at which the Government will support milk prices has a significant impact on the Nation's dairy farmers. In 1970, Secretary Hardin had announced that for the marketing year running from April 1, 1970 through March 31, 1971, the Government would support manufacturing milk at \$4.66 per 100 pounds, or at 85 percent of parity. This figure represented an increase of 38 cents and an increase of 2 percent of the parity rate over the year before (1969-1970).

As the 1971-72 marketing season approached, the question within the Government was whether to continue supporting the milk price at \$4.66 per 100 pounds or to raise the price. Because a grain shortage and other factors had increased the costs of production for dairy farmers, a continuation of the \$4.66 price meant that the parity rate would actually fall to approximately 80 percent. To the farmers, a drop in parity rate would result in a possible loss of income which in turn could deter production. The farmers therefore advocated an increase in the price support to \$5.21 per 100 pounds, or 90 percent of parity; at the very least, they argued, the Government should raise the price to \$4.92 per 100 pounds and thereby maintain the current parity rate of 85 percent. At the Department of Agriculture, it was feared that such price increases might encourage excess production on the farms, raise the prices of dairy products for consumers, and ultimately force the Government to purchase the surplus products.

The dairy industry, which had become highly organized in the 1960s, moved to exert maximum, direct pressure on the Secretary of Agriculture in early 1971. In a few weeks, over 13,000 letters from milk producers were received by the Department of Agriculture.

At the same time, the dairy industry worked to achieve its objectives indirectly through Members of the Congress who agreed with industry views. The upper Midwestern affiliate of the Associated Milk Producers, Inc. (AMPI) estimated that its members alone sent some 50,000 letters to Congressmen on the subject of milk supports. Between February 23 and March 12, 1971, some 25 Senators and 65 Congressmen wrote the Secretary of Agriculture to urge that the \$4.66 support price be increased. Some twenty Senators and 53 Representatives indicated that they wanted to see the price raised to a full 90 percent of parity (\$5.21 per cwt.). Four Senators and eight Representatives adopted a more restrained position, asking that the price be raised to at least 85 percent of parity (\$4.92).

Some of the letters openly referred to the fact that spokesmen for the dairy cooperatives -- AMPI, Dairymen, Inc., or their affiliates -- had written or called upon the Congressmen to ask for support. A number of letters were apparently drafted by lobbying groups.

Many of the Members also took to the floor of the House and Senate to express their concern:

On March 1, Congressman Robert W. Kastenmeier (D., Wis.) rose to tell his colleagues: "We need your assistance in persuading the Administration to raise dairy price supports to 90 percent of parity . . ." (Congressional Record, p. 4310). His sentiments were echoed by Congressman Les Aspin (D., Wis.).

After March 7, when the Associated Press reported that Secretary Hardin might raise the support level to 85 percent of parity, Senators Hubert Humphrey (D., Minn.), Vance Hartke (D., Ind.), Walter Mondale (D., Minn.), and Fred Harris (D., Okla.), as well as Congressmen Ed Jones (D., Tenn.), Robert McClory (R., Ill.), and Vernon Thomson (R., Wis.), all made floor speeches in favor of a 90 percent level.

On March 8, Congressman William Steiger (R., Wis.) entered into the Congressional Record a letter he had sent to Secretary Hardin calling for 90 percent parity.

On March 9, both Senators Hartke and Humphrey called again for the 90 percent level.

On March 10, Congressman Jones argued that even 90 percent would not be a "decent return," but "it would certainly help." Mr. Jones urged the Department of Agriculture not to "sit idly by and watch our dairy industry decline into oblivion. Unless dairy price supports are set at a level high enough to guarantee 90 percent of parity, that is exactly what we are inviting." (Congressional Record, pp. 5956-57). Senator Mondale again called for the 90 percent level.

On March 11, Congressman Thomson repeated his call for a 90 percent decision.

While their colleagues were marshalling support in open floor speeches, senior Democratic leaders in the Congress were expressing their concerns privately to representatives of the Administration. On February 10, the Chairman of the House Ways and Means Committee, Wilbur Mills, (D., Ark.), arranged a meeting

in the office of Speaker Carl Albert (D., Okla.) to discuss the dairy issue. Representatives of the dairy industry had apparently asked for the meeting to plead their case. In attendance were Harold Nelson and David Parr from AMPI; Congressmen Mills, Albert and John Byrnes (R., Wis.); William Galbraith, head of Congressional liaison for the Department of Agriculture; and Clark MacGregor, then Counsel to the President for Congressional Relations.

The Congressional leaders continued to make their views known in several private conversations thereafter. According to Mr. MacGregor's records, Congressman Mills urged him on at least six occasions in late February and early March to urge the President to raise the support price. Congressman Mills and Speaker Albert also telephoned the Director of the Office of Management and Budget, George Shultz, with the same request. Mr. Shultz sent a memorandum to John Ehrlichman at the White House indicating the substance of the Mills request for a rise in the support level.

Nevertheless, on March 12, Secretary Hardin announced that the price support for the coming year would be approximately 80 percent of parity -- not 90 percent as the dairy industry wanted. The Secretary's announcement acknowledged that some dairymen believed that the support price should be increased. But, he said, higher support prices might lead to excessive supplies and large surpluses. Mr. Hardin believed his action was "in the long-term best interests of the dairy producers."

Immediately following the Agriculture Department announcement of March 12, 1971, a campaign was initiated on Capitol Hill by both Democrats and Republicans for mandatory legislation to increase the parity level to 85 or 90 percent. Thirty separate bills were introduced in the House of Representatives between March 16th and March 25th with this specific goal in mind. One hundred and twenty-five Members of the House of Representatives introduced or co-sponsored legislation to support the price of manufacturing milk at a level of not more than 90 percent nor less than 85 percent. In other words, 85 percent would be an absolute floor for price supports. Of these Representatives, 29 were Republicans and 96 were Democrats. Two Congressmen, one from each side of the aisle, also introduced legislation for a mandatory level of 90 percent of parity.

In the Senate, 28 Senators, led by Democratic Senator Gaylord Nelson of Wisconsin, introduced legislation on March 16, 1971, that would have required support levels at a minimum of 85 percent of parity. Of the Nelson bill sponsors, one was a Republican (Senator Cook of Kentucky) and 27 were Democrats (Senators Allen, Bayh, Burdick, Bentsen, Cranston, Eastland, Eagleton, Fulbright, Gravel, Hart, Harris, Hollings, Hartke, Hughes, Inouye, Long, Mondale, McGee, McGovern, Muskie, Moss, Nelson, Proxmire, Sparkman, Stevenson, Symington, Tunney). Three days later, Senator Hubert Humphrey sponsored his own bill seeking higher parity.

Philosophically, the Nixon Administration had hoped to gradually move away from Federal policies which provide massive subsidies to agriculture. These subsidies had initially been instituted during the Depression years when the Government undertook a variety of measures to ease the plight of the farmers and to give them some degree of economic stability

and continuing purchasing power. During the ensuing decades, when these support policies might have been phased out, they instead became political footballs, tossed about in the Congress, aided and abetted by well-organized farm lobbying groups.

The dairy support question proved to be no exception. On March 28, 1971, for instance, the Minneapolis Tribune quoted an aide of Senator Gaylord Nelson to the effect that representatives of AMPI, who were operating out of a three-room hotel suite in Washington, played a major role in the preparation of the Senator's bill. According to this account, AMPI also provided some of the research material which the Senator used for a public statement.

With 29 Senators and more than 100 Congressmen actively spearheading the effort to achieve an increased parity rate for the dairy industry, it thus became increasingly clear that mandatory legislation would be enacted and, further, that a Presidential veto of such legislation could well be overridden. Moreover, if the President were to try to force his will in this matter (i.e., to push parity down to 80 percent) it could be politically disastrous in some of the Midwestern States, and, in the light of known Congressional intentions, would be both foolish and futile.

A story reported by United Press International on March 24, 1971 (UPI-55) described the problem in these terms:

"Washington -- President Nixon probably will face the politically risky prospect of vetoing a bill to raise prices for dairy farmers unless he beats Congress to the draw by boosting milk supports voluntarily, a top Democratic farm bloc leader said today.

"Nixon's latest farm bloc headache grows out of the Administration's decision earlier this month to refuse any increase in milk price supports for the 1971-72 marketing year which begins April 1.

"On the heels of the refusal, a growing parade of legislators in both the House and Senate have introduced bills to require an increase. The list of some 80 House sponsors, including Members of both parties, is topped by Speaker Carl Albert and Chairman W. R. Poage, D-Tex., of the House Agriculture Committee.

"If the Administration doesn't act, I think we can and will pass the bill," Poage told UPI in an interview.

"Nixon could veto the measure if he remains adamant against higher milk supports, Poage said, But this would bring on a spotlighted confrontation with many farm interests, the Texan said."

Some months earlier, Godfrey Sperling, writing in the Christian Science Monitor on December 1, 1970, had observed that "farmers and rural communities of America are deeply distressed with the Nixon Administration . . .", especially "with the paring of subsidies . . ." Sperling also noted the election results of November 3, 1970: "Democrats in 11 basically agricultural districts picked up new Congressmen. At the same time no Democrats who were incumbents in such farm districts were defeated." Finally Sperling mentioned those Democrats who

did well in farm areas: Senators Joseph Montoya of New Mexico, Quentin Burdick of North Dakota, Hubert Humphrey of Minnesota, Stuart Symington of Missouri, Adlai Stevenson of Illinois, Vance Hartke of Indiana, Gale McGee of Wyoming, Frank Moss of Utah and William Proxmire of Wisconsin. All but one of these Senators in 1971 were supporting dairy industry efforts to obtain higher price supports.

The situation was not dissimilar to one facing President Lyndon Johnson in 1967 when he was forced to curb dairy imports by a Congress which had introduced legislation as a prodding action. Mr. Johnson sharply reduced dairy imports in that year after 58 Senators, led by Senator William Proxmire (D., Wis.), and 180 Congressmen had introduced a dairy import control bill. In 1967, as in 1971, the activity in the Congress had taken place after the dairy lobby had, by one account, "launched an all-out drive to get Congress" to pass import controls.

With the pressures from Capitol Hill mounting rapidly, President Nixon during the afternoon of March 23rd met with seven of his senior advisers to explore the situation with regard to milk price supports. This was the President's second meeting of the day concerning dairy matters. As will be discussed below, the President and other Administration officials met that morning with dairy representatives in response to a long-standing appointment. Meeting with the President that afternoon were John Connally, then Secretary of the Treasury; Clifford Hardin, then Secretary of Agriculture; Under Secretary of Agriculture, J. Phil Campbell; George Shultz, then Director of the Office of Management and Budget; John D. Ehrlichman, then Assistant to the President for Domestic Affairs; John Whitaker, then Deputy Assistant to the President for Domestic Affairs; and Donald Rice, then Associate Director of the Office of Management and Budget. The discussion was frank and wide-ranging. It included an appraisal of the support which the milk price legislation had on Capitol Hill and the fact that the legislation had the support of two of the most powerful legislators in the country -- Speaker of the House of Representatives Carl Albert and the Chairman of the House Ways and Means Committee, Wilbur Mills.

The political power of the dairy industry lobby was also brought to the President's attention in the March 23rd meeting. Secretary Connally said that their votes would be important in several Midwestern States and he noted that the industry had political funds which would be distributed among House and Senate candidates in the coming election year -- although neither the Secretary nor anyone else discussed possible contributions to the President's campaign. Mr. Connally argued that the milk industry's case also had merit on strictly economic grounds, and rising costs for dairy producers were mentioned.

The President himself concluded that the final decision came down to the fact that the Congress was going to pass the higher support legislation, and he could not veto it without alienating the farmers -- an essential part of his political constituency. It was also believed that by raising the support level in 1971, similar action in 1972 could be precluded -- thus holding the price line for two years.

The fundamental themes running through this March 23rd meeting were two: (1) the unique and very heavy pressures being placed upon the President by the Democratic majority leadership in the Congress and (2) the political advantages and disadvantages of making a decision regarding a vital political constituency.

After the President announced his decision there was discussion of the great power of the House Democratic leadership (which was then pressing for the milk price support increase) and how that power might be enlisted in support of certain of the President's key domestic legislation if the Administration acknowledged the key role these leaders played in securing the reversal of Secretary Hardin's March 12 decision. The meeting concluded with a discussion of the manner in which the decision would be announced and implemented.

Two days later, on March 25, Secretary Hardin officially announced the decision to raise the support level to approximately 85 percent of parity for the 1971-72 marketing season.

Three days after the second price decision, the Minneapolis Tribune reported that the reversal "was the result of an intensive lobbying campaign mounted by the Nation's biggest milk-producer cooperatives with the eager -- and perhaps crucial -- assistance of dozens of Members of Congress, including many whose recent election campaigns were financed partially by the dairy industry's political war chest." Among the lawmakers cited with Senators Edmund Muskie (D., Me.) and Hubert Humphrey, were Congressman Carl Albert, and the Chairman of the House Agriculture Committee, W. R. Poage (D., Tex.).

The response on Capitol Hill demonstrates the political realities that the President faced.

On March 30, Republican Senator James Pearson of Kansas told his Senate colleagues that he had intended to introduce legislation for the very purpose of raising supports, but "apparently the Administration has had the benefit of deep concern expressed by both farm State Congressmen and dairy farmers . . ." Democratic Senator James Allen of Alabama joined him in a similar expression of views.

On April 1, Democratic Senator George McGovern of South Dakota, who had actively sought a rise in price supports, noted that he had joined other Senators in hoping supports would be set at 85 percent. "This reversal," said Senator McGovern, "can be considered a victory for those in Congress who spoke out vigorously on behalf of the dairy farmers."

On April 5, Senator Nelson, who had worked closely with dairy interests on this matter and had introduced the mandatory 85 percent support legislation, S. 1277, said that the support increase "accomplished by administrative order what the legislation would have accomplished." He went on to say that "the decision obviously was the result of S. 1277, which was co-sponsored by 27 Senators, and a companion measure in the House which likewise had substantial support . . . The Secretary of Agriculture responded to the outpouring of Congressional and farmer concern over the initial decision on price supports by adjusting the support level upward . . ."

This Congressional pressure was the "gun to our head" that President Nixon referred to in his November 17, 1973 press conference.

It is also worth noting that in 1972, a year after the struggle over a legislatively mandated support level for milk, the Congress enacted legislation which requires that milk be supported at a level no lower than 85 percent in future years.

II. The Dairy Industry Contributions and Lobbying Activities

The discussion in the foregoing section shows that overwhelming Congressional pressure -- and the political consequences of ignoring it -- was the reason for the milk price support decision reached on March 23rd.

The lobbying and contribution activities of the dairy industry followed a separate track. Not unexpectedly the industry undertook to cover every available base. But there was no arrangement or understanding between the industry and the President as has been so widely and falsely alleged.

The very nature of the Governmental process -- with decisions frequently being made within the executive branch on the administration of critical dairy programs and with dairy legislation constantly under review in the Congress -- encouraged the dairy farmers to organize and become a potent political force in recent years. There are now three major dairy cooperatives in the United States: AMPI, Mid-America Dairies (Mid Am) and Dairymen, Inc. (DI). Together these cooperatives have over 66,000 members and account for about 25 percent of all the milk produced in the United States.

These dairy organizations not only represent in Washington the interests of their members, they also exert influence through the ballot box and through political contributions. Their activity is not unlike the fundraising and contributing activities of a number of special interest groups such as the Committee on Political Education (COPE) of the AFL-CIO.

The record shows the following lobbying and contribution activities by the dairy industry representatives between 1969 and 1971:

1969-1970

President Nixon had no direct contact with any of the members of these dairy organizations until 1970 when AMPI officials invited him to address their annual convention in Chicago in September. The President was unable to accept the invitation, and Secretary Hardin spoke in his place.

Although he could not attend the convention, the President -- as he frequently does -- placed a courtesy phone call on September 4, 1970 to the General Manager of AMPI, Mr. Harold Nelson. He also spoke with Secretary Hardin, who was with Mr. Nelson. During that conversation, the President invited the dairy leaders to meet with him in Washington and to arrange a meeting with a larger delegation of dairy leaders at a later date.

Accepting the President's invitation, Mr. Nelson and his special assistant, David Parr, paid a brief courtesy call on the President on September 9, 1970.

The meeting, which was publicly announced to the press, occurred in the Oval Office, and, according to the President's diary, lasted approximately nine minutes. Most of that time was consumed with introductions, photographs and the distribution of Presidential souvenirs.

The context of the meeting was a greeting during a Presidential "Open Hour" -- a session frequently arranged for short courtesy calls from diverse groups and individuals. During the "Open Hour" of September 9, the visit from the AMPI representatives was fitted in between the visits of 25 other people, including a group to encourage military servicemen to exercise their votes, a group of concerned citizens from the State of South Dakota and a contingent of Gold Star Mothers.

Mr. Parr has stated in a sworn deposition that it was essentially a social visit. He and Mr. Nelson invited the President to address the next AMPI convention in 1971 and also expressed a hope that he would meet with other dairy industry leaders. Mr. Parr also remembers that the men spoke about the economic plight of the dairy farmer.

Although money was not discussed in the meeting between AMPI representatives and the President in September of 1970, it is evident that raising and making political contributions to both Democrats and Republicans were important, continuous and conspicuous activities of the dairymen during 1970, 1971 and 1972.

During the late 1960's each of the three major dairy co-operatives established a trust fund in order to raise and distribute money to political candidates. AMPI established the Trust for Agricultural Political Education (TAPE), Mid-America Dairies established the Agriculture and Dairy Educational and Political Trust (ADEPT), and Dairymen, Inc. created the Trust for Special Agricultural Community Education (SPACE).

In August of 1969, an attorney for AMPI delivered to Mr. Herbert Kalmbach the sum of \$100,000. Mr. Kalmbach deposited the funds in a trustee account he maintained at the Security Pacific National Bank in Newport Beach, California. The account contained political contributions remaining from the 1968 election campaign. The President had no knowledge of this contribution.

Reports on file with the Clerk of the House of Representatives showed that contributions to Congressional candidates in 1969 and 1970 by TAPE, SPACE, and ADEPT totaled over \$500,000. The bulk of the money was earmarked for Democratic candidates. Representatives of the dairy co-ops have indicated in an Associated Press account of December 17, 1973 that Republican candidates received approximately \$135,000, or less than 30 percent of the funds.

Some members of the White House staff knew that the dairymen were giving financial support to Republican and Democratic candidates in Senate elections in 1970. One member of the staff, Charles W. Colson, asserted in a memorandum to the President that AMPI had pledged \$2 million to the 1972 campaign. (Whether any such pledge was actually made is unknown, but the total amount given to the President's 1972 campaign was \$437,000. As noted below, AMPI's campaign contributions to other candidates during this period were even more generous.) That memorandum was attached to a Presidential briefing paper for the courtesy meeting between the President and the AMPI representatives in September of 1970. It was suggested in the

memorandum that the President acknowledge AMPI's support. No suggestion was made that any commitment whatsoever be made to do any substantive act. There was also no mention of the asserted pledge during the meeting.

Another reference to fundraising was in a letter addressed to the President on December 16, 1970 from Patrick J. Hillings, a former Congressman who had succeeded Mr. Nixon in his Congressional seat after the latter had been elected to the Senate. At that time, Mr. Hillings was a member of a Washington, D.C. law firm that represented the dairymen in the Nation's Capital. In his letter, Mr. Hillings asked for the immediate imposition of revised dairy import quotas in accordance with recommendations recently presented to the President by the Tariff Commission. President Nixon did not see the letter.

Since the President had already been informed of the fundraising efforts by the dairy industry, the only possible relevance of the Hillings letter would lie in what action was taken on the Tariff Commission recommendations that Mr. Hillings asked the President to accept.

The fact is that the action taken by the President on import quotas was less favorable to the dairy industry than the steps recommended by the Tariff Commission. The Commission, a body of impartial experts, had recommended on economic grounds and pursuant to statutory requirements that imports be closed off entirely for three dairy products (ice cream, certain chocolate products, and animal feeds containing milk derivatives) and that much lower import quotas be set for a fourth item, low-fat cheese. Rather than closing off imports -- an action that would have been more favorable to the dairy industry -- the President instead reduced the import quotas on each item, permitting all four goods to continue their competition with American dairy products.

1971

The President next met with dairy representatives at 10:30 a.m. on March 23, 1971, in the Cabinet Room of the White House. Included in the meeting were a delegation from the dairy cooperatives as well as several Administration officials, including OMB Director, George Shultz; Assistant to the President, John Ehrlichman; Deputy Assistants to the President, Henry Cashen and John Whitaker; and Donald Rice, Associate Director of OMB. From the Department of Agriculture were Secretary Hardin; Under Secretary Phil Campbell; Assistant Secretaries Clarence Palmby and Richard Lyng; and Deputy Assistant Secretary William Galbraith.

Contrary to allegations which have since been made, the meeting had been scheduled more than three weeks before the March 12 announcement on price supports by Secretary Hardin. As noted above, the meeting stemmed from an invitation first extended on September 4, 1970 when the President spoke by telephone to Harold Nelson of AMPI. In January of 1971, Secretary Hardin recommended to the White House that the meeting be placed on the President's schedule. Thereafter, in February, the White House arranged the March meeting.

The President opened the meeting by thanking the dairy leaders for the support they had given to Administration policies and praised them for their activism in pursuing goals which were important to them. The remainder of the meeting was taken up with the dairy leaders pleading their case for higher supports and with other Administration officials expressing concerns about overproduction and higher retail prices. There was no mention whatsoever of campaign contributions. Nor were any conclusions regarding dairy supports reached at the meeting, as the President pressed the attendees as to whether or not they could control overproduction. Much was said by the dairy representatives of the higher costs of their doing business.

Prior to this meeting, a staff memorandum was prepared as a briefing paper for the President. That paper briefly noted that the dairy lobby -- like organized labor -- had decided to spend political money and that Pat Hillings and Murray Chotiner were involved. There was no suggestion that the President should give special treatment to the dairymen. In fact, that same paper discussed in much more detail the pressure which was coming from the Congress for higher supports; that the Congress was acting at Speaker Albert's instigation; that the Democratic leadership wanted to embarrass the President; and that a bill for higher supports would probably be passed, thus presenting the President with a very tough veto situation.

There were no other discussions between the President and the dairy industry representatives prior to the President's decision on the afternoon of March 23, 1971.

There are a number of mistaken notions with regard to these lobbying efforts of the dairy industry. One is that they had a substantial influence upon the President's decisions. That is untrue. Another is that the dairy contributions represented a substantial portion of the total funding of the President's re-election effort. The truth is that the contributions from the dairymen amounting to some \$427,000, constituted less than one percent of the total.

It should be further noted that from the perspective of the dairymen, their contributions to President Nixon's campaign organizations were not the major focus of their efforts. According to the Congressional Quarterly of March 17, 1973, reports publicly filed by the political arms of the cooperatives show the following total contributions by the political arms of the dairy cooperatives to all political candidates from April 7, 1972 through December 31, 1972:

ADEPT	\$324,292.58
CTAPE*	906,245.00
PACE	17,650.00
SPACE	<u>254,700.00</u>
TOTAL	\$1,502,887.58

(*Note: CTAPE became the major distribution arm of the Associated Milk Producers during the 1972 campaign. Its parent, TAPE, transferred funds to CTAPE, which in turn gave them to the candidates' organizations.)

The Congressional Quarterly account reports that of the \$1.5 million contributed by the dairy cooperatives to political campaigns after April 7, 1972, \$95,000 went to support the candidacy of President Nixon. Thus, after April 7, 1972, President Nixon's campaign received less than one-fifteenth of the available funds distributed by the dairy trusts. The rest -- more than \$1.4 million -- flowed into the campaigns of Senate and Congressional candidates and to primary contestants in the Democratic Presidential race.

A great number of the Congressional and Senatorial candidates to whom dairy funds were given were also leaders in the effort to legislate a mandatory increase in milk supports in March of 1971. [Note: No records are available to compare the contributions to President Nixon prior to April 7, which amounted to approximately \$332,000, with the contributions given to other candidates prior to April 7.]

III. Consequences of President's Decision

Although the President's decision of March 23rd was based largely on political realities, unrelated to campaign contributions, it also proved to be sound economics. Here, in brief, were the economic results:

Milk Production: One of the continuing concerns of the Department of Agriculture is to assure that milk supplies are adequate but not excessive. In the mid-1960's, there was a downward trend in the production of milk from 126.9 billion pounds in 1964-65 to 116.5 billion pounds in 1969-70. Supplies had become sufficiently low by the late 1960's that Secretary Hardin's decision to raise the milk support level in 1970 was based in large part upon his desire to increase production. The support increase of 38 cents per hundredweight for that year helped to end the decline in production as some 117.4 billion pounds of milk were produced in the 1970-71 marketing year. The additional increase in the support price to \$4.93 as a result of the March 25th announcement provided still further assurances against the resumption of a downward trend in production. For the marketing year 1971-1972, the total milk production was 119.4 billion pounds.

Cost of Milk to the Consumer: The average retail price per half gallon of milk has been rising steadily since 1965, as shown by this chart:

1965	47.3¢
1966	49.8
1967	51.7
1968	53.7
1969	55.1
1970	57.4
1971	58.9
1972	59.8

(Yearly average retail price per half gallon of milk in leading cities of the United States; U.S. Department of Agriculture)

From the view of the consumer, it can be seen that prices continued to rise, but that the 1971-72 increase was the smallest of all the years shown on the chart -- and was considerably less than the rate of general inflation. These reductions in the rate of milk inflation in 1971 and 1972 are directly related to the President's decision of March 23 because the announcement of March 25 encouraged the production of milk to a level higher than it otherwise would have been. Thus, because supplies increased, market price increases have been less than they otherwise would have been.

Cost of the Milk Support Program to the Government:
Net expenditures for the dairy price support program and related costs (butter, cheese, dried milk and similar products) were as follows for the recent fiscal years (Commodity Credit Corporation Net Expenditures):

Fiscal Year 1970 --	\$ 87.2 million
Fiscal Year 1971 --	214.3 million
Fiscal Year 1972 --	174.2 million
Fiscal Year 1973 --	116.6 million

As can be seen, the cost during the fiscal year in question -- 1972 -- was considerably lower than the year before. It dropped again the following year.

Government Inventories of Dairy Products: One of the concerns of the Secretary of Agriculture is to ensure that his Department has reasonable supplies of dairy products to meet the goals of its family feeding and child nutrition programs. At the same time, the Secretary wants to avoid excessive production which would tend to overload the Department's stocks. The aim is thus to achieve a balance in the Commodity Credit Corporation (CCC) stockpiles. As of January, 1971, there was some concern that the stocks might fall too low if production of milk were reduced. As it turned out, the butter, processed cheese and nonfat dry milk stocks in the CCC dipped between a high of 257.9 million pounds to a low of 62.7 million pounds during 1971, even with increased production of milk, but it is a virtual certainty they would have been even lower if the decision had not been made to raise the parity level to 85 percent. Here are the figures for the CCC's uncommitted inventory as of January 31 of each year: (in millions of pounds)

<u>Marketing Year</u>	<u>Butter</u>	<u>Cheese</u>	<u>Nonfat Dry Milk</u>
1968	124.7	67.9	208.4
1969	73.0	23.1	221.1
1970	35.2	--	116.5
1971	61.8	6.6	18.7
1972	37.1	1.9	1.4

On the basis of all four of the indices above -- milk production, cost of milk to the consumer, the cost of running the USDA's milk support program, and the quantity of inventories held by the Commodity Credit Corporation -- it would appear that the March 25th reversal of the milk support decision in fact proved to have substantial benefits for all segments of the Nation's economy.

IV. Conclusions

The information contained in this discussion can be summarized as follows:

-- Immediately after the Agriculture Department first announced on March 12 that milk would be supported at approximately 80 percent of parity, pressures developed on Capitol Hill for mandatory legislation to increase the parity level to 85-90 percent. Several of the President's advisers believed that the legislation would be enacted and that a Presidential veto of such legislation would be politically disastrous for Mr. Nixon in several States.

-- Except for the fear that a rise in supports would create problems of overproduction, several advisers believed the dairymen's case to be meritorious due to the rising costs of fuel, feed, and labor for those producing dairy products. In fact, the corn blight of 1970 considerably reduced many supplies of feed grain for the 1971 marketing year.

-- With the Congress putting "a gun to our head" and with his senior advisers supporting him, the President decided that the parity level should be increased to 85 percent.

-- Economically, the President's decision to raise the support level proved to be sound and beneficial for the Nation.

-- While the President had been advised that the dairymen had decided to make contributions towards the re-election effort of 1972, this did not influence the President's decision to raise the level of supports.

1971 CONGRESSIONAL BILLS ON DAIRY PRICE SUPPORTSHOUSE OF REPRESENTATIVES

The following bills are substantially identical to each other:

<u>Date</u> <u>Introduced</u>	<u>Bill</u> <u>Number</u>	<u>Sponsor(s)</u>	<u>Purpose</u>
3/16/71	H.R.6188	Smith (D-Iowa) Edmondson (D-Okla) Hungate (D-Mo) Roush (D-Ind) Jones (D-Tenn) Teague (D-Tex) Steiger (R-Wis) Burton (D-Calif) Hamilton (D-Ind) Griffin (D-Miss) Burleson (D-Tex) Burlison (D-Mo) Fraser (D-Minn) Ullman (D-Ore) Shipley (D-Ill) Randall (D-Mo) Price (D-Ill) Kuykendall (R-Tenn)	To support the price of manufacturing milk at a level not more than 90% nor less than 85% of the parity price for the marketing year 1971-72, as the Secretary determines is necessary in order to assure adequate supply.
3/17/71	H.R.6248	Roncalio (D-Wyo)	
3/17/71	H.R.6249	Smith (D-Iowa) Poage (D-Tex) Patman (D-Tex) Sisk (D-Tex) Obey (D-Wis) Sikes (D-Fla) Steed (D-Okla) Culver (D-Iowa) Kyl (R-Iowa) Bergland (D-Minn) Abbitt (D-Va) Abourezk (D-S.Dak) Kastenmeier (D-Wis) Fascell (D-Fla) Broyhill (R-N.C.)	
3/17/71	H.R.6250	Smith (D-Iowa) Casey (D-Tex) Hansen (D-Wash) Shriver (R-Kan) Pickle (D-Tex) Pryor (D-Ark) Blanton (D-Tenn) Flowers (D-Ala) Fulton (D-Tenn) Hammerschmidt (R-Ark) Wright (D-Tex) Aspin (D-Wis) Thone (R-Nebr) Daniel (D-Va) Dorn (D-S.C.) Fisher (D-Tex) Edwards (D-La)	

<u>Date</u> <u>Introduced</u>	<u>Bill</u> <u>Number</u>	<u>Sponsor(s)</u>	<u>Purpose</u>
3/17/71	H.R.6289	O'Konski (R-Wis)	To support the price of manufacturing milk at a level not more than 90% nor less than 85% of the parity price for the marketing year 1971-72, as the Secretary determines is necessary in order to assure adequate supply.
3/18/71	H.R.6412	Zwach (R-Minn)	"
3/18/71	H.R.6425	Harvey (R-Mich)	"
3/18/71	H.R.6443	Smith (D-Iowa) Abernethy (D-Miss) Stubblefield (D-Ky) Purcell (D-Tex) Matsunaga (D-Hawaii) Vigorito (D-Pa) Denholm (D-S.Dak) Martin (R-Nebr) Roberts (D-Tex) Halpern (R-N.Y.) Zablocki (D-Wis) McFall (D-Calif) Montgomery (D-Miss) Johnson (D-Calif) Schwengel (R-Iowa) Anderson (D-Tenn) Watts (D-Ky) Perkins (D-Ky) Riegle (R-Mich) Whitehurst (R-Va)	"
3/23/71	H.R.6534	Hull (D-Mo)	"
3/23/71	H.R.6553	Natcher (D-Ky)	"
3/23/71	H.R.6559	Quillen (R-Tenn)	"
3/23/71	H.R.6619	Gross (R-Iowa) Scherle (R-Iowa) King (R-N.Y.) Hall (R-Mo)	"
3/23/71	H.R.6621	Jones (D-N.C.) Preyer (D-N.C.) Henderson (D-N.C.) Taylor (D-N.C.) Lennon (D-N.C.)	"
3/23/71	H.R.6632	Long (D-La)	"
3/23/71	H.R.6635	McMillan (D-S.C.)	"
3/23/71	H.R.6647	Sebelius (R-Kan)	"
3/23/71	H.R.6650	Stratton (D-N.Y.)	"

<u>Date</u> <u>Introduced</u>	<u>Bill</u> <u>Number</u>	<u>Sponsor(s)</u>	<u>Purpose</u>
3/23/71	H.R.6657	Young (D-Tex)	To support the price of manufacturing milk at a level not more than 90% nor less than 85% of the parity price for the marketing year 1971-72, as the Secretary determines is necessary in order to assure adequate supply.
3/24/71	H.R.6683	Evans (D-Colo) Aspinall (D-Colo)	"
3/24/71	H.R.6691	Hastings (R-N.Y.)	"
3/24/71	H.R.6701	Landrum (D-Ga) Stephens (D-Ga) Brinkley (D-Ga) Stuckey (D-Ga) Thompson (R-Ga) Mathis (D-Ga)	"
3/24/71	H.R.6712	Thompson (D-N.J.)	"
3/24/71	H.R.6727	Nichols (D-Ala)	"
3/25/71	H.R.6746	Andrews (D-Ala)	"
3/25/71	H.R.6753	Duncan (R-Tenn)	"
3/25/71	H.R.6785	Pryor (D-Ark) Bingham (D-N.Y.) Leggett (D-Calif) Mahon (D-Tex) Melcher (D-Mont) Baker (R-Tenn) Duncan (R-Tenn) Myers (R-Ind) Hillis (R-Ind) Hanley (D-N.Y.) Galifianakis (D-N.C.) Brasco (D-N.Y.) Collins (D-Ill) Alexander (D-Ark) Kee (D-W.Va) Gallagher (D-N.J.) Gonzalez (D-Tex) Begich (D-Alaska) Kyros (D-Maine)	"

The following bills are identical:

3/18/71	H.R.6357	Abbitt (D-Va)	To support the price of milk at 90% of the parity price through purchases of milk and milk products.
3/22/71	H.R.6502	Thomson (R-Wis)	"

SENATE

<u>Date</u> <u>Introduced</u>	<u>Bill</u> <u>Number</u>	<u>Sponsor(s)</u>	<u>Purpose</u>
3/16/71	S.1277	Nelson (D-Wis) Mondale (D-Minn) McGee (D-Wyo) Hughes (D-Iowa) Bayh (D-Ind) Burdick (D-N.Dak) Cook (R-Ky) McGovern (D-S.Dak) Stevenson (D-Ill) Eagleton (D-Mo) Tunney (D-Calif) Hartke (D-Ind) Symington (D-Mo) Cranston (D-Calif) Gravel (D-Alaska) Hart (D-Mich) Harris (D-Okla) Muskie (D-Maine) Moss (D-Utah) Proxmire (D-Wis) Allen (D-Ala) Long (D-La) Inouye (D-Hawaii) Hollings (D-S.C.) Fulbright (D-Ark) Sparkman (D-Ala) Eastland (D-Miss) Bentsen (D-Tex)	To support the price of manufacturing milk at a level not more than 90% nor less than 85% of the parity price for the marketing year 1971-72, as the Secretary determines is necessary in order to assure adequate supply.
3/19/71	S.1294	Humphrey (D-Minn)	



Pictured from left to right is Harold Nelson, President Nixon, and David Parr, in the Oval Office on September 9, 1970

LIST OF DOCUMENTS IDENTIFIED IN
SEARCH OF WHITE HOUSE RECORDS
PURSUANT TO SUBPOENAS DUCES TECUM

DEC 5 - 1973
JAMES F. DAVEY, Clerk

I. Documents as to Which No Claim of Privilege Is Being
Asserted and Which Have Been or Will Be Provided to
Plaintiffs' Counsel.

1. A memorandum dated February 1, 1972 from a presidential assistant to another presidential assistant, part of which relates to political contributions and the subject lawsuit.
2. A list of pre-April 7, 1972 campaign contributions to the Committee to Reelect the President.
3. Card file records which would indicate any meeting or telephone conversation between the President and any individuals on Schedule A, attached to the notice of deposition served upon the White House Custodian of Records, if such individuals had a meeting or conversation with the President during the period designated in the notice.
4. A copy of a letter dated March 8, 1971 from Clark MacGregor to Congressman Aspin to which is attached a copy of a letter dated March 5, 1971 from Congressman Aspin to Mr. MacGregor.
5. A letter dated March 10, 1971 from Marion Edwyn Harrison to Charles W. Colson.
6. A letter dated March 11, 1971 from Marion Edwyn Harrison to Charles W. Colson to which is attached a routing slip from one presidential assistant to another.
7. A copy of a letter dated March 11, 1971 from Clark MacGregor to Congressman Griffin to which is attached a copy of a telegram from Congressman Griffin to Mr. MacGregor.
8. The relevant portion of a memorandum dated January 18, 1972 from Gordon Strachan to H. R. Haldeman.

A TRUE COPY

JAMES F. DAVEY, Clerk,

By

William E. Brown
Deputy Clerk

9. The relevant portion of a memorandum from Gordon Strachan to H. R. Haldeman dated February 16, 1972.
10. Portions of Appointment Log of John Ehrlichman which indicate meetings with any individuals on Schedule A, attached to the notice of deposition served upon the White House Custodian of Records, during the period designated in the notice.
11. Portions of logs of H. R. Haldeman which indicate meetings or phone conversations with any individuals on Schedule A, attached to the notice of deposition served upon the White House Custodian of Records, during the period designated in the notice.
12. A memorandum from an official of the Council on International Economic Policy to an Assistant Director, OMB, dated February 1, 1973, and a reply memorandum from an Assistant Director, OMB, to an official of the Council on International Economic Policy dated February 9, 1973.
13. A memorandum between personnel within the Office of Management and Budget dated January 2, 1973.
14. Portions of a memorandum dated June 3, 1971 with two attachments dated May 27, 1971 concerning dairy import investigations under the Agricultural Adjustment Act of 1933.
15. A memorandum from the Administrative Assistant to the Secretary of Agriculture to a presidential assistant dated March 19, 1971, to which is attached a letter to the Secretary of Agriculture from Marion Edwyn Harrison, Esquire, dated March 11, 1971.
16. An undated page from a memorandum between White House officials which, among other things, has reference to the dairy price support program.

17. A memorandum from the Under Secretary of Agriculture to a presidential assistant dated March 31, 1971, to which is attached a copy of a speech delivered by the Under Secretary of Agriculture on April 1, 1971.
18. An undated and unsigned memorandum concerning the 1971 dairy price support program to which is attached a transcript of the television program "Issues and Answers" dated October 29, 1972.
19. Memorandum for H. R. Haldeman from Gordon Strachan dated September 28, 1971, to which are attached copies of newspaper articles described therein.
20. Memorandum for H. R. Haldeman from Charles Colson dated September 24, 1971, to which are attached a White House routing slip and a copy of a report of a judicial opinion.
21. Routing memorandum to H. R. Haldeman from Gordon Strachan dated November 3, 1971, to which are attached the titles and relevant pages of a talking paper for the Attorney General.
22. Memorandum for H. R. Haldeman from Gordon Strachan dated May 21, 1971, to which are attached seven pages of handwritten notes.
23. Routing memorandum to Gordon Strachan from Chuck Colson dated March 17, 1971, to which are attached (a) memorandum for Larry Higby dated February 2, 1971, (b) a sheet of paper stating "CWC wants the return of this file", (c) memorandum for H. R. Haldeman from Charles W. Colson dated February 8, 1971, (d) memorandum for Chuck Colson from H. R. Haldeman dated February 2, 1971, and (e) memorandum for H. R. Haldeman from Charles Colson dated February 1, 1971.

24. Memorandum for H. R. Haldeman from Gordon Strachan dated September 24, 1971.
25. Memorandum for H. R. Haldeman from Gordon Strachan dated September 16, 1971.
26. Copy of picture with mailing label addressed to Mr. David Parr.
27. Page of news briefing with several titles identified in left margin; including FARM.
28. Letter to Mr. Charles W. Colson from David L. Parr dated September 10, 1970 with attached speech.
29. Page from Hoard's Dairyman dated December 10, 1970.

II. Documents as to Which a Claim of Executive Privilege Is Being Asserted and Which Are Being Turned Over to the Court for In Camera Inspection for the Purpose of Determining the Validity of that Claim.

1. A memorandum dated March 3, 1971 between personnel in the Office of the Council of Economic Advisers.
2. A memorandum dated March 7, 1972 from an official within the Council of Economic Advisers to the Chairman, CEA.
3. A memorandum dated February 15, 1973 for the President from the Chairman of the Council of Economic Advisers to which is attached a letter to the President from the Secretary of Agriculture dated February 14, 1973, and a memorandum to the Chairman, CEA, from an official within the CEA dated February 13, 1973.
4. An internal memorandum dated January 18, 1971 concerning the 1971-1972 dairy price support program. Attached to this memorandum are various charts and economic information, and an internal Department of Agriculture memorandum regarding dairy price supports dated January 7, 1971. Also attached is an internal memorandum within the Office of Management and Budget dated March 3, 1971 setting forth various recommendations and considerations with respect to the 1971-1972 dairy price support program.
5. An undated memorandum from the Assistant Director, OMB, to the Director, OMB, to which are attached three internal OMB memoranda, dated respectively, March 8, 1972, March 7, 1972, and March 7, 1972.
6. A memorandum between personnel in the Office of Management and Budget dated November 6, 1972.

7. A memorandum from an official in the Department of Agriculture to the Assistant Director, OMB, dated January 26, 1973, to which is attached an internal Department of Agriculture analysis which involves the dairy price support program with particular regard to cheese import quotas.
8. An undated internal memorandum within the Office of Management and Budget concerning the 1973-1974 dairy price support program to which are attached various documents, some of which are in draft form, concerning the dairy price support program.
9. A memorandum dated January 13, 1972 to an Assistant Director, OMB, from an official within the Office of Management and Budget, to which various charts and explanatory material are attached.
10. A memorandum between personnel within the Office of Management and Budget dated December 20, 1972, to which is attached a memorandum within the Office of Management and Budget dated December 20, 1972.
11. Portions of a memorandum dated June 3, 1971 with two attachments dated May 27, 1971, concerning dairy import investigations under the Agricultural Adjustment Act of 1933.
12. A memorandum dated February 2, 1971 between officials within the White House Office concerning a proposed meeting by the President with leaders of the dairy industry.
13. A memorandum dated February 2, 1971 between officials within the White House Office concerning a proposed meeting by the President with leaders of the dairy industry.

14. A memorandum dated February 4, 1971 between officials within the White House Office concerning a proposed meeting by the President with leaders of the dairy industry.
15. A memorandum dated February 16, 1971 between officials within the White House Office concerning a proposed meeting by the President with leaders of the dairy industry.
16. An undated document containing notes prepared by a White House official concerning a proposed meeting by the President with leaders of the dairy industry.
17. A memorandum dated February 24, 1971 between officials within the White House Office concerning a proposed meeting by the President with leaders of the dairy industry.
18. A memorandum dated March 3, 1971 between officials within the White House Office to which is attached another memorandum dated February 24, 1971 between officials in the White House Office concerning a proposed meeting by the President with leaders of the dairy industry.
19. A memorandum dated March 4, 1971 from the Assistant Director, OMB, to the Director, OMB, and a presidential assistant and regarding the dairy price support program.
20. A memorandum dated March 5, 1971 from the Assistant Director, OMB, to the Director, OMB, copies of which were transmitted to presidential assistants, concerning the dairy price support program.
21. A memorandum dated March 5, 1971 from officials within the White House Office.
22. A memorandum dated March 4, 1971 from the Director, OMB, to a presidential assistant regarding the dairy price support program.

23. An undated memorandum between personnel within the White House Office to which is attached a copy of the March 4, 1971 memorandum from the Assistant Director, OMB, to the Director, OMB, and a presidential assistant.
24. A memorandum from a presidential assistant dated March 5, 1971 to another presidential assistant and Director, OMB, regarding the dairy price support program.
25. A memorandum from a presidential assistant to another presidential assistant and the Director, OMB, dated March 5, 1971 regarding dairy price supports.
26. A memorandum from a presidential assistant to another presidential assistant dated March 5, 1971 regarding the dairy price support program, to which is attached a typed restatement of the same memorandum.
27. A memorandum from a presidential assistant to another presidential assistant and the Director, OMB, dated March 5, 1971 to which is attached the March 4, 1971 memorandum.
28. A memorandum from a presidential assistant to the Director, OMB, dated March 9, 1971, regarding the dairy price support program.
29. A memorandum for the President dated March 9, 1971 from the Director, OMB.
30. A memorandum from a presidential assistant to another presidential assistant dated March 12, 1971 regarding the dairy price support program.
31. A memorandum from a presidential assistant to another presidential assistant dated March 18, 1971, to which is attached a memorandum dated March 16, 1971 from a presidential assistant to another presidential assistant regarding the dairy price support program.

32. A memorandum dated March 19, 1971 from a presidential assistant to another presidential assistant regarding the dairy price support program.

33. An undated memorandum notation by a presidential assistant to which there is attached a memorandum from the Under Secretary of Agriculture to a presidential assistant dated March 22, 1971. Also attached is a memorandum setting forth considerations regarding the dairy industry.

34. A memorandum for the President from a presidential assistant dated March 22, 1971. Attached to this memorandum are a list of prospective attendees at a presidential meeting with dairy industry leaders, a proposed statement to be made by the President at such meeting, and a fact memorandum prepared by the Department of Agriculture concerning the dairy industry.

35. A memorandum dated March 23, 1971 from a presidential assistant to another presidential assistant regarding the meeting with dairy industry leaders.

36. A memorandum dated March 23, 1971 from a presidential assistant to the President's file concerning the President's meeting with dairy industry leaders.

37. A memorandum from a presidential assistant to another presidential assistant dated March 24, 1971 concerning the possibility of the President attending an annual meeting of a dairy farmer cooperative association.

38. A memorandum for the record from a presidential assistant dated March 25, 1971 regarding the President's meeting with dairy industry leaders on March 23, 1971.

39. A memorandum dated July 16, 1971 from a presidential assistant to another presidential assistant

regarding a presidential address to a dairy farmer cooperative association.

40. A memorandum dated July 22, 1971 from a presidential assistant to another presidential assistant which refers, among other things, to the dairy price support program.

41. A memorandum from a presidential assistant to another presidential assistant dated July 27, 1971 regarding a proposed speech by the President to a dairy farmer cooperative association to which is attached a memorandum containing various considerations for use in the proposed speech.

42. A memorandum dated November 22, 1971 from a presidential assistant to the President's file concerning the dairy price support program.

43. A memorandum from a presidential assistant to the file dated March 8, 1972 regarding the dairy price support program.

44. A memorandum from a presidential assistant to another presidential assistant dated March 7, 1972 regarding the dairy price support program.

45. A memorandum dated March 6, 1972 from a presidential assistant to another presidential assistant regarding the dairy price support program.

46. A memorandum from a presidential assistant to another presidential assistant dated March 9, 1972 regarding the dairy price support program.

47. A memorandum from the Under Secretary of Agriculture to the Assistant Director, OMB, dated March 24, 1971 to which is attached a proposed press release.

48. An undated sheet of handwritten notes making reference to the price support program.

49. A memorandum from the Secretary of Agriculture to a presidential assistant dated July 19, 1972.
50. Memorandums dated February 1, 1972, February 1, 1972, August 31, 1972, September 28, 1972, and December 15, 1972 from the Counsel to the President to presidential assistants concerning this litigation and setting forth various considerations, recommendations and opinions with respect to the litigation. Attached to the February 1, 1972 memorandums is a routing slip from a presidential assistant to the Counsel to the President returning the memorandums for the sender's files.
51. A memorandum dated August 12, 1970 from a presidential assistant to another presidential assistant recommending a presidential "photo opportunity" with dairy industry leaders.
52. A decision memorandum dated September 2, 1970 from a presidential assistant to another presidential assistant through a third presidential assistant, proposing fifteen brief meetings with the President, one of which is a "photo opportunity" with dairy industry leaders.
53. An undated memorandum prepared for the President by a presidential assistant, setting forth the President's schedule of meetings for a one hour period on September 9, 1970, which includes a scheduled ten minute "photo opportunity" with two dairy industry leaders. Attached to this is an undated briefing memorandum for the President from a presidential assistant relating to the referenced meeting.
54. A tape recording made of a meeting between the President and other governmental officials held on March 23, 1971, which relates to the subject matter of this litigation.

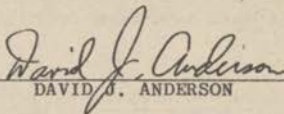
55. A memorandum from one presidential assistant to another presidential assistant dated December 18, 1970 discussing the dairy industry and its representatives.
56. A memorandum dated March 23, 1971 from a presidential assistant to the President's file concerning a presidential meeting with other governmental officials involving decision making with respect to the dairy price support program.
57. Memorandum for the Staff Secretary dated March 20, 1971 from the Director of the Office of Management and Budget reporting on a meeting with the President of March 5, 1971 with various government officials and covering a wide variety of subjects, one of which related to dairy prices.
58. Memorandum for the Director of the Office of Management and Budget from an Assistant to the Director dated March 24, 1971 on the subject of dairy price supports.
59. Memorandum from one presidential assistant to another dated March 10, 1971 on the subject of cheese imports with a brief reference to parity levels, and with a covering note transmitting the memorandum to a third presidential assistant.
60. An undated and unsigned cover note (attached to the copy of a memorandum for the President dated March 9, 1971 from a presidential assistant, which has been previously identified in Mr. Garment's affidavit dated July 5, 1973 at paragraph 3(r)), which discusses the position of the Secretary of Agriculture on the price support level at that time.

61. Memorandum dated March 6, 1972 from one presidential assistant to another on the subject of milk price support levels to which is attached a routing slip dated March 6, 1972.
62. Memorandum dated February 27, 1970 from one presidential assistant to another to which are attached seven pages of handwritten notes.
63. Memorandum from one presidential assistant to another on the subject of milk producers dated June 24, 1970 with attachment.
64. Memorandum from one presidential assistant to another dated August 13, 1970.
65. Memorandum from one presidential assistant to another dated September 16, 1970 to which are attached two reports of messages.
66. Memorandum dated September 16, 1970 from one White House assistant to another with attached handwritten page.
67. Memorandum from one presidential assistant to another dated November 3, 1970 with attached newspaper article and attached memorandum dated November 2, 1970 from one presidential assistant to another.
68. Memorandum dated September 29, 1971 from one White House assistant to another with attached routing slip.
69. Memorandum from one presidential assistant to another dated August 8, 1970.

CERTIFICATE OF SERVICE

I hereby certify that I have served the foregoing Report to the Court with attached affidavit of J. Fred Buzhardt upon plaintiffs by mailing a copy thereof, postage prepaid, this 30th day of November 1973, to their counsel,

William A. Dobrovir, Esquire
2005 L Street, N.W.
Washington, D. C. 20036



DAVID J. ANDERSON

Response of the U.S. Tariff Commission to a letter dated February 13, 1974, from John W. Dale, Investigator, United States Senate, Select Committee on Presidential Campaign Committee Activities with respect to certain dairy products (low-fat cheese, low-fat chocolate crumb, animal feed containing milk, and ice cream).

1. Request

The actual imports of the above items in pounds or gallons in the calendar years 1969 and 1970.

Response

The actual imports of the articles enumerated in your letter in the calendar years 1969 and 1970 were as follows:

		<u>1969</u>	<u>1970</u>
Low-fat cheese-----	lbs.	3,000,000	11,027,000
Low-fat chocolate crumb-----	do	477,000	15,944,000
Animal feed containing milk--	do	9,693,000	27,435,000
Ice cream-----	gals.	2,587,924	8,006,289

Source: Data on imports of ice cream compiled from official statistics of the Department of Commerce; data for the remaining three articles estimated by the Tariff Commission staff as shown in Certain Cheeses and Substitutes for Cheese, 47 cents per pound or more, Tariff Commission Publication 406, July 1971, p. A-75 (a certified copy of which report is enclosed).

2. Request

Import quotas of the above items in pounds or gallons recommended to your Commission by U.S. Department of Agriculture in July, 1970.

Response

The comments and recommendations of the U.S. Department of Agriculture of record in the Tariff Commission concerning import quotas for the above articles are set forth in (1) the President's letter of May 13, 1970, requesting the Tariff Commission to conduct an investigation, and the Department's letter to the President of March 5, 1970, recommending such investigation; (2) a prepared statement (undated) used by the U.S. Department of Agriculture representative at the U.S. Tariff Commission's hearing on July 28, 1970; and (3) the transcript of the public hearing before the Tariff Commission on July 28, 1970. Certified copies of the aforementioned documents are enclosed.

2. Response--Continued

The principal recommendations of the Department with respect to quotas for each of the imported products are set forth in excerpts from the official records as follows:

Low-fat cheese.--"[W]e recommend simply that the exception from quota control for cheese containing 0.5 percent or less butterfat be eliminated and that imports of such cheese be subject to the quota of 25,001,000 pounds, for the cheese category of the TSUS under which they fall, namely, TSUS 117.75 and 117.85." (page 16 of the written statement; page 28 of the transcript of the hearing).

Low-fat chocolate crumb.--"We recommend that the exception for chocolate crumb containing 5.5 percent or less by weight of butterfat be eliminated, and that imports of such chocolate crumb be made subject to the present quota of 17 million pounds." (page 10 of the written statement; page 22 of the transcript of the hearing).

Animal feed containing milk.--"We believe that quotas, based on the history of trade in 1968 and 1969, should be established on animal feeds containing milk or milk derivatives." (page 13 of the written statement; pages 25 and 517 of the transcript of the hearing).

Ice cream.--"A quota on ice cream should be established. We believe that the amount of this quota should properly be zero." (page 8 of the written statement; page 19 of transcript of the hearing).

3. Request

Import quotas of above items in pounds or gallons recommended by the Tariff Commission in your report to the President on Investigation No. 22-28.

Response

The import quotas for the above articles recommended to the President by the Tariff Commission in its report on Investigation No. 22-28 of September 1970, (a certified copy of which is enclosed) were as follows:

	<u>Remainder</u> <u>of 1970</u> <u>(Pounds)</u>	<u>Calendar years</u> <u>after 1970</u> <u>(Pounds)</u>
Low-fat cheese-----	30,000	100,000
Low-fat chocolate crumb-----	none	none
Animal feeds containing milk---	none	none
Ice cream-----	none	none

4. Request

Import quotas of above items in total pounds or gallons established by the President in his proclamation 4026.

Response

The import quotas for the above articles established by the President in Proclamation 4026 of December 31, 1970, (a copy of which is enclosed) were as follows:

Low-fat cheese--

<u>Country of origin</u>	<u>Quota quantity</u> <u>(In pounds)</u>
Denmark-----	6,680,000
United Kingdom-----	791,000
Ireland-----	756,500
West Germany-----	100,000
Poland-----	385,600
Australia-----	123,600
Iceland-----	64,300
Other-----	none

Low-fat chocolate crumb--

<u>Country of origin</u>	<u>Quota quantity</u> <u>(In pounds)</u>
United Kingdom-----	930,000
Ireland-----	3,750,000
Other-----	none

Animal feeds containing milk--

<u>Country of origin</u>	<u>Quota quantity</u> <u>(In pounds)</u>
Ireland-----	12,060,000
United Kingdom-----	185,000
New Zealand-----	3,930,000
Australia-----	125,000
Other-----	none

Ice cream--

<u>Country of origin</u>	<u>Quota quantity</u> (In gallons)
Belgium-----	243,650
New Zealand-----	155,680
Denmark-----	3,450
Netherlands-----	27,600
Jamaica-----	950
Other-----	none

5. Request

The import quotas on each of the above items, as such, established prior to proclamation 4026.

Response

Prior to the promulgation of Presidential Proclamation No. 4026 on December 31, 1970, imports of the subject articles, i.e., low-fat cheese, low-fat chocolate crumb, animal feed containing milk, and ice cream were not subject to quotas under section 22 of the Agricultural Adjustment Act, as amended. See the enclosed copy of Certain Dairy Products, Report to the President on Investigation No. 22-28 Under Section 22 of the Agricultural Adjustment Act, as amended, TC Pub. 338, September 1970, pages A-50, A-35, A-45, and A-30, respectively.

6. Request

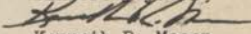
If no quotas had been established on each of the five items, what would have been the anticipated imports for each item during the calendar years 1971 and 1972.

Response

In response to your question concerning the imports of each of the above articles anticipated during 1971 and 1972 if quotas had not been established, the following excerpt from the Commission's considerations regarding its findings and recommendations of September 1970, (page 17, TC Pub. 338) is relevant:

Because of the price pull of the U.S. market for dairy products, the large stocks of dairy products abroad, and the export subsidies bestowed by many countries, if controls are not imposed on the products covered by the affirmative findings, the import trade in such products will continue to increase at a rapid pace. Moreover, the character of the import trade will continue to be of such nature as to continue to "avoid" the existing quota provisions.

Sincerely yours,


Kenneth R. Mason
Secretary

Encs.

8112

THE WHITE HOUSE
WASHINGTON

TO: JC

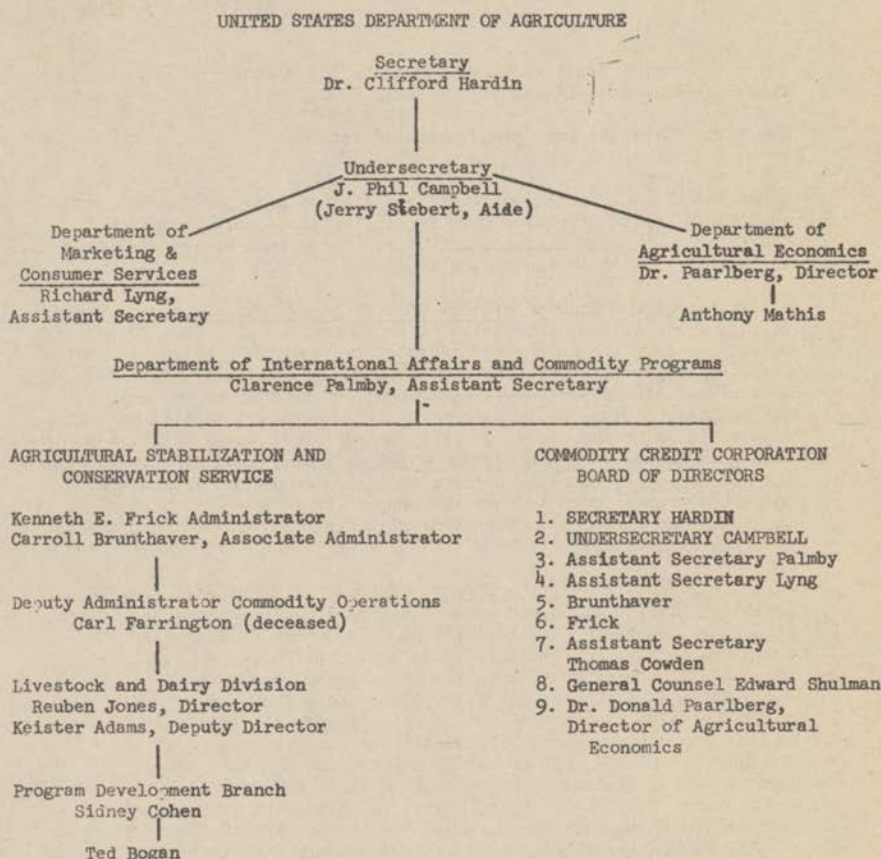
FROM: JOHN BROWN

FYI _____

COMMENT Would you
check with E a
Colon on whether
this should go in
and if so in what
forum.

- ORGANIZATION CHART -

1971 MILK PRICE SUPPORT DECISION





UNITED STATES DEPARTMENT OF AGRICULTURE
AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE • WASHINGTON, D.C. 20250

September 25, 1970

TO: Deputy Administrator, Commodity Operations
THRU: Director, Livestock and Dairy Division

SUBJECT: Dairy and wool program considerations

Since I will be spending practically all of my time between now and next March on the Inventory Task Force, I want to call attention to the following random thoughts I have regarding some of the decisions which must be made in the months ahead:

Determination and announcement of 1971-72 Dairy Support Price. Unless there are significant changes in milk production and consumption during the next two or three months, it probably will be advisable to keep the support price for milk at \$4.66. In this event, I believe an early determination and announcement, before the hue and cry from the industry begins, would be especially advisable. Even if the support is to be increased, an early announcement would still, I believe, be a good move. It's a question of acting rather than re-acting. At the moment, early February appears to be a good target date. (The only legal requirement is that the support be announced before April 1, the beginning of the marketing year. In the past, it has been announced as early as October.)

Purchase prices for dairy products. Determination of next year's purchase prices will depend primarily upon legislation and the level of support. Assuming new legislation which would no longer require a minimum support for butterfat, the buying price for butter could be lowered. I have already given you estimates of the effects on purchases, etc., assuming different purchase prices for butter and powder. I believe we also should seek the counsel of industry on this question and, in this connection, Wendell James already has contacted Jack Walsh, American Dry Milk Institute, and Bob Anderson, National Butter and Cheese Institutes. I believe we may also want their recommendations in the event there is no legislative change, in which case we would almost certainly have to increase our buying price for butter. Just in case of this hopefully unlikely eventuality, you may want to have Sid Cohen prepare estimates of how much the increase might have to be, based on projected parity as of April 1.

In the event the butter price is reduced, purchase prices probably should not be announced until almost April 1, regardless of when the support announcement is made. Otherwise, large quantities of butter would be dumped on the support program in the last weeks of this marketing year, before the price reduction.

Regarding purchase prices, it should be noted that those in effect this year, so far, have not quite reflected the support level of \$4.66 per hundredweight for milk.

Location prices for butter. We have been looking into our buying practices for butter with a view to determining if improvements can be made. I believe we have about concluded that our present system is about as good as any of the other possibilities we have thought of, with one exception.

We now buy butter on the basis of announced prices in three major market areas, less 80 percent of the freight to other locations at which butter is purchased. Allowing only 80 percent instead of full freight discourages the movement of butter from usual production areas to relatively high-cost storage in metropolitan areas. By so tying buying prices at different locations to freight rates, they are affected whenever freight rates change. Every time freight rates are increased, our buying prices are reduced. To avoid this, I recommend that next year's buying prices for butter be tied to freight rates in effect at the beginning of the marketing year, so that they will not change during the year regardless of any changes in freight rates.

Indemnity payments. In the event this Title of the Senate bill is enacted, indemnity payments would be authorized for processors. This would be entirely a new program requiring the development of program regulations and everything else such a new program entails. Much of this work probably would be the responsibility of the Direct Payments Division, DASCO, but certainly Livestock and Dairy Division would also be interested and involved.

Dairy Estimates Committee. Sid Cohen as Vice-Chairman will be responsible for Committee meetings and should be looked to for future estimates when needed. If time permits, I will plan to at least meet with the Committee in order to keep abreast of developments during the rest of the year.

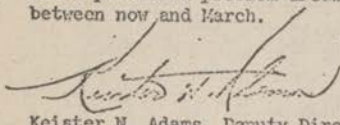
Wool and mohair price support announcement for 1971. Assuming enactment of legislation, a docket has been prepared continuing this year's incentive prices for wool and mohair during 1971. The docket has been given pre-Board consideration and will be ready for Board action as soon as the legislation is passed.

Wool and mohair referenda. When the new legislation is enacted, wool and mohair producers will request the Secretary to hold referenda next year to continue the promotion fund deductions for the American Sheep Producers Council and the Mohair Council. I have discussed this with the mohair people already and they probably will request that their referendum be held in April or May 1971. I do not expect them to request an increase in the deduction rate. I believe growers will overwhelmingly approve continuing the program.

In the case of wool, however, it seems to me that there is some dissatisfaction with the ASPC, and there could be significant opposition when the referendum is held. This is especially true if an increase is requested in the present deduction rate of 1 1/2 cents per pound. I am not sure, but do not believe the situation is too serious at the moment and am hopeful that it can be improved in the months ahead after the meetings of the ASPC in October and March and the Annual Convention of the National Wool Growers Association in January.

While I do not anticipate any other need to be excused from my Task Force assignments in the months ahead, I believe I should be excused long enough to work with the ASPC on referendum and other questions at its October meeting and with the NWGA at its January meeting. I think it is very important to the growers and the Department as well.

From time to time and as they occur to me, I will keep you posted of any other potential problem areas or program decisions which must be made between now and March.



Keister N. Adams, Deputy Director
Livestock and Dairy Division

cc: Mr. James
Mr. Cohen

ASCS:LDD:KNAdams:scb:9-25-70

C O P Y

January 7, 1971

To : Administrator

Subject: Recommended Dairy Price Support, 1971-72 Marketing Year

We believe that next year's dairy support price should be determined and announced at the earliest possible date, and we recommend that:

1. The present support price of \$4.66 per hundredweight for milk be continued.
2. The present support buying prices of 70.75 cents per pound for butter (price at New York) and 27.2 cents per pound for nonfat dry milk be continued.
3. The present buying price of 52 cents per pound for cheese be increased to 53 cents. This increase is needed to offset rising costs experienced by cheese plants as a result of large outlays many plants have had to make for necessary mechanization, expansion, whey-handling, and other such costs.

It is estimated that \$4.66 will be 79 percent of parity as of next April 1, the beginning of the 1971-72 marketing year. This is down from 85 percent at the beginning of this year as a result of rising parity. Because farm costs have risen, some producer groups will urge a higher support. Some will recommend the maximum, 90 percent of parity, which we estimate will be about \$5.33 per hundredweight.

We do not believe a higher support is advisable in view of recent increases in milk production and the prospect that, at a support of \$4.66, next year's surplus would be 6.8 billion pounds, milk equivalent, and CCC costs would be \$385 million. This is about the same as our estimates of surplus and costs during the current year.

Enclosed are the Interagency Committee's latest estimates of next year's dairy production, consumption, and CCC purchases at the \$4.66 level (tables 1-4). Also enclosed is a table (table 5) showing estimates at \$4.44 (75 percent of parity, the legal minimum) and at \$5.33 (90 percent of parity, the maximum). At a support of \$5.33, the estimate is that the surplus would increase to 9.5 billion pounds, milk equivalent, and costs would go up to nearly \$600 million.

Changes in monthly milk production in 1970, compared to the same month last year are summarized below:

<u>Month</u>	<u>Percentage Change</u> <u>1970 over 1969</u>
January	0
February	+0.5
March	+0.9
April	+0.6
May	-0.1
June	-0.1
July	+0.2
August	+0.6
September	+0.9
October	+1.2
November	<u>+1.7</u>
Year to date	+0.6

In past years, it has been necessary to increase the support buying price for butter in order to meet the legal requirement that butterfat be supported at not less than 75 percent of parity. This requirement was deleted by a provision in the 1970 Act, and the Secretary can now use his discretion in setting the butter price. It is important to note, however, that any decrease in the butter price would have to be offset by an increase in the powder price in order to maintain the present support for milk. The powder price would have to go up about $\frac{1}{2}$ cent for every 1 cent decrease in the butter price.

After carefully considering different alternative butter and powder prices, for which data are shown in tables 6-8, and consulting with producer and industry representative, we believe the present buying prices for butter and powder should be continued. (Were it not for the new law, it would have been necessary to raise the butter price 2-3 cents per pound to achieve a butterfat support of 75 percent of parity).

We believe an early decision and announcement is most important. This would not only head off an impending effort by strong producer lobbies for a higher support but also would eliminate a 2-3 month period of uncertainty, stabilize prices, and contribute to more orderly marketing.

Copies of this memorandum and supporting tables have been sent to Ray Voelkel for consideration by the Office of Management and Budget and for the Council of Economic Advisors.

/s/ Carl C. Farrington

Deputy Administrator,
Commodity Operations

Enclosures

FOR OFFICIAL USE ONLY

TABLE 1 - Estimated milk production, utilization and surplus
(milk equivalent) 1969-70, 1970-71 and 1971-72

Item	Unit	1969-70	1970-71		1971-72
			October	November	November
			estimate	estimate	estimate
Milk production	: Bil. lb.	116.3	117.2	117.2	117.7
Less farm use	: Bil. lb.	4.3	4.1	4.0	3.8
Marketings	: Bil. lb.	112.0	113.1	113.2	113.9
Beginning commercial stocks	: Bil. lb.	3.4	3.5	3.5	3.3
Imports	: Bil. lb.	1.7	2.0	2.0	2.0
Total commercial supply	: Bil. lb.	117.1	118.6	118.7	119.2
Commercial use:					
Domestic	: Bil. lb.	108.8	108.0	108.3	108.5
Foreign	: Bil. lb.	.4	.4	.4	.4
Total	: Bil. lb.	109.2	108.4	108.7	108.9
Ending commercial stocks	: Bil. lb.	3.5	3.5	3.3	3.5
Total utilization	: Bil. lb.	112.7	111.9	112.0	112.4
Surplus	: Bil. lb.	1/4.4	6.7	6.7	6.8
Butter	: Mil. lb.	182	280	280	280
Cheese	: Mil. lb.	2/31	65	65	75
Nonfat dry milk	: Mil. lb.	357	500	500	500
Evaporated milk	: Mil. lb.	107	75	75	75
Number of cows	: Thou.	12,620	12,430	12,430	12,200
Milk per cow	: Lb.	9,210	9,440	9,440	9,650
Price:					
Manufacturing grade milk	: Dol./cwt.	4.54	4.70	4.70	4.70
Milk, wholesale all	: Dol./cwt.	5.55	5.70	5.70	5.70
Cash receipts	: Mil. dol.	6,272	6,503	6,503	6,549

1/ Includes Section 709 purchases of 0.1 billion pounds.

2/ Includes Section 709 purchases of 13.5 million pounds.

Dairy Supply Estimates Committee
11/17/70

FOR OFFICIAL USE ONLY

TABLE 2 - Butter: Supply available for programs and its utilization, marketing years 1969-70, 1970-71 and 1971-72

Item	1969-70	1970-71		1971-72
		October	November	November
		estimate	estimate	estimate
----- Million pounds -----				
<u>Supply</u>				
Change in commercial stocks	+3	0	0	0
Production	1,115	1,130	1,150	1,150
Total	1,107	1,130	1,150	1,150
Commercial market	925	850	870	870
CCC purchases	182	280	280	280
Beginning CCC uncommitted inventory 1/	69	35	35	93
Total CCC supply	251	315	315	373
<u>Utilization of CCC Supply</u>				
Sales				
U.S. Army (overseas use)	1	2	2	2
Commercial exports	0	0	0	0
Government-to-Government	0	0	0	0
Donations				
Domestic school lunch and welfare	173	175	175	185
Military and V. A.	42	45	45	45
Foreign	0	0	0	0
Total utilization	216	222	222	232
Ending CCC uncommitted inventory	35	93	93	141

1/ Excludes quantities contracted for delivery to CCC from next marketing year's production.

Dairy Supply Estimates Committee
11/17/70

FOR OFFICIAL USE ONLY

TABLE 3 - Nonfat Dry Milk: Supply available for programs and its utilization, marketing years 1969-70, 1970-71 and 1971-72

ITEM	1969-70	1970-71		1971-72
		October	November	November
		estimate	estimate	estimate
----- Million Pounds -----				
<u>Supply</u>				
Change in manufacturing stocks	+17	0	+15	0
Production	1,430	1,500	1,550	1,580
Total	1,447	1,500	1,565	1,580
Commercial market 1/	1,056	1,000	1,035	1,060
To CCC	357	500	500	500
Beginning CCC uncommitted inventory	184	54	54	12
Total CCC supply	541	554	554	512
<u>Utilization of CCC supply</u>				
Sales				
Domestic (feed)	9	2	2	1
Commercial export				
Title I	9	15	15	15
Other	18	25	25	25
Government-to-Government	26	25	25	25
Donations				
Domestic school lunch and welfare	129	140	150	155
Foreign	296	325	325	280
Total utilization	487	532	542	501
Ending CCC uncommitted inventory 2/	54	22	12	11

1/ Includes 18 million pounds of nonfat dry milk bought in blended food product (CSM) in 1969-70 and an estimated 20 million pounds in 1970-71 for foreign donation.

2/ Excludes quantities contracted for delivery to CCC from next marketing year's production.

Dairy Supply Estimates Committee
11/17/70

FOR OFFICIAL USE ONLY

TABLE 4 - American Cheese: Supply available for programs and its utilization, marketing years 1969-70, 1970-71 and 1971-72

ITEM	1969-70	1970-71		1971-72
		October estimate	November estimate	November estimate
		Billion Pounds		
<u>Supply</u>				
Change in commercial stocks	-2	0	0	0
Production	1,340	1,435	1,455	1,500
Imports	17	16	16	16
Total	1,359	1,451	1,471	1,516
Commercial market	1,328	1,386	1,406	1,441
CCC purchases (net)	2/ 31	65	65	75
CCC uncommitted beginning inventory 1/	17	0	0	5
Total CCC supplies	48	65	65	80
<u>Utilization of CCC supply</u>				
Domestic donations				
School lunch and welfare	48	60	60	75
Armed Services	0	0	0	0
Total utilization	48	60	60	75
Ending CCC uncommitted inventory 1/	0	5	5	5

1/ Excludes quantities contracted for delivery to CCC from next marketing year's production.

2/ Includes 13.5 million pounds of cheese bought under Section 709.

Dairy Supply Estimates Committee
11/27/70

Table 5 - Milk production, utilization, and surplus for 1969/70 and projected for 1970/71 and 1971/72 under assumption of current support level and 75% and 90% parity for 1971/72

Item	Unit	1969/70	1970/71	1971/72
Milk production ✓	Bil. lb.	116.3	117.2	117.7
Less farm use	Bil. lb.	4.3	4.0	3.8
Manufacturing	Bil. lb.	112.0	113.2	113.9
Beginning commercial stocks	Bil. lb.	3.4	3.5	3.3
Imports	Bil. lb.	1.7	2.0	2.0
Total commercial supply	Bil. lb.	117.1	118.7	119.2
Commercial use ✓	Bil. lb.	108.8	108.3	108.5
Domestic	Bil. lb.	0.4	0.4	0.4
Foreign	Bil. lb.	109.2	108.7	108.9
Total	Bil. lb.	3.5	3.3	3.5
Ending commercial stocks	Bil. lb.	112.7	112.0	112.4
Total utilization	Bil. lb.	112.4	112.0	112.4
Surplus ✓	Bil. lb.	114.4	114.4	114.4
Butter	Mil. lb.	182	280	280
Cheese	Mil. lb.	31	65	75
Nonfat dry milk	Mil. lb.	357	500	500
Evaporated milk	Mil. lb.	107	75	75
Number of cows ✓	Thou.	12620	12430	12200
Milk per cow ✓	lb.	9210	9440	9590
Price:				
Manufacturing grade milk	Dol./cwt.	4.54	4.70	4.70
Milk, wholesale all	Dol./cwt.	5.55	5.70	5.70
Cash receipts	Mil. dol.	6272	6503	6549
CCC net expenditures ✓	Mil. dol.	227	380	385
1/ Includes Sec. 709 purchases	2/ 75% of parity	3/ 90% of parity		
				11/23/70

Table 6.
Milk production, utilization, and surplus, projected for 1970/71 at current support purchase prices
and for 1971/72 at various combinations of butter and nonfat dry milk support purchase prices

Item	Unit	1970/71		1971/72	
		Support purchase price		Support purchase price	
		Butter	Nonfat	Butter	Nonfat
Milk production	Bil. lb.	117.2	117.7	117.7	117.7
Less farm use	Bil. lb.	4.0	3.8	3.8	3.8
Net milk	Bil. lb.	113.2	113.9	113.9	113.9
Beginning commercial stocks	Bil. lb.	3.5	3.3	3.3	3.3
Imports	Bil. lb.	2.0	2.0	2.0	2.0
Total commercial supply	Bil. lb.	118.7	119.2	119.2	119.2
Commercial use:					
Domestic	Bil. lb.	103.3	103.5	103.5	103.5
Foreign	Bil. lb.	4.4	4.4	4.4	4.4
Total	Bil. lb.	108.7	108.9	108.9	108.9
Ending commercial stocks	Bil. lb.	3.3	3.5	3.5	3.5
Total utilization	Bil. lb.	112.0	112.4	113.0	113.2
Surplus:					
Butter	Bil. lb.	6.7	6.8	6.2	6.0
Cheese	Bil. lb.	250	255	250	240
Infant dry milk	Bil. lb.	65	75	75	75
Prepared milk	Bil. lb.	500	525	550	550
	Bil. lb.	75	75	75	75
Herb of cows	Thou.	12,430	12,200	12,200	12,200
Lb. per cow	Lb.	49,440	9,650	9,650	9,650
Use:					
Manufacturing grade milk	Dol./cwt.	4.70	4.70	4.70	4.70
Milk, wholesale all	Dol./cwt.	5.70	5.70	5.70	5.70
Each receipt	Mil. dol.	6,503	6,549	6,549	6,549

Table 7. Estimated changes in commercial disappearance of dairy products with changes in prices of butter and nonfat dry milk.
(Support level—\$4.66/ovt.)

Support purchase prices		Changes in commercial disappearance									
Butter	Nonfat dry milk	Butter (e = -.5)		Frozen Products (e = -.8)		Cream (e = -.85)		Net change, milk		equivalent	
		Product weight	Milk equivalent	Product weight	Milk equivalent	Product weight	Milk equivalent	Product weight	Milk equivalent	Product weight	Milk equivalent
--- Million pounds ---											
69.7	27.2	0	0	0	0	0	0	0	0	0	0
67.7	28.3	+10	211	+27	78	+7	29	+3	+3	+3	+3
65.7	29.4	+20	423	+49	142	+19	80	+645	+645	+645	+645
59.7	32.7	+50	1,057	+94	273	+54	227	+1,557	+1,557	+1,557	+1,557
49.7	38.2	+100	2,117	+187	464	+123	517	+3,038	+3,038	+3,038	+3,038
Support purchase prices		Changes in solids-not-fat use in:									
Butter	Nonfat dry milk	Frozen Products (e = -.8)		Cottage cheese (e = -.6)		Low-fat milk (e = -.2)		Net change in		equivalent	
		Product weight	Milk equivalent	Product weight	Milk equivalent	Product weight	Milk equivalent	Product weight	Milk equivalent	Product weight	Milk equivalent
--- Million pounds ---											
69.7	27.2	0	0	0	0	0	0	0	0	0	0
67.7	28.3	-22	+1	-9	-6	-9	-12	-1	-1	-25	-25
65.7	29.4	-45	+2	-20	-12	-12	-34	-3	-3	-58	-58
59.7	32.7	-111	+6	-46	-29	-29	-59	-6	-6	-140	-140
49.7	38.2	-223	+12	-97	-51	-51	-118	-12	-12	-274	-274

1/ Assumes 370 million pounds retail packages, e = 0; 270 million pounds dairy use, e = -.5; balance of sales, e = -1.0.

2/ Assumes no additional substitution of solids from other sources for nonfat milk solids, as prices rise.

Table 8. Estimated effects of reducing butterfat supports.

Item	Unit	Change from the 1970-71 level of support purchase prices		
		1970-71 level	Butterfat price	Change
Wholesale butter price	Ct./lb.	69.7	67.7	2.0
Butterfat differential (wholesale price x 1.2)	Ct./lb.	8.4	8.1	.3
Butter sales (a = -.5)	Mil. lb.	870	880	-10
NFM price	Ct./lb.	27.2	29.4	-2.2
Class I price of milk	Dol./cwt.	6.94	6.94	0
Butterfat differential x 3.5	Dol./cwt.	2.84	2.84	0
Skin value	Dol./cwt.	4.00	4.18	-.18
Value of cream	Ct./lb.	87.6	89.3	-.17
Fat in cream (15.46%)	Ct./lb.	13.47	13.19	.28
Skin in cream (84.54%)	Ct./lb.	3.32	3.47	-.15
Total	Ct./lb.	16.66	16.66	0
Percent change in retail price ^{1/}	Ct./lb.	0	0	0
Gross milk (c = .68)	Mil. lb.	1,120	1,127	-7
Gain, N.F. x 15.16/3.68 x .80	Mil. lb.	0	4.99	-4.99
Skin value at 97% SNF in NFM	Ct./lb.	28.0	29.2	-1.2
Protein reduction ^{2/}	Ct./lb.	22.3	21.5	.8
Fat value at 255 (lb./3 gal.)	Ct./3 gal.	7.1	7.4	-.3
Skin value at 252 (lb./3 gal.)	Ct./3 gal.	29.4	28.9	.5
Total dairy value	Ct./3 gal.	36.5	36.3	.2
Change in price from rice in costs	Ct./3 gal.	0	0	0
Sales (c = .8)	Mil. lb.	5,570	5,537	33
Gain or loss N.F.	Mil. lb.	0	70	-70
NFM sales, retail ^{3/}	Mil. lb.	1,060	1,033	27
Ingredient cost fluid milk:				
Fluid whole (3.5%)	Dol./cwt.	6.94	6.94	0
25/102	Dol./cwt.	6.17	6.27	-.10
15/102	Dol./cwt.	5.32	5.38	-.06
5/102	Dol./cwt.	5.73	5.76	-.03
4/102	Dol./cwt.	4.91	4.97	-.06
3/102	Dol./cwt.	4.00	4.18	-.18
2/102	Dol./cwt.	0	4.18	-4.18
1/102	Dol./cwt.	0	4.18	-4.18
Sales	Mil. lb.	11,800	11,768	32
Cottage cheese ingredients cost:				
SNF cost	Ct./lb.	17.0	17.7	-.7
Fat cost	Ct./lb.	3.5	3.4	.1
Total cottage cheese cost	Ct./lb.	20.5	21.1	-.6
Assume 35% per lb. retail price and c = .6	Mil. lb.	1,090	1,041	49

^{1/} Estimated at .7 of percent change in raw material cost.^{2/} Assume retail price for 1970/71 = 85¢ per 3 gallon.^{3/} Assume c = 0 for 370 million pounds sold in retail packages; c = -.5 for 270 million pounds in dairy uses, and c = -1.0 in other uses.^{4/} Estimate whole milk price 59.5¢ per 3 gallon, low fat and skim price 57.0¢ per 3 gallon. Assume c for fluid products = -.2.

March 16, 1971

Mr. William M. Beenloy
Route 2
Girard, Kansas 66743

Dear Bill:

Enclosed is a check from Mid-America Dairymen to reimburse you for expenses and per diem while working on our Washington, D. C. project.

I hope this is satisfactory.

As you probably know by now, Secretary Hardin in cooperation with Bureau of the Budget Director Schultz, tettered our efforts to increase price supports. Last Friday the announcement was made of the continuation of the \$4.66 price support for milk.

We are, however, continuing our efforts and had a meeting Monday, March 15, with Secretary of Agriculture Hardin and his staff, to review his statistics. Apparently the reason for the denial of the position was the statement by USDA that the price support increase would cost \$100 million. We must, therefore, convince USDA that some of their projections relative to decreased consumption or increased production, at the higher price level, are in error.

We will keep you posted of developments.

Sincerely yours,

MID-AMERICA DAIRYMEN, INC.

GH:bd

Encl.

Gary Hanman
Executive Vice President - Marketing

March 4, 1971

MEMORANDUM FOR JOEN HERLICHMAN

Re: Telephone Call from Wilbur Mills this
afternoon re price supports on milk.

He called to inquire about the situation and to push for a prompt decision. He clearly wants to see the support price raised and expressed his doubts about the estimates of excess supply that would be created by that move. He states his view that the Department always over-estimates the production increase and under-estimates demand.

5/
George P. Shultz

GPS/ch

LYNN E. ELROD & OR DOROTHIA M. ELROD		No. 149
8197 LEAWOOD BLVD. PH. AREA 501-225-8528		81-10 820
LITTLE ROCK, ARKANSAS 72205		March 19 1971
DAY TO THE ORDER OF <i>William Pleasant</i>		200 ⁰⁰
<i>Two Hundred and no</i>		DOLLARS
 First National Bank IN LITTLE ROCK, ARKANSAS		<i>L. E. Elrod</i>
FOR <i>Services</i>		500000000000
⑆0820⑉00⑆0⑆⑆09⑆⑆5⑉8⑉⑆		

William Pleasant
Kodak - Photo
8197 Leawood Blvd.
Little Rock, Ark.
72205
March 19 1971
200.00
First National Bank
Little Rock, Arkansas
For Services
L. E. Elrod
500000000000

March 18, 1971

Altman

CONFIDENTIAL - EYES ONLY

MEMORANDUM FOR:

FRANK DEMARCO
TOM EVANS
HERB KALMBACH

FROM:

JOHN DEAN

[Handwritten initials]

As per our discussions, I am forwarding a draft charter for the 1701 Pennsylvania Avenue operation and a document that might serve as a model to be used in connection with the Milk Producers Association Committee, et al.

I would suggest you mark up the document if you have suggested changes and return it to me. I will then coordinate with you before a final draft is prepared.

cc: John N. Mitchell

CONFIDENTIAL - EYES ONLY

CHARTER

ARTICLE I - Purpose

We the undersigned constitute ourselves a voluntary association under the name _____ (hereinafter referred to as "the Association"). It is the purpose of the Association to work for the renomination of President Richard M. Nixon as the Republican Party 1972 candidate for the office of President of the United States. To that end we propose to support a renomination campaign throughout the United States and to solicit, collect and disburse funds for that campaign. *

ARTICLE II - Principal Office

The principal office of the Association is to be located in the District of Columbia, provided, however, that other subsidiary offices may be established in any state for the purpose of carrying out the national activities of the Association.

ARTICLE III - Membership

Members shall consist of those subscribers listed below and may later include others

*NOTE: If this charter is used as a model for other groups and it is desired to give these different groups different purposes, an appropriate clause should be added at this point.

sympathetic to the purpose of the Association who are approved by the membership of the Association, and who thereafter accept membership.

ARTICLE IV - Officers

The officers of the Association shall initially be a Chairman and a Secretary-Treasurer, who shall be elected by the membership at the first meeting of the Association and shall hold office until their successors have been elected by the membership of the Association. Additional officers may also be elected if desired by the members.

ARTICLE V - Executive Committee

There shall be an Executive Committee which shall consist of the officers, and such additional persons as may be determined by the members. The Executive Committee shall manage the affairs and activities of the Association, subject to the wishes of the members.

ARTICLE VI - Duration

The Association shall be dissolved and cease to exist as an Association at the time President Richard M. Nixon receives the renomination or in the event he should not become a candidate for the office of President of the United States.

ARTICLE VII - Surplus Funds

Section 1. In the event of President Richard M. Nixon's renomination, surplus funds, if any, may be disbursed by the Association to such political organizations or other groups thereafter working for the same objectives as the officers of the Association may determine.

Section 2. In the event Richard M. Nixon shall not become a candidate for the office of President of the United States, any surplus funds may be disposed of by the Association to such political organizations or other groups as the officers of the Association may determine.

Section 3. The officers of the Association may also return any surplus funds to all the contributors to the Association (including Association members) in the same proportion as each contribution bears to the total of all contributions received.

Section 4. No member of the Association shall have the right to share in any surplus funds or assets of the Association upon its dissolution except as set forth in Section 3 above.

ARTICLE VIII - Amendments

This Charter may be amended at any meeting of the members duly called for that purpose by the affirmative vote of a majority of the members present and voting provided that Sections 3 and 4 of Article VII hereof shall not be subject to amendment.

IN WITNESS WHEREOF, the undersigned have signified their desire to become members of this Association in accordance with the foregoing by subscribing their names and addresses hereto this day of 1971.

Address:

Address:

THE WHITE HOUSE
WASHINGTON

February 25, 1971

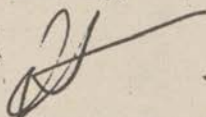
Dear Mr. Secretary:

The President has approved your suggestion that he meet with leaders of the dairy industry and we have set aside thirty minutes at 10:30 a.m. on Tuesday, March 23, for a meeting in the Cabinet Room.

By a copy of this letter, I am asking Mr. John Whitaker to handle the details of the appointment with your office. Also, I would appreciate knowing when you have confirmed this date and time with the dairy leaders.

With best wishes,

Sincerely,

Dwight L. Chapin
Deputy Assistant
to the President

Honorable Clifford M. Hardin
Secretary of Agriculture
Department of Agriculture
Washington, D. C. 20250

cc: Mr. Whitaker

*Confirmed w/
Maurin Harrison 3/2/71
11:00 AM
D/B*

March 22, 1971

To: Honorable John Whitaker
Deputy Assistant to the President
The White House

Enclosed is a sheet of dairy facts concerning the meeting of dairymen with the President tomorrow morning.

Also enclosed are suggested remarks for opening use by the President and for use during the meeting.

Phil
J. PHIL CAMPBELL
Under Secretary

Enclosures

JPCampbell:chb 3/22/71

OPENING STATEMENT FOR THE PRESIDENT

Secretary Hardin has told me about great changes which have taken place recently in the marketing of milk. He has told me about your organization. (API) I am sorry I was unable to attend your Convention in Chicago last year.

We are very much impressed with what the Associated Milk Producers, Inc. has been able to do in gaining bargaining strength for producers. Secretary Hardin has told me that a cooperative organization such as yours, through responsible bargaining, can be of tremendous value to producers and may even begin to minimize the need for so many government programs for the dairy industry.

During the years I have been in Government, representatives of dairymen have kept me well aware of the heavy government involvement in your business. Import quotas, price supports, special school milk programs, marketing orders --- all of these are of real concern to dairymen.

I know too that Secretary Hardin is particularly well equipped to assist dairymen with these programs. His early background as an agricultural economist was as a dairy specialist. As a matter of fact I understand he wrote his doctoral thesis on milk marketing!

(At this point the President could turn to Secretary Hardin and suggest that he might elaborate on matters of current interest to the group.)

WHO ARE VISITORS?

The top executives of Associated Milk Producers, Inc., which is a huge cooperative from Minnesota through Texas.

Headquarters: San Antonio, Texas

They have been effective in bargaining for higher prices for producers and have been active in politics.

U. S. DAIRY INDUSTRY

No. of Dairymen: 1959 - 1,000,000.
1969 - 400,000

Production and Gross Income:

1964 - 127 billion pounds - \$5. billion
1970 - 117 " " - 6.5 "

Consumption: Per capita consumption steadily declining

ADMINISTRATION ACTIONS FAVORABLE TO DAIRYMEN

1. Raised support price 4-1-70, - \$4.28 to \$4.66.
2. President imposed import quotas on dairy products, early 1971.
3. President signed 1970 Farm Bill which contained improved Class I Base provision. (This was widely sought by all dairymen.)
4. President signed 1970 Marketing Bill which permits producer "checkoff" of funds for promotion of dairy products.

WHAT DO DAIRYMEN WANT?

1. Increase in 1971 support price. Secretary Hardin, on 3-12-71, announced no change for this year.
2. Economic formula for pricing market milk - Producer proposal was rejected by USDA, but Secretary Hardin has said we'll try to work out acceptable compromise.
3. Continuation of Special School Milk (f.y. 1972) does not include this expenditure of \$104 million.

Mr. Carl Baumann
Route 2
Highland, Illinois 62249

*Ref E4 D
Hamm
11-20-72
cjc*

Sincerely yours,

MID-AMERICA DAIRYMEN, INC.

Dear Carl:

Thanks for your letter — and thanks for sending it to my home. Shirley opened it, as she does most of my mail, and recognized the importance of our efforts on price supports. As you might imagine, she has been a "widow" for the last 2½ to three weeks, while I have been in Washington working on this price support program. She, of course, questioned the importance of my absence, and your letter of appreciation helped me in convincing her of the need and necessity of my being in Washington.

The reversal in the price support decision, was quite an accomplishment. No one individual can claim credit for this action. It is the combined efforts of all, board members, management, staff and the members themselves, who made this happen. However, in any group action, a small dedicated group must organize the campaign, and persist in effectuating programs aimed at the objective. Mid-Am and AMPI, with some help from DI, got this reversal from the Nixon Administration on the price support level. And I can assure you, that the TAPE and ADEPT programs, as well as SPACE (DI's program) played a major part in this administrative decision. This just proves that a minority, regardless of its number, if it is well organized, dedicated and adequately financed, can prevail. The stature of Mid-Am, AMPI and DI has been improved, and for a while anyway, people will know who we are. I only hope that the board and the members of Mid-Am, don't get the impression that we can accomplish the impossible every time we tackle a difficult problem.

We plan to initiate a "thank you" letter writing campaign among the members, and to step up our fieldmen's activities on the ADEPT program.

Memo #2

March 29, 1971

March 29, 1971

Regardless of the time, money, and long hours that I have put in on this project, your thanks and appreciation makes it all worthwhile. I appreciate your support, and if I can be of assistance in your functioning as a leader in Mid-Am, please let me know. I am at your service.

Thanks.

Sincerely yours,

MID-AMERICA DAIRYMEN, INC.

GH:bd

Gary Hanman
Executive Vice President - Marketing

June 7, 1971

Mr. and Mrs. Floyd S. Spidle
Route 1
Cameron, Missouri 64429

*Ref Eric H
Herman
11-10-71
cyc*

Dear Mr. and Mrs. Spidle:

Please accept my thanks for your very nice letter of May 18 and your complimentary remarks about your organization, Mid-America Dairymen, Inc. It is refreshing to read a letter from friends dedicated to such high ideals.

I admire you for taking the time to write and I agree with practically every governmental reform you have suggested our great country needs. However, being one of your elected officials in Mid-America, as I support you and the reforms you suggest, I am forced to be a realist and must do the things I feel will benefit you and your organization today as well as in the future.

The facts of life are that the economic welfare of dairymen does depend a great deal on political action. If dairymen are to receive their fair share of the governmental financial pie that we all pay for, we must have friends in government. I have become increasingly aware that the sincere and soft voice of the dairy farmer is no match for the jingle of hard currencies put in the campaign funds of the politicians by the vegetable fat interests, labor, oil, steel, airlines, and others.

We dairymen as a body can be a dominant group. On March 23, 1971, along with nine other dairy farmers, I sat in the Cabinet Room of the White House, across the table from the President of the United States, and heard him compliment the dairymen on their marvelous work in the consolidating and unifying of our industry and our involvement in politics. He said, "You people are my friends and I appreciate it." Two days later an order came from the United States Department of Agriculture increasing the support price for milk to 85% of parity, which added from 500 to 700 million dollars to dairy farmers milk checks. We dairymen cannot afford to overlook

Mr. and Mrs. Floyd S. Spidle
Cameron, Missouri

Page #2

this kind of economic benefit. Whether we like it or not, this is the way the system works.

I respect your judgment and will assure you there will be no discrimination against you because you do not participate in the ADEPT program. We appreciate your loyalty to Mid-America and I thank you again for your nice letter.

Sincerely yours,

MID-AMERICA DAIRYMEN, INC.

Wm. A. Powell
President

WAP:ah

Bill	Sponsors (Co-sponsors)	Price Support Level (Percentage of Parity)		Term		Date Introduced	Referred to Agriculture Committee	Referred to Dairy and Poultry Subcommittee	USDA Report Requested	USDA Report
		Minimum	Maximum	Begin	End					
S. 1277	Nelson (Allen, Bayh, Bentsen, Burdick, Cook, Cranston, Eagleton, Eastland, Fulbright, Gravel, Harris, Hart, Hartke, Hollings, Hughes, Inouye, Long, McGee, McGovern, Mondale, Moss, Muskie, Proxmire, Sparkman, Stevenson, Symington, Tunney)	85%	90%	April 1, 1971	March 31, 1972	March 16, 1971	March 16, 1971		March 18, 1971	
S. 1294	Humphrey	85%	90%	April 1, 1971	March 31, 1972	March 19, 1971	March 19, 1971		March 22, 1971	
HR 6188	Smith (Ja) (Edmondson, Hungate, Roush, Jones (Tenn), Teague, Steiger, Burton, Hamilton, Griffin, Burleson (Tex), Fraser, Ullman, Shipley, Randall, Price, Burlison (Mo), Kuykendall)	85%	90%	April 1, 1971	March 31, 1972	March 16, 1971	March 16, 1971	March 18, 1971	March 19, 1971	July 2, 1971 Unfavorable
HR 6248	Roncalio	85%	90%	April 1, 1971	March 31, 1972	March 17, 1971	March 17, 1971	March 18, 1971		
HR 6249	Smith (Ja) (Poage, Patman, Sisk, Obey, Sikes, Steed, Culver, Kyl, Bergland, Abbt, Abourezk, Kastenmeier, Fassel, Broyhill)	85%	90%	April 1, 1971	March 31, 1972	March 17, 1971	March 17, 1971	March 18, 1971		

Bill	Sponsors (Co-sponsors)	Price Support Level (Percentage of Parity)		Term		Date Introduced	Referred to Agriculture Committee	Referred to Dairy and Poultry Subcommittee	USDA Report Requested	USDA Report
		Minimum	Maximum	Begin	End					
HR 6250	Smith (la) (Casey, Hansen, Shriver, Pickle, Pryor, Blanton, Flowers, Fulton, Hammerschmidt, Wright, Aspin, Thone, Daniel, Dorn Fisher, Edwards)	85%	90%	April 1, 1971	March 31, 1972	March 17, 1971	March 17, 1971	March 18, 1971		
HR 6289	O'Konski	85%	90%	April 1, 1971	March 31, 1972	March 17, 1971	March 17, 1971	March 18, 1971		
HR 6357	Abbitt	90%	90%	April 1, 1971	March 31, 1972	March 18, 1971 March 18, 1971	March 18, 1971	March 19, 1971		
HR 6412	Zwach	85%	90%	April 1, 1971	March 31, 1972	March 18, 1971	March 18, 1971	March 19, 1971		
HR 6425	Harvey	85%	90%	April 1, 1971	March 31, 1972	March 18, 1971	March 18, 1971	March 19, 1971		
HR 6443	Smith (la) (Abernethy, Stubble- field, Purcell, Matsunaga, Vigorito, Denholm, Martin, Roberts, Halpern, Zablocki, McFall, Montgomery, Johnson McFall, Schwengel, Anderson (Tenn), Watts, Perkins, Riegle, Whitehurst)	85%	90%	April 1, 1971	March 31, 1972	March 18, 1971	March 18, 1971	March 19, 1971		
HR 6502	Thomson (WIs)	90%	90%	April 1, 1971	March 31, 1972	March 22, 1971	March 22, 1971	March 23, 1971		
HR 6534	Hull	85%	90%	April 1, 1971	March 31, 1972	March 23, 1971	March 23, 1971	March 24, 1971		

Bill	Sponsors (Co-Sponsors)	Price Support Level (Percentage of Parity)		Term		Date Introduced	Referred to Agriculture Committee	Referred to Dairy and Poultry Subcommittee	USDA Report Requested	USDA Report
		Minimum	Maximum	Begin	End					
HR 6583	Natcher	85%	90%	April 1, 1971	March 31, 1972	March 23, 1971	March 23, 1971	March 24, 1971		
HR 6589	Quillen	85%	90%	April 1, 1971	March 31, 1972	March 23, 1971	March 23, 1971	March 24, 1971		
HR 6619	Gross (Scherle, King, Hall)	85%	90%	April 1, 1971	March 31, 1972	March 23, 1971	March 23, 1971	March 24, 1971		
HR 6621	Jones (NC) (Preyer, Henderson, Taylor, Lennon)	85%	90%	April 1, 1971	March 31, 1972	March 23, 1971	March 23, 1971	March 24, 1971		
HR 6632	Long (LA)	85%	90%	April 1, 1971	March 31, 1972	March 23, 1971	March 23, 1971	March 24, 1971		
HR 6635	McMillan	85%	90%	April 1, 1971	March 31, 1972	March 23, 1971	March 23, 1971	March 24, 1971		
HR 6647	Sebelius	85%	90%	April 1, 1971	March 31, 1972	March 23, 1971	March 23, 1971	March 24, 1971		
HR 6650	Stratton	85%	90%	April 1, 1971	March 31, 1972	March 23, 1971	March 23, 1971	March 24, 1971		
HR 6657	Young (Tex)	85%	90%	April 1, 1971	March 31, 1972	March 23, 1971	March 23, 1971	March 24, 1971		
HR 6683	Evans (Colo) (Aspinall)	85%	90%	April 1, 1971	March 31, 1972	March 24, 1971	March 24, 1971	March 25, 1971		
HR 6691	Hastings	85%	90%	April 1, 1971	March 31, 1972	March 24, 1971	March 24, 1971	March 25, 1971		
HR 6701	Landrum (Stephens, Brinkley, Stuckey, Thompson (GA), Mathis (GA))	85%	90%	April 1, 1971	March 31, 1972	March 24, 1971	March 24, 1971	March 25, 1971		

Bill	Sponsors (Co-sponsors)	Price Support Level (Percentage of Parity)		Term		Date Introduced	Referred to Agriculture Committee	Referred to Dairy and Poultry Subcommittee	USDA Report Requested	USDA Report
		Minimum	Maximum	Begin	End					
HR 6712	Thompson (NI)	85%	90%	April 1, 1971	March 31, 1972	March 24, 1971	March 24, 1971	March 25, 1971		
HR 6727	Nichols	85%	90%	April 1, 1971	March 31, 1972	March 24, 1971	March 24, 1971	March 25, 1971		
HR 6746	Andrews (Ala)	85%	90%	April 1, 1971	March 31, 1972	March 25, 1971	March 25, 1971	March 26, 1971		
HR 6753	Duncan	85%	90%	April 1, 1971	March 31, 1972	March 25, 1971	March 25, 1971	March 26, 1971		
HR 6785	Pryor (Ark) (Bingham, Leggett, Mahon, Melcher, Baker, Duncan, Myers, Hillis, Hanley, Gallifanakis, Brasco, Colline, Alexander, Kee, Gallagher, Conzalez, Begich, Kyros)	85%	90%	April 1, 1971	March 31, 1972	March 25, 1971	March 25, 1971	March 26, 1971		
HR 6881	Purcell (Kasen)	85%	90%	April 1, 1971	March 31, 1972	March 29, 1971	March 29, 1971	March 30, 1971		
HR 6886	Roy	85%	90%	April 1, 1971	March 31, 1972	March 29, 1971	March 29, 1971	March 30, 1971		
HR 7035	Ichord	85%	90%	April 1, 1971	March 31, 1972	March 31, 1971	March 31, 1971	April 1, 1971		
HR 7198	Waggonner	85%	90%	April 1, 1971	March 31, 1972	April 5, 1971	April 5, 1971	April 6, 1971		
HR 7394	Hagan	85%	90%	April 1, 1971	March 31, 1972	April 7, 1971	April 7, 1971	April 8, 1971		
HR 7558	Skubitz	85%	90%	April 1, 1971	March 31, 1972	April 20, 1971	April 20, 1971	April 21, 1971		

92D CONGRESS
1ST SESSION

S. 1277

IN THE SENATE OF THE UNITED STATES

MARCH 16, 1971

Mr. NELSON introduced the following bill; which was read twice and referred to the Committee on Agriculture and Forestry

A BILL

To support the price of manufacturing milk at not less than 85 per centum of parity for the marketing year 1971-1972.

- 1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That section 201 (c) of the Agricultural Act of 1949, as
4 amended by the Agricultural Act of 1970, is amended by
5 striking out the period at the end of the first sentence and
6 inserting in lieu thereof the following: “: *Provided, That,*

II

1 notwithstanding the foregoing sentence, the price of milk
2 for the marketing year beginning April 1, 1971, and ending
3 March 31, 1972, shall be supported at such level not in
4 excess of 90 per centum nor less than 85 per centum of the
5 parity price therefor as the Secretary determines necessary
6 in order to assure an adequate supply.”.

Bill Number	Subject	Date Vetoed	Action by Congress to Override Veto
H.R. 13111	Appropriations for Departments of Labor and HEW	1/26/70	Sustained by House (226-191) 1/28/70
H.R. 11102	Construction of Hospitals	6/22/70	Successfully overridden by House (279-98) Successfully overridden by Senate (76-19)
H.R. 16916	Education Appropriation	3/11/70	Successfully overridden by House (289-114) Successfully overridden by Senate (77-16)
H.R. 17548	HUD and Independent Offices Appropriations	8/11/70	Sustained by House (203-195) 8/13/70
S. 3637	Broadcasting--Candidate Time Purchases	10/20/70	Sustained by Senate (58-34) 11/23/70
S. 2755	Private Bill for the Relief of Donal N. O'Callaghan	pocket veto 11/2/70	
S. 3867	Manpower Training	12/16/70	Sustained by Senate (48-35) 11/23/70
S. 3418	Family Doctor's Training	pocket veto 12/24/70	
H.R. 3571	Private Bill for the Relief of Miloye M. Sokitch	pocket veto 12/24/70	
H.R. 17809	Wage Board Pay Raise	1/1/71	No attempt to override veto
S. 578	Federal Firefighters	1/4/71	No attempt to override veto

bills vetoed--11 vetoes successfully overridden--2

8150

April 19, 1971

Mr. Marion Edwyn Harrison
Reeves & Harrison
Suite 500
1701 Pennsylvania Avenue, N.W.
Washington, D. C. 20006

Dear Marion:

Enclosed are checks, cover letters, and receipts covering ADEPT contributions to the nine campaign committees which you earlier had sent to me. Sorry to have taken so long to get these to you.

As I mentioned on the phone, we need the name of one more committee to finish our commitment. Can you furnish this additional committee by return mail?

Sincerely yours,

ADEPT

GH:bd

Gary Hauman

Encls.

UNITED STATES DISTRICT COURT
CHICAGO, ILLINOIS 60604

RICHARD W. McLAREN
JUDGE

855 Lamson Drive
Winnetka, Illinois
60093

May 10, 1974

David M. Dorsen, Esq.
Assistant Chief Counsel
Senate Select Committee on
Presidential Campaign Activities
Room G 308
Dirksen Senate Office Building
Washington, D. C. 20510

Dear Mr. Dorsen:

I write in response to the questions which you directed to Mr. Oberdorfer in your letter of May 7, 1974. I am sure you appreciate that my reconstruction of the matters about which you inquire are my best recollection of events that occurred more than two years ago. While I have reviewed the files relating to the filing of the AMPI complaint in connection with the affidavit submitted in United States v. Associated Milk Producers, Inc., my responses to your questions concerning comparisons between our actions in that case and our procedures generally are based entirely on my all-too-fallible memory.

1. My memorandum dated September 9, 1971 to the Attorney General was not unusual in content or tone.
2. My second memorandum to the Attorney General requesting authorization for a grand jury request was unusual only in the sense that, generally, the Attorney General responded on matters which I sent up to him within a week or two. However, I did not attach any

particular significance to the Attorney General's failure in this case to respond within the usual time, and my second memorandum was written primarily because we continued to receive complaints from milk producers with respect to the conduct of AMPI.

3. I assume you mean by this question whether, in connection with the recommendation to file a civil complaint, any consideration was given to seeking preliminary injunctive relief, since, of course, there is no preliminary injunctive relief available with respect to the institution of a grand jury investigation. To the best of my recollection, I do not believe that the possibility of seeking preliminary injunctive relief was ever considered in this case. If the possibility was considered by Mr. Sarbaugh or Mr. Hummel, I have no recollection of having discussed it with them. In any event, in a case of this kind, where the ultimate relief sought is the cessation of ongoing practices rather than the enjoining of a proposed action, a request for preliminary relief is in effect a request for the ultimate relief, and is for that reason rarely sought and more rarely granted.

With respect to the second part of your question, the filing of a criminal indictment and, ultimately, the obtaining of criminal convictions provide in themselves no relief to farmers injured by AMPI's predatory practices.

There was no Division policy against both filing a civil complaint and seeking a criminal indictment against the same defendants, and it was not unusual for the Division to do so.

4. As I indicated in my affidavit, I assumed that the Attorney General's preference for proceeding civilly rather than criminally

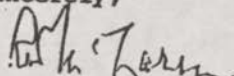
was based on his assessment of the risks involved in seeking a criminal conviction against defendants who contended that their actions were based on advice of counsel. In this connection, the routing slip, dated January 18, 1972, by which I sent the civil complaint to the Attorney General confirms my recollection. I stated there, "The only reason we don't ask criminal action is that there is some indication that they have mistaken legal advice that they are exempt from the antitrust laws." Aside from this consideration, which I discussed briefly with the Attorney General on November 30, 1971, I have no knowledge of any particular expertise or additional information available to the Attorney General which influenced his request that we proceed civilly.

5. It was unusual for Attorney General Mitchell not to approve recommendations from the Antitrust Division, either with respect to filing civil complaints or to instituting grand jury investigations. Although there may well have been other instances in which he did not approve requests for grand jury investigation, I do not now recall any specific cases in which this occurred. This would be best answered from the files and, of course, each case would have to be viewed according to its own particular circumstances.
6. Pre-filing negotiations were very common prior to filing civil complaints. I found them to be an efficient and expeditious method of administering antitrust policy, and utilized them to a much greater extent than my predecessors. Although I do not know whether more negotiations were initiated by civil defendants than by the Division, it was not unusual for the Division to inquire of the defendants whether they wished to pre-file, whether or not they might have previously indicated that they would agree in principle to the relief sought by the government.

7. It was not unusual for the Attorney General to communicate with me on a variety of subjects through brief, written notes, and I do not recall whether his practice in that respect was more or less frequent than his communications to me orally. I did not consider his written communication concerning pre-filing unusual or significant.
8. As I indicated in my affidavit, the principal reason for filing the complaint on February 1, 1972, was the indication which I had received from Mr. Sarbaugh that AMPI did not in fact agree in principle to the relief sought and did not intend to use the pre-filing period to negotiate in good faith. Further, since I was scheduled to leave the Division at the close of business February 1, 1972, I wanted to have the complaint filed before I left; partly to wrap up unfinished business and partly to preclude any possible attempt by AMPI to resist the filing of the complaint by some political means, since representatives of AMPI had indicated to Mr. Sarbaugh their consideration of political factors.

I hope that I have been of some assistance to your inquiry on these matters.

Sincerely,


Richard W. McLaren

August 26, 1971

Mr. Jake Jacobsen
Attorney at Law
JACOBSEN & LONG
P. O. Box 222
Austin, Texas 78767

Dear Jake:

Several days ago I mentioned briefly a problem we could possibly have with the IRS. This is a result of a routine audit of Milk Producers, Inc. 1968 return. You will note the enclosed billings from McGregor & Werner, Inc., a Washington, D. C. printing firm, billed MPI, Dallas, Texas for \$28,500.00 for printing and MPI, San Antonio, Texas for \$30,250.00. The \$28,500.00 bill was paid out of Dallas MPI office and the \$30,250.00 was paid out of our North Texas Producers Association office in Arlington, Texas. The North Texas group no longer exists and in fact did not in 1968 except all accounting had not been consolidated at that time. The IRS did single out the \$28,500.00 check in the San Antonio office for further explanation.

About the same time Bob Strauss, Treasurer of the NDC in Washington, called me that another IRS employee had just left his office after having inquired about both the above mentioned checks. Payment did not go through the NDC books. You will note that the checks were endorsed over to "Salute the President Committee" by McGregor & Werner, Inc. This should (and did) raise eyebrows.

This means that two separate investigations are in progress on these items.

The enclosed letter to Ron Voss, Assistant to Bob Isham, from a Doyle Bond, an IRS Agent, is questioning several other items on our 1968 return. Those checked by Bob Isham in red are the ones he is worried about.

However, the real issue of concern to Isham is the fact that Bond orally told Voss that he is questioning the tax exempt status of AMPI for 1960, as two of our subsidiaries, Arlington Food Stores in the Dallas area and Commanche Supply in the Kansas and Texas area sold more supplies unrelated to milk than was usual for a cooperative. Bond also indicated he had been promoted rather rapidly recently and if he could change our tax exempt status to a tax status as well as raise an issue over our questionable expenditures, he could merit further promotion. The above are my words, but Bond did imply this.

We need you to make contact to point out any drastic action would be premature and since only questions are pending at this time and so far there has been no action by the IRS, it is timely.

Isham would like to meet, if necessary, at a higher level, in the next two or three weeks to discuss whatever action, if any, is necessary.

Sincerely,

ASSOCIATED MILK PRODUCERS, INC.

Bob A. Lilly
Assistant to the General Manager

BAL:kb

encl.

A book entitled "No Retreat from Tomorrow", which consisted of President Johnson's 1967 messages to the Ninetieth Congress, was printed and distributed in December, 1967. Someone, I believe it was John Criswell, the treasurer of the Democratic National Committee, asked the Milk Producers to pay for the costs incurred in preparing, printing, and mailing this book. The best recollection I can obtain is that at the time the Milk people were told that this was not a political expenditure and therefore a deductible expense. The costs involved were close to \$100,000 and the Co-ops did deduct this on their income tax returns.

Subsequently, during an audit by Internal Revenue, which is being carried on at the present time by an agent, Doyle P. Bond, from the San Antonio office, questions were raised concerning the deductibility of this expenditure. It turns out that Internal Revenue has made a rather extensive investigation of this matter in Washington as well as San Antonio. The facts revealed by the investigation are that the checks which were sent to the printing company, McGregor & Werner, Inc., Washington, D. C., were subsequently endorsed by that company, without the knowledge of the Milk Producers, to an organization called "Salute to the President Committee", and deposited in the District of Columbia National Bank. This obviously has a political connotation.

The IRS has raised a question about the propriety of our taking the original deduction for the printing, and at this time we are unable to find any correspondence which indicated a ruling that these were tax deductible items. The tax payment part of this is really not a major problem because we have loss carry-forwards that would eliminate the necessity of paying any tax even if these were not deductible items.

M E M O R A N D U M

April 4, 1972

TO: George Mehren

O

FROM: Robert O. Isham

In order to avoid any possible confusion which may later arise, I have placed on file in AMPI's confidential personnel records a copy of my letter to you dated April 4, 1972. Based on our conversation, the effective date is April 4, 1972.



ASSOCIATED MILK PRODUCERS, INC.

HOME OFFICE

PHONE: A/C 512 341-8651

TELEX 76-7446

P.O. BOX 32287

SAN ANTONIO, TEXAS 78284

April 4, 1972

Dr. George Mehren, General Manager
Associated Milk Producers, Inc.
4th Floor, GPM Building
San Antonio, Texas 78216

Dear Dr. Mehren:

After many hours of deliberation, I have concluded that I must terminate my employment with AMPI. Many months ago I decided to do everything in my power to eliminate from AMPI the improprieties and mismanagement that I felt existed. My continued employment during the last four and one-half years under circumstances over which I had no control was at substantial risk to my personal career. I am of the opinion that AMPI has now changed direction and that my responsibility to assist in this change is substantially complete. I have great confidence in the ultimate judgement of AMPI's Board of Directors and present management and I am certain that this organization will continue to be the leader among dairy farmer cooperatives in the years ahead.

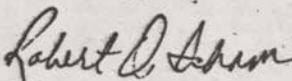
I could elaborate on many of the recent changes and past accomplishments over which I take some degree of pride. For personal reasons I have listed a few in an addendum to this letter.

My personal future is somewhat uncertain. For several years I have had the desire to relocate to a small Texas city and practice public accountancy. My present plans lean in this direction. This is the wrong time of year to start a public accounting practice, but I felt it important to remain with AMPI during the "tax season" just now ending.

During the transition period of the next ninety days, I think it would be helpful to AMPI to engage me as a consultant at a fee equal to my present salary. This would in fact be less costly to AMPI than a salary arrangement. I would appreciate the fee being paid in advance. This fee plus the proceeds from the sale of my home will provide me sufficient cash to move my family and establish a new office. Although I have not checked to determine the exact amount, I would appreciate receiving my termination benefit under AMPI's retirement plan in cash. If the benefit is slightly in excess of \$3,000, I would be willing to forfeit the excess and accept settlement in the amount of \$3,000. Any consideration which might be given to allow me to perform the annual audit of Dairy Council on June 30, 1972, would also be appreciated.

All or any part of the above requests are of course discretionary on the part of AMPI. I do think, however, that I can provide services during this transition period which will be beneficial to AMPI. Regardless of what arrangements are made, I will long appreciate the opportunity to have worked for the dairy farmers of AMPI. I trust that my friendship with AMPI Board members and staff personnel will continue in the years ahead.

Yours truly,



Robert O. Isham
Controller

ROI:vp

ADDENDUM TO LETTER TO GEORGE MEHREN
Dated April 4, 1972

Accomplishments of the period from September, 1967 to date:

- (1) Successful assimilation and consolidation of the records and accounting activities of sixty-nine cooperatives.
- (2) Completion of annual audits for presentation at annual meetings under extremely critical time limitations.
- (3) Design and implementation of a uniform employee retirement plan and restructuring of Retirement Committee.
- (4) Consolidation of AMPI fire and casualty insurance under the direction of a competent insurance specialist.
- (5) Implementation of an AMPI wide standard chart of accounts and financial reporting system.
- (6) Consolidation of Northern and Central Region accounting under competent Regional Controller.
- (7) Consolidation of Southern Region accounting under competent Regional Controller.
- (8) Design and implementation of a data processing network and recent review by Touche Ross.
- (9) Restructuring of TAPE into a committee more responsive to the direction of AMPI membership.
- (10) Establishment of a relationship with the Houston Bank for Cooperatives whereby AMPI has been able to borrow sufficient funds to finance its operations including proposed refinancing (\$28 million) now in process.
- (11) Implementation of improved cash management techniques reducing seasonal borrowing \$3 to \$5 million.
- (12) Selection of new audit firm and consistent reduction of each year's audit fees.
- (13) Implementation of Home Office budget, AMPI capital expenditure budget, and the development of procedures which may be used in an AMPI wide operations budget.
- (14) Development of a capable and disciplined staff including internal audit, data processing, general accounting, insurance, and budgeting departments.

8162

TELEGRAM TO BE SENT TO:

W. Pat Jennings, Clerk
U. S. House of Representatives
Washington, D. C.

On April 4, 1972, I resigned from the positions of Treasurer and Trustee of the Trust for Agricultural Political Education. The statement required by Section 305 of the Federal Corrupt Practices Acts of 1925 as amended has been prepared and mailed to your office today. This statement will include the period beginning March 11, 1972, and ending April 4, 1972.

30 337 4851

ROBERT O. ISHAM

Western Union phone: 227-4321

forward to Western Union

4-6-72 2:10 pm.

(U.P.)

S80276

April 20, 1972

File

Mr. Monroe Betke, President
Citizens National Bank
Austin, Texas

Dear Monroe,

On April 4, 1972, I resigned from my employment with AMPI. In accordance with the provisions of the trust agreement which established the Trust For Agricultural Political Education, the AMPI Board of Directors has the authority to appoint a successor trustee. At the AMPI Board meeting held in Chicago on April 13, 1972, George Mehren was appointed trustee.

Effective April 4, 1972, the signature card bearing my name ~~will~~ be removed from your files. I have signed no checks nor made any deposits subsequent to that date.

Your cooperation in this matter will be appreciated.

Yours truly,

Robert O. Isham

ROI:mr

S80274

August 7, 1972

AGRI-BUSINESS

<u>Group</u>	<u>Action</u>
Ag Chemicals	No response, question on pending legislation and regulations affecting sales of their products. Should come through later.
Animal Health	Most majors have already been contacted - list of small independents being assembled for contact.
Ag Magazine Publishers	Hugh Cronister, Harvest Publications, is contacting fellow publishers. Committee should be formed by the week of August 7th.
Beef Producers	Dana Bennett will contact Albert Mitchell and W.C. Farr August 10th to set up producer and feed lot committees, respectively.
Catfish Farmers	Neil Block, Tunico, Mississippi has agreed to contact fellow producers next week.
Chicago Board of Trade	Three prospects for organizers for action among Board of Trade and Mercantile Exchange members are being contacted. Hope to spread to all future traders in all exchanges.
Corn Refiners	Liebenow talked to chairman of Board - no response at date of writing.
Co-ops	Contact has been made with respective "funds" and national leader expected to be named August 11 or 12.
Citrus Industry	Contact names available but not yet followed up.
Cotton Growers	List of key contacts on way to Washington. Preliminary contact indicates strong support forthcoming.
Dairy Processors	Trade association executive currently contacting members to get committee started.
Farm Broadcasters	Many broadcasters are already working as contacts with local agriculture contacts.
Farm Equipment	Geo Delp, New Holland should respond favorably August 4th to heading up National Committee
Farm Implement Dealers	Association of Board of Directors meets August 8-9 and will organize effort at that time.

August 7, 1972

Page Two

Agri-Business

<u>Group</u>	<u>Action</u>
Farm Magazine Editors	Many are working on favorable editorial copy. All agree to plug "Agriculture" on checks. Several are good contributors.
Farm Newspaper Editors	Favorable editorial copy - will be sent contribution folder.
Fertilizer	List of names provided - contact to be made shortly.
Feed Industry	Committee underway-active contact throughout industry week of August 14th.
Feed Industry (Retired Executives)	There are 13 very wealthy retired feed industry executives among which one of their number is actively soliciting the others.
Flour and Milling	List of contacts received, August 3, 1972. Will contact next week, favorable reaction anticipated.
Florist	Key names to be sent next week. Very favorable response indicated by trade association executive.
Forest Products	Action continuing, several state committees expected to be organized by the week of August 7th.
Frozen Food Processors	Action underway in contacting chief executives by industry leader.
Canners	Contact lists to be available August 8th.
Grain Exporters	Contact being made with key executives.
Grain and Feed Dealers	Committee should be in action by August 11th.
Meat Packers and Processors	Fund raising will be discussed and program developed at AMI Board meeting in Mid-August.
Milk Producers	Lee Nunn and John Connally handling
National Agricultural Advertising	Four farmer national presidents will be sending letter to 1500 fellow members in about two weeks.
Potato Growers	Waiting for Jack Simplot to return from vacation August 12th.
Pork Producers	Six key pork producer names have been submitted. Letters are being written and an organized effort will be forthcoming.
Peanut Growers	Preliminary action will be underway the week of August 7th.
Poultry	Key leader met August 2. State chairmen will be at work by August 8th in every state having significant poultry industry - egg, broilers, and turkey.

August 7, 1972
Page Three
Agri-Business

<u>Group</u>	<u>Action</u>
Rice Growers	President of rice growers association agreed and is at work. Program should be underway next week.
Rice Millers	Contact starting Friday August 4 - Should be good as millers have good will towards the President because of foreign policy in the past two years.
Soybean Growers	Emmett Barker will attend soybean growers meeting in Columbus August 13th and 14th. Leaders will meet with E. Barker and set up fund-raising.
Tobacco Growers	Key tobacco state people are contacting growers and establishing committees.
Tobacco Warehousemen	Contact is being made with key warehousemen. Should prove beneficial.

FCM
F42 Clayton
Committee for the Re-election of the President
agriculture file 963

MEMORANDUM

September 6, 1972

MEMORANDUM FOR:

MR. FRED MALEK

FROM:

CLAYTON YEUTTER *CY*

SUBJECT:

Agricultural Campaign Materials

See attached memo and your note thereon. In response to your comment, I talked with Dairymen's Inc., which is one of the dairy cooperatives that has been most friendly to the Administration. Dairymen's Inc. has agreed to provide the \$15,200, or whatever is necessary to produce 500,000 copies of each of the two leaflets. They are also willing to make the contribution in whatever manner we desire.

I then conferred with Bob Odell, who talked with Mr. Stans about how this might best be handled. Stans suggests that the November Group simply contract with the printer for production of 500,000 copies of each of the leaflets, and that Dairymen's Inc. then pay the printer directly. The Co-op would then deliver the leaflets to us and report their value as a gift in kind to the Committee to Re-elect the President.

Bill Novelli has asked that I secure your concurrence before proceeding.

Please call if you have any questions. The one leaflet is ready to go to press; the other is in draft form. We could easily distribute a million copies of each if we could afford them.

Proposed Financial Arrangement: Approved *JM* Disapproved

Attachment

Good idea!

HOUSE ACCOUNT

/2/

M.P.

232,500

Milk Producers Association

T.A.P.E.

P. O. Box 32287

San Antonio, Texas 78216

A.D.E.P.T.

Springfield, Missouri

S.P.A.C.E.

Kentucky Trust

508 Portland Bldg.

Louisville, Kentucky 40202

September 27 1972 17-3

REPUBLICAN SENATORIAL CAMPAIGN COMMITTEE 3 140,000.00

One Hundred and Forty Thousand Dollars

REPUBLICAN NATIONAL FINANCE COMMITTEE
 The First National Bank
 of Washington
 Washington, D. C.
 00540-00043 023 730 27 0000000000

September 27 1972 17-3

REPUBLICAN SENATORIAL CAMPAIGN COMMITTEE 3 140,000.00

One Hundred and Forty Thousand Dollars

REPUBLICAN NATIONAL FINANCE COMMITTEE
 The First National Bank
 of Washington
 Washington, D. C.
 00540-00043 023 730 27 0000000000

September 27 1972 17-3

CONGRESSIONAL BOOSTERS CLUB 3 10,000.00

Fifty Thousand Dollars

REPUBLICAN NATIONAL FINANCE COMMITTEE
 The First National Bank
 of Washington
 Washington, D. C.
 00540-00043 023 730 27 0000000000

REPUBLICAN CAMPAIGN COMMITTEE

005

DATE September 27 1972

REPUBLICAN CONGRESSIONAL CAMPAIGN COMMITTEE \$50,000.00

THOUSAND DOLLARS

U.S. TRUST COMPANY
WASHINGTON, D.C.

For

00540-00520: 672-324 04

0000000000

REPUBLICAN CAMPAIGN COMMITTEE
 DATE September 27 1972
 REPUBLICAN SENATORIAL CAMPAIGN COMMITTEE \$40,000.00
 XXXXXXXXXXXXXXXXXXXXXXXX Sixty Thousand Dollars XXXXXXXXXXXXXXXXXXXX DOLLARS
 NATIONAL SONGS / MUSIC COMPANY
 Washington, D.C.
 100540-00521 672-825 00
 10054000000

admission only to the
National Republican Convention
County Executive

REPUBLICAN CAMPAIGN COMMITTEE

033

DATE October 1 1972

NATIONAL REPUBLICAN SENATORIAL COMMITTEE

\$ 3,000.00

XXXXXXXXXXXXXXXXXXXXEight Thousand DollarsXXXXXXXXXXXXXXXXXXXX DOLLARS

NATIONAL SAVINGS TRUST COMPANY
WASHINGTON, D.C.

-03540-00520 572-524 0*

400003000000

REPUBLICAN CAMPAIGN COMMITTEE

010

DATE October 6 1972

034

Pay
TO THE
ORDER OF

National Republican Senatorial Committee

\$ 3,000.00

XXXXXXXXXXXXXXXXXXXXEight Thousand DollarsXXXXXXXXXXXXXXXXXXXX DOLLARS

NATIONAL SAVINGS TRUST COMPANY
WASHINGTON, D.C.

FOR

-03540-00520 572-524 0*

400003000000

DO NOT REPOST ONLY
NATIONAL REPUBLICAN
SENATORIAL COMMITTEE

REPUBLICAN NATIONAL ASSOCIATES COMMITTEE

October 9 1972

PAY TO THE ORDER OF NATIONAL REPUBLICAN CONGRESSIONAL COMMITTEE \$100,000.00

XXXXXXXXXXXX One Hundred Thousand Dollars XXXXXXXXXXXXXXXXXXXX DOLLARS

For _____

Chapman A. C.

*0540-01251 204-425-94 0010000000

REPUBLICAN NATIONAL BANK
WASHINGTON, D.C.

PAY TO THE ORDER OF
NATIONAL REPUBLICAN

OCT - 9 1972

FOR DEPOSIT ONLY
National Republican Congressional Committee
GEORGE OLIVIERO, Treasurer

001117

REPUBLICAN NATIONAL ASSOCIATES COMMITTEE 3

October 9 1972

PAY TO THE ORDER OF NATIONAL REPUBLICAN SENATORIAL COMMITTEE \$100,000.00

XXXXXXXXXXXX One Hundred Thousand Dollars XXXXXXXXXXXXXXXXXXXX DOLLARS

For _____

Chapman A. C.

*0540-01251 204-425-94 0010000000

REPUBLICAN NATIONAL BANK
WASHINGTON, D.C.

FOR DEPOSIT ONLY
NATIONAL REPUBLICAN
SENATORIAL COMMITTEE

REPUBLICAN CAMPAIGN COMMITTEE		014
DATE November 1 1972		13574
Pay to the order of	NATIONAL REPUBLICAN SENATORIAL COMMITTEE	\$ 21,500.00
XXXXXXXXXXTwenty-three thousand Five hundredXXXXXXXXXXXXXXXXXXXXXXXXXXXXDOLLARS		
NATIONAL SINGS / TRUST COMPANY WASHINGTON, D.C.		
For	<i>James F. Bell</i>	
-10540-00521 672-824 C*		*0003390000*

THE STATE OF NEW YORK
IN SENATE
January 10, 1894.

REPORT
OF THE
COMMISSIONER OF THE LAND OFFICE
IN RESPONSE TO A RESOLUTION PASSED BY THE SENATE
JANUARY 10, 1894.

ALBANY:
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JANUARY 10, 1894.

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