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STATEMENT OF INFORMATION SUBMITTED
ON BEHALF OF PRESIDENT NIXON

HEARINGS

BEFORE THE

COMMITTEE ON THE JUDICIARY

HOUSE OF REPRESENTATIVES

NINETY-THIRD CONGRESS

SECOND SESSION

PURSUANT TO

H. Res. 803

A RESOLUTION AUTHORIZING AND DIRECTING THE COMMITTEE
ON THE JUDICIARY TO INVESTIGATE WHETHER SUFFICIENT
GROUNDS EXIST FOR THE HOUSE OF REPRESENTATIVES TO
EXERCISE ITS CONSTITUTIONAL POWER TO IMPEACH
RICHARD M. NIXON
PRESIDENT OF THE UNITED STATES OF AMERICA

Boioli III

POLITICAL CONTRIBUTIONS BY MILK PRODUCERS -
COOPERATIVES: THE 1971 MILK PRICE SUPPORT
DECISION

MAY-JUNE 1974

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COUNSEL TO THE PRESIDENT

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MALCOLM J. HOWARD, *Assistant Special Co#rseZ*



FOREWORD

By Hon. Peter W. Rodino, Jr.,
Chairman
Committee on the Judiciary

On February 6, 1974, the House of Representatives adopted by a vote of 410-4 the following House Resolution 803:

RESOLVED, That the Committee on the Judiciary acting as a whole or by any subcommittee thereof appointed by the Chairman for the purposes hereof and in accordance with the Rules of the Committee, is authorized and directed to investigate fully and completely whether sufficient grounds exist for the House of Representatives to exercise its constitutional power to impeach Richard M. Nixon, President of the United States of America. The committee shall report to the House of Representatives such resolutions, articles of impeachment, or other recommendations as it deems proper. On May 9, 1974, as Chairman of the Committee on the Judiciary, I convened the Committee for hearings to review the results of the Impeachment Inquiry staff's investigation. The hearings were convened pursuant to the Committee's Impeachment Inquiry Procedures adopted on May 2, 1974.

(III)



These Procedures provided that President Nixon should be afforded the opportunity to have his counsel present throughout the hearings and to receive a copy of the statement of information and related documents and other evidentiary material at the time that those materials were furnished to the members.

Mr. James D. St. Clair, Special Counsel to the President, was present throughout the initial presentation by the Impeachment Inquiry staff. Following the completion of the initial presentation, the Committee resolved, in accordance with its Procedures, to invite the President's counsel to respond in writing to the Committee's initial evidentiary presentation. The Committee decided that the President's response should be in the manner of the Inquiry staff's initial presentation before the Committee, in accordance with Rule A of the Committee's Impeachment Inquiry Procedures, and should consist of information and evidentiary material, other than the testimony of witnesses, believed by the President's counsel to be pertinent to the inquiry. Counsel for the President was likewise afforded the opportunity to supplement its written response with an oral presentation to the Committee.

(IV)



President Nixon's response was presented to the
Committee

on June 27 and June
28.

One notebook was furnished to the members of the
Committee relating to the 1971 milk price support decision.
In this notebook a statement of information relating to a
particular phase of the investigation was immediately
followed by supporting evidentiary material which included
copies of documents and testimony (much already on the
public record) and transcripts of Presidential
conversations.

The Committee on the Judiciary is working to follow
faithfully its mandate to investigate fully and completely
"whether or not sufficient grounds exist" to recommend that
the House exercise its constitutional power of impeachment.

Consistent with this mandate, the Committee voted
to make public the President's response in the same form
and manner as the Inquiry staff's initial presentation.

July,
1974

(v)

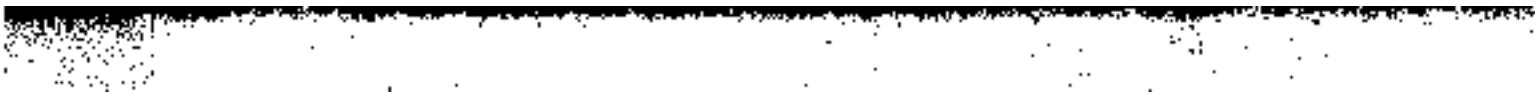


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INTRODUCTORY
NOTE

The material contained in this volume is presented in two sections. Section 1 contains a statement of information footnoted with citations to evidentiary material. Section 2 contains the same statement of information followed by the supporting material.

Each page of supporting evidence is labeled with the footnote number and a description of the document or the name of the witness testifying. Copies of entire pages of documents and testimony are included, with brackets around the portions pertaining to the statement of information.

In the citation of sources, "SSC" has been used as an abbreviation for the Senate Select Committee on Presidential Campaign Activities.

(IX)

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STATEMENT OF
INFORMATION

SUBMITTED ON BEHALF

OF THE PRESIDENT

POLITICAL CONTRIBUTIONS BY

MILK PRODUCERS COOPERATIVES:

THE 1971 MILK PRICE SUPPORT
DECISION

(1)



1. The President was invited to address the Associated Milk Producers, Inc. (AMPI) annual convention in Chicago in September of 1970 . The President was unable to accept the invitation, and Secretary Hardin spoke in his place.

The President 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 dairy leaders at a later date.

- la Memorandum dated June 29 , 1970
J. Phil Campbell to Bryce N. Harlow.....
- lb Memorandum dated January 26 , 1971 ,
from Secretary Hardin to H. R. Haldeman:
- lc Deposition of Harold S. Nelson taken
February 7 , 1973 , in Nader v. Butz, (D. D. C.
148-72) pp. 61 ,
62.....

(3)

Page

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. 33



3. Harold S. Nelson and David L. Parr have testified th,at the figures of 1 million and 2 million were tossed around, not that any specific pledge was made. Mr. Parr testified that the figures were used in a jesting manner.

Page

3a Senate Select Committee Executive Session

Testimony of Harold S. Nelson, December 18, 1973, pp. 82, 83.....

3b Senate Select Committee Executive Session

Testimony of David L. Parr, December 21,

54

1973, pp. 205, 206.....56

(5)

██████████

4. On March 5, 1970, Secretary of Agriculture Hardin requested the President to direct the Tariff Commission to investigate and report on the necessity for import controls on four new dairy products which had been developed to evade import controls previously established on recognized articles of commerce. **The Tariff** Commission by Report 338 found unanimously that imports of the four products were interfering with the dairy price program and

recommended zero quotas for 3 of the items and an annual quota of

100, 000 pounds for the fourth.

Page

4a. Letter dated March 5, 1970, from Secretary Hardin to the President

60

Release, October 6, 1970,

(6)

65

[REDACTED]

5. On October 19, 1970 Secretary Hardin recommended that the Tariff Commission's recommendations be implemented. The Task Force on Agriculture Trade of the Council of Economic advisors disagreed with Secretary Hardin and unanimously recommended to the President, on November 7, 1970, that imports of these items should not be cut off. Thus CEA did not forward Secretary Hardin's recommendation to the President. On November 30, 1970, Secretary Hardin in a memo to Bryce N. Harlow, Assistant to the President, again pushed for a zero quota on one of the items.

5a. Memorandum, dated October 19, 1970, from
Page
Don Paarlberg to Paul
W. McCracken with attachment. 70

5b.
Hendrick S. Houthakker to Don Paarlberg.....

5c. Memorandum, dated November 30, 1970,
. 73
from Secretary Hardin to Bryce N. Harlow.....74

(7)



6. On December 16, 1970, Patrick J. Hillings of the Washington, D. C. law firm of Reeves and Harrison gave Roger Johnson a letter addressed to the President. It requested, on behalf of AMPI, that the Tariff Commission's recommendation of strict import restriction be adopted. The letter referred to contributions to Republican candidates

in the 1970 Congressional election and to plans to contribute \$2, 000, 000 to the reselection campaign. Attached to the letter was an extensive

economic and political analysis of dairy import quotas. Roger Johnson referred the matter to H. R. Haldeman. An undated memorandum from John Brown referred it to "J. C., " who was to check with Ehrlichman and Colson regarding whether the letter should be sent to the President. The letter ended up in Charles Colson's safe and Colson criticized Hillings for sending such a letter. Hillings had not intended or expected that the President see it in the first place and does not believe that the President did see it. **There is no evidence that the President ever saw it.**

6 a. Routing memorandum from John Brown to

Page

J. C.; Memorandum, dated December 17, 1970, from Roger Johnson to H. R. Haldeman; Letter dated December 16, 1970, from Patrick J. Hillings to the President with attached memorandum . 76

6b. Deposition of Patrick J. Hillings, taken January 15, 1974, in Nader v. Butz, (D. D. C. Civ. No. 148-72)

pp. 37-42, 50-52.....

.....96

6c. Memorandum of Senate Select Committee interview with Murray Chotiner on December 7, 1973, and verifying affidavit.-- •----- •-----107

7, The President, on December 31, **1970, by Proclamation Number 4026**

established quotas totaling in excess of 25, 000, 000 pounds for three of the products and in excess of 400, 000 gallons for the fourth. It had been previously reported to the White House that any modification from the Tariff Commission's recommendation of zero quotas on three

items and 100, 000 pounds on another would be viewed on the Hill as a

"s12p in the face" by the dairy people.

7a. Proclamation 4026, December 31, 1970,

Page

Weekly Compilation of Presidential Documents, January 4,

7b, Memorandum dated October 13, 1970, from Dick Burrell to John Whitaker.....115

(9)



8. During late 1970 and early 1971 the dairy industry **actively** sought Congressional support and action in its effort to obtain an increase in the milk price support level.

In February and March of 1971 approximately 100 Senators and Congressmen wrote the Secretary of Agriculture to urge that the support price be increased. Most wanted the price raised to 90 percent of parity. Some asked that the price be raised to at least 85 percent of parity,

Page

of Harold S. Nelson, December 18, 1973, pp. 117-120; 118

8a Senate Select Committee Executive Session Testimony

Letters and telegrams to the Secretary of Agriculture transmitted by the White House to the Judiciary Committee and noted at Paragraph 19.

(10)

[REDACTED]

[REDACTED]

9. Congressional leaders made their views known to Administration officials in several private conversations. Congressman Mills urged Clark MacGregor on at least six occasions in late February and

early March to urge the President to raise the support price. Congressman Mills telephoned the Director of the Office of Management and Budget, George Shultz, with the same request. Mr. Shultz sent a memorandum to John Ehrlichman indicating the substance of Congressman Mills request for a rise in the support level.

	Page
9a	Memorandum, dated March 5, 1971, from Clark MacGregor to John Ehrlichman and George Shultz..... 124
9b	Mernorandu~ I, dated to John Ehrlichman

(11)

██████████

10. Following Secretary Hardins announcement, March 12, 1971 that the support level would not be raised for the 1971-72 marketing year, intense lobbying began. On March 16, 1971, Richard T. Burress reported to John Ehrlichman that the decision had been hit by partisan attacks and that legislation would be introduced which would require that the price support level for milk be raised to 85 percent of parity, that it would have the support of Speaker Carl Albert and Wilbur Mills and that it would likely pass.

10a Memorandum dated March 16, 1971, from Richard T Burress to John Ehrlichman with routing memorandum dated March 18, 1971, from John Ehrlichman to John Whitaker,

Page

(12)

[REDACTED]

11. In the House, 28 separate bills were introduced between Xsfarch 16th and March 25th to set the support price at a minimum of 85% and a maximum of 90% of parity. 29 Republican and 96 Democratic members introduced or co-sponsored this legislation.

In the Senate, 28 Senators introduced legislation on March 16, 1971 , that would have required support levels at a minimum of 85 percent of parity. Of the bill's sponsors, one was a Republican and 27 were Democrats. Three days later, Senator Hubert Humphrey sponsored his own bill seeking higher parity.

	Pa ge
lla White Paper, The Milk Support Price Decision, January 8, 1974 , pp . 14-17 ,	132

(13)



12. On March 19, 1971, John Whitaker reported to John Ehrlichman that contrary to a vote count of the previous night, Secretary Hardin is convinced there is a 90 percent chance that an 85 percent of parity support bill will pass Congress and that the President should allow himself to be won over to an increase to 85 percent of parity.

12a

Memorandum, dated March 19, 1971, from John C.

Page

Whitaker to John D, Ehrlichman-----.....138

(14)

[REDACTED]

13. On the morning of March 23, 1971, the President called Secretary of the Treasury Connally. The primary subject of the conversation was an unrelated matter. The latter part of their conversation touched on the fact that the President would be meetir **later that morning** with the dair~~nen, the potential effect of a

support level increase on consumer prices and that the President wanted a decision that day.

	Pa ge
13 a. Secretary Connally's log, March 23, 1971.....	140
Tape recording of Presider,t's statement during telephone conversation between the President and Secretary John Connally,	
13 b- President's log of contacts with Secretary	: T
0- Connally, March 21, 1971 to May 11, 1971. . .i. . .	142

(15)

March 23, 1971.....141

14. The meeting had been planned and scheduled some months in advance. The President originally invited the dairy leaders during a courtesy telephone call on September 4, 1970, and a >~,ulleDy meet

ing on September 9, 1970. Specific arrangements were begun in January, 1971. The Department of Agriculture obtained a list of the officers and representatives of the major dairy industry groups. A list of potential invitees was forwarded to the White House by Secretary Hardin on January 26, 1971, with his recommendation that a meeting be scheduled. On February 25, 1971, Secretary Hardin was informed that the President had approved the meeting for 10:30 a.m., March 23, 1970.

	Page
14a	Memorandum, dated January 26, 1971, from Secretary Hardin to H R. Haldeman., 144
14b	Deposition of David L. Parr taken December 12, 1972 in Nader v. Butz, (D. D. C. Civ. No. 418-72) pp. 51-54. 145
14c	Letter, dated February 25, 1971, from Dwight L. Chapin to Secretary Hardin.....149

(16)



15- The President opened the meeting by thanking the dairy leaders for their non-partisan support of Administration policies.

Secretary Hardin then briefly outlined the problems facing the dairymen and asked for their views. The remainder of the meeting was taken up by the dairy leaders pleading their case for a higher support price and discussion among the President, Administration officials and the dairymen regarding the economics of a milk price support increase. No conclusions were reached about the support price. Campaign contributions were not mentioned.

Tape recording of meeting among the President and

Page

dairy representatives, March 23,.....1971,.....152

(17)



16. On the afternoon of March 23, 1971, the President held a meeting with seven Administration officials to discuss the dairy price support problem. The meeting opened with Secretary Connally, at the President's request, outlining the situation. He pointed out that politically the President was going to have to be strong in rural America and that the farmers had many problems and that this was one of the few which the President could do anything about; second, the major dairy groups represent some 100, 000 dairymen who are being tapped, labor union style, to amass an enormous amount of money which they were going to use in various Congressional and Senatorial races all over the country to the President's political detriment. Secretary Connally also advised the President twice that he believed a support level

increase to be economically sound.

Page

.....Tape recording of meeting among the President,
Secretary Hardin, Secretary Connally, John
Ehrlichman, George Shultz, John Whitaker,
J. Phil Campbell and Donald Rice, March 23, 1971 154

(18)



17. The discussion then centered on the pending legislation which would require a support level increase. The President stated that he believed such a bill would pass. Secretary Hardin expressed the view

that a bill forcing an increase was almost certain to pass and told the President that 150 names were on the bill and that Speaker Carl Albert supported it. Secretary Connally stated that Wilbur Mills also supported it and that it would pass the House beyond any question, Secretary Connally said the move would gain liberal support as it would embarrass the President.

Tape recording of meeting among the President, Secretary Hardin, Secretary Connally, John Ehrlichman, George Shultz, John Whitaker, J. Phil Campbell and Donald Rice

March 23,
1971 156

[REDACTED]

18- Vetoing such a bill was then discussed. Connally said the dairymen were arguing on Capital Hill such a veto would cost the President Missouri, Wisconsin, South Dakota, Ohio, Kentucky and Iowa in the 1972 election. Hardin said the President would not have any choice but to sign it.

The President then made the judgment that Congress was going to pass the bill and that he could not veto it. The President then adopted a proposal by Connally that a trade-off be made, giving the

dairymen an increase in 1971 in return for a promise not to seek an increase in 1972.

Tape recording of meeting among

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tary Hardin, Secretary Connally, John J. Heilman, George Shultz, John Whitaker, J. Phil Campbell and Donald Iticew, March 23, 1971, ----- 158

NOTE: OBJECTION HAS BEEN RAISED BY CONGRESSMAN SEIBERLING THAT THE SECOND PARAGRAPH IS A CONCLUSION RATHER THAN A STATEMENT OF INFORMATION WITHIN THE RULES OF PROCEDURE OF THE COMMITTEE,

(20)

the President, Secret-

19- Secretary Hardin then raised the question of the Administration getting credit for the increase, Secretary Connally suggested rather that first the Speaker, Carl Albert, Congressman Wilbur Mills and others be contacted in order to obtain their support, in return, on other legislation. The problem was discussed of how to keep the dairymen from learning of the decision until Congressmen Albert and Mills could be approached but still obtain a promise from the dairymen not to push for an increase in 1972.

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Tape recording of meeting along the President, Secretary Hardin, Secretary Connally, John Ehrlichman, George Shultz, John Whitaker, J, Phil Campbell and Donald Rice, March 23, 1971, - - - - . -

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(21)



20. At the end of the meeting the President outlined who was to contact Speaker Albert and Congressman Mills and that he understood J. Phil Campbell would contact the dairymen about not seeking an increase in 197Z .

Tape recording of meeting among the President,
Secretary Hardin, Secretary Connally, John
Ehrlichman, George Shultz, John Whitaker,
J. Phil Campbell and Donald Rice,
March Z3,.... 1971 162

NOTE :

*OBJECTION HAS BEEN RAISED BY CONGRESSMAN
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CONCLUSION RATHER THAN A STATEMENT OF
INFORMATION WITRIN THE RULES OF PROCEDURE OF
THE COMMITTEE.*

(22)

[REDACTED]

21. J. Phil Campbell called Harold Nelson after the meeting and asked him if the Administration did raise the support level would he and the other dairymen "get off our backs" and not ask for more increases, to which Mr. Nelson agreed. Campbell did not tell him of the meeting with the President; did not discuss anything else; and did not tell him not to boycott a Republican fund raising dinner.

21a

Page

Senate Select Committee Executive Session
Testimony of J. Phil Campbell, May 31, 1974 ,
pp. 60, 61, 64"-----.--..... 164

(23)

22. Murray M. Chotiner stated in his deposition he did not know in advance of the decision to increase support levels, did not discuss campaign contributions in seeking a support level increase on behalf of the dairymen and did not talk to the dairymen in the context of contributions in return for favorable action.

22a

Deposition of Murray M. Chotiner taken December 28, 1972,
in Nader v. Butz, (D.D.C. 418-72) pp. 10, 11,

(24)

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██████████

21-24.....

23, Herbert W. Kalmbach has testified that as of March 25, 1971 he was unaware of any price support matter and that he does not recall any suggestion or indirect suggestion of a relationship between campaign contributions and governmental actions affecting the dairy industry by members of the dairy industry or their representatives or members of the White House staff. Harold S. Nelson, David L. Parr and Marion Edwyn Harrison have all testified to the effect that there was no quid pro quo relationship between a milk price support increase and campaign contributions.

23a	Depositions of Herbert W. Kalmbach, taken Decenaber 13, 1973, in 55, 56, 110- 112,	176
23b	Deposition of Herbert W. Kalmbach taken April 30, 1973, in <u>Nader v. Butz</u> , (D D. C. C;v. No. 148-72), pp. 10-15, 19_22, 46.....	
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23c	Deposition of Harold S. Nelson taken February 7, 1°73, in <u>Nader v, Butz</u> , (D. D. C. Civ. No. 148~72), pp. 76, 77.....	192
23d	Deposition of David L. Parr taken December 12, 1972, in <u>Nader v. Butz</u> , (D. D, C. Civ. No. 418-72), pp. 152, 153, .. 194	
23e	Deposition of Marion Edwyn Harrison taken December 27, 1972, in <u>Nader v. Butz</u> , (D. D. C. Civ. No. 418-72), pp. 113-114 ,	196

(25)



24. Economic and traditional political considerations were the only basis *T the decision to increase the price support level. Increased costs and other economic factors raised by dairymen, the political pressure which precluded a veto of a bill which would set parity at a minimum of 85% and possibly as high as 90%, the potential threat of production controls which would decrease the milk supply and the need for an increased supply of cheese were factors which caused Secretary Hardin to change his earlier decision,

24a	Affidavit of Clifford M, Hardin, filed March 19, 1972,	
		Page
	in <u>Nader v, Butz</u> , (D, D. C. Civ. No. 148-72).....	200
24b	CCC Docket--MCP 98a, z9rnendmerlt 1 and attachments	208

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STATEMENT OF
INFORMATION

AND

SUPPORTING EVIDENCE

SUBMITTED ON BEHALF

OF THE PRESIDENT

POLITICAL CONTRIBUTIONS BY

MILK PRODUCERS COOPERATIVES:

THE 1971 MILK PRICE SUPPORT
DECISION

(27)

| [REDACTED]

[REDACTED]

1, The President was invited to address the Associated Milk Producers, Inc. (AMPI) annual convention in Chicago in September of 1970. The President was unable to accept the invitation, and Secretary Hardin spoke in his place. The President 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 dairy leaders at a later date.

1a Memorandum dated June 29, 1970 from J. Phil Campbell to Bryce N. Harlow.....

1b Memorandum dated January 26, 1-971,

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...

from Secretary Hardin to H. R. Haldeman:

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1c Deposition of Harold S. Nelson taken February 7, 1973, in Nader v. Butz, (D. D. C.

(A)h> 75 \ /1 /_5

(29)

148-72] pp. 61, 62..... 33

1:4

la. J. PHIL CAMPBELL MEMORAL'ZDZZM, JZILSE 29, 1970 t Lab la)

'Retyped from illegible copy)

June 29, 1970

To:

Hon. Bryce N. Harlow
Counsellor to the President
The White House

As I discussed with you by telephone, the dairy leaders of the United States have verbally requested two or three times that the President address the dairy farmers at one of their large meetings with six to ten thousand in attendance. This would be a very friendly audience as the dairymen are highly pleased with actions taken by this Administration which inYolve their we Fare.

The President could speak briefly -- four or five minutes -about dairymen's welfare and his concern with the balance of his remarks directed generally across the board on all American ag r iculture .

Although the dairy, beef cattle and other commodity group leaders are appreciative of many favorable actions taken for their welfare and they make every effort to communicate with their farmer members on the land, it is impossible to convey the message that a Presidential appearance before he~ir group would take to them. As I stated on the phone, the dairymen would give the President the same type reception accorded to him by the Jaycees in the St. T ouis meeting.

/s/

J. PHIL CA7vIPBELL
Under Secretary

CC: Charles Colson
Special Counsel to the President
JPCampbell:chb 6/29/70

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flue. HAROLD S. gELSO.C DEPOSITIO2"S, FEBRUARY 7, 2973, NADER V. BUTZ, 67-52

Q Okay. Can you tell us how the March 23rd, 197

with the President was set up?

I believe it was set up by ~ the direct answer to your question is TIZOJ I cant." I! you want me to glove you an opinion to the best or Dv recollection—

Let me describe again what testimony already given --

I think this time by Mr. Parr -- indicates. Mr. Parr testified that to his recollection you had invited President Nixon to address the 1970 annual meeting -- that's correct.

Q -- of AMPI, and that while you were holding -- He could not attend, but that he telephoned you in the course of that meeting.

He telephoned me just as the meeting was being convened.

What was the substance of that telephone --

He was expressing his regret at being unable to attend, expressing his awareness of the importance of agriculture to the economy of the United States and to the health and well-being and that sort of thing. You know, reassuring me that -- and asking me to tell the convention that he was concerned about the well-being of agriculture producers, and telling me also that he wanted to meet with US -- no specific time was set -- and that he would discuss such a meeting with Secretary Hardin,

I believe he said. And as I recall, Secretary Hardin was

(33)

████████████████████

at the meeting*

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And he asked me to tell the convention — I don't know; maybe I shouldn't say he asked me to. "He authorized me to" may be better. I don't want to put it in the context Or the President ~faS asking me to do that. But to express to them hl9 regrets at being unable to attend and the sentiments that I've Just described. And then I think fir. Parr's testttn0ny continues. He recetored a call, he believes, from you saying that you were to M y to Washington — end this was Just a few days after that meeting and telephone call ~ you were to fly to Washington to meet with the President. Is that correct ?

Well, I don't remember. We did go to meet the President.. It seers to z;;e that It was relatively soon after that convention, but I can't tell you that date. And I don't recall who it was who called me to notify me that, you know, the President would see us .

You don't remember whether a call came from someone on the President to Starr?

Well, nos I don' t. I assume that it did, though. Any time you're going to see the President you usually get a

2. Harold s. Nelson and his special assistant, David L. Parr,

nsiel n hrisbf -- lo - j1 -

call on the President on September 9, 1970

>

during a Presidential "Open Hour". During the Open Hour of September 9, 25 other people, in addition to the AMPI representatives, visited the President, including a group to encourage servicemen to exercise their votes, a group of concerned citizens from the State of South Dakota and a contingent of Gold Star Mothers. Mr. Nelson's and Mr. Parr's pictures were taken and the President told them he understood they had had a successful annual meeting and that he would like to attend their next one in 1971. They had what Sir. Parr described as a "very light-veined" discussion of their organization and activities. There is no evidence that campaign contributions were discussed.

2a Briefing DaDer for the President from Stephen Bull for

Sage

the Open Hour<September 9, 1970 > 36

2b Senate Select Committee Executive Sess on Testunony
- of David L. Parr, December 21, 1973. pp. 13, 14, 17. 40

2c Deposition of David L. Parr taken December 1Z, 1972,
in Nader v. Lutz, (D. D. C. Cir. No. 418-72) pp. 51-54. 43

2d Deposition of Harold S. Nelson taken February 7, 1973

in Nader v. Butz (D. D. C. Cir., No. 148-72) pp. 61-64,

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IN NADER V. BUTZ (D. D. C. Cir., No. 148-72) pp. 61-64,
76, 77..... 47

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! 2a. STEPHEN BULL BRIEFING PAPERJ SEPT~/ 9, ~

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The President's Ofrice

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Enent L'o. 1

12:00 p.m.

Dr. Kevin McCann

tO

12:10 p.m.

Dr. ICevin McCann, ~.vho is an old fricnd of yours, Nvill be brou,zh' ir.to
wour office for a brief s-isit with you. He XYill xv2nt 'o discuss t! th oro--
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2:1.0 p.m.

Admiral E. P. Holmes, USX

Sup'reme Allied Commander (N^TO)

12:1; p.m.

and

Commander in Chief, Atlantic (US)
Gen-eral James D. Huc,hes

General Huohes Xvill escort Admiral Holmes into your office for a bri£
vi5it xvith you. The purpose of the Admiral's visit xvith you is t~vy ~

,fa-re~.x.ell cell since h.e is retirirts in Seotember.

GiEt: Presidential Tic Clasp

(36)

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2b. DAVID PARR TESTIMONY, DECEMBER 21, 1973, SSC EXECUTIVE SESSION

13-7d, 27

David Parr testimony, SSC
Executive Session.

December 21, 1973, 13-14, 17

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13

Hr. Parr. I believe Mr. Colson was there.

Mr. Weitz. Anyone else?

Mr. Cashen?

Mr. Parr. No.

Or Mr. Weitz. Did Mr. Colson bring you in to meet the Presi-

Hr. Parr. I believe that would be correct.

Mr. Weitz. This was the first time that you met with the

President?

Mr. Parr. President Nixon, yes.

Mr. Weitz. Yes?

Mr. Parr. (Nods in the affirmative.)

Mr. Weitz. What discussed?

Mr. Parr. Well, Mr. Nixon -- do you Dean to tell you the
discussion?

Mr. Reitz. Yes. Who said what?

Mr. Parr. Well, fir. Nixon said -- the first thing we did

was got our picture taken with him.

Mr. Veitz. Just the three of you?

Mr. Parr. Yes.

Mr. Wneitz. Not Mr. Colson?

Mr. Parr. No.

And the second thing that happened, he got on his yellow

cabinet [sic] and we all sat down and he said, you people must have

real good organization. I have heard some very good things

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[REDACTED]

}uxfld. rarr testimony, SSC
~ cutlve Session,
December 21, 1973, 13-14, 17
wed from indistinct original

that you tried every way in the world to get

r understand that you had a successful meeting.

And when is your next one? I want to be there. I believe was

the right word.

Axld I believe we told him that our next one would of course

be 1971, and that we did not really want him to come.

Then he said, well, I do not understand that.

We said, we want you to come in 1972, and we will have it

in Los Angeles, and we will have it in the Coliseum and we will

have 100,000 people. And if you don't come we'll get the Demo-

crat .

And that's when he said, no, I want to come in '71.

S w, we were sort of joshing with him then.

Mr. Ueitz. In fact, you hoped he would come to your '71

convention, did you not?

Mr. Parr. Well -

Mr, Ueitz. You would have taken him any time, would you

not have?

Mrs Parr. Certainly. Oh, certainly.

And in w72 we could have had quite a number of people at
our meeting.

Mr~ Weitzs You mentioned that because you were trying to impress him with the growth of the
organization?

Mr. Parr. Yes.

i

Of course, we were not thinking about California, really,

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about it. I know

me to come, and I

David Parr testimony, SSC

Executive Session.

December 21, 1973, 13~]A, 17

typed from indistinct original

we want you to know we want to support you?

17

Mr. Parr. Yes, I am sure we did that, because we faced up to the facts that he was very popular out in the, Midwest.

Mr. Weitz. Did you discuss any problems or substantive policies with him, dairy policies, dairy problems?

Mr. Parr. well, I think we were there about 15 or 20 minutes and we tried to give him a bird's eye view of the cooperative, of what milk was. And I just do not remember all of the discussion we had. In other words, it was a very light-veined type of discussion. It was the first time we had ever seen him, the first time I had ever seen him.

Mr. Weitz. He appeared knowledgeable, though, about your organization and activities?

Mr. Parr. He complimented us on the type of organization

we had.

Mr. Weitz. So apparently she had been informed as to what you were doing and what the organization was?

Mr. Parr. Yes, sir. I guess so.

Mr. Weitz. After that meeting did you have any meetings with Mr. Colson in the fall, by the end of the year, about setting

up a meeting with the President and other dairy leaders?

Mr. Parr. I have forgotten how we proceeded to this when I first knew we were going to have a meeting with the President.

But it seems to me it was sometime in January that -- It seems like to me that Mr. Harrison visited with the Administration

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(42)

[REDACTED]

Q I understand that.

Especially with all those dairy farmers in town at
the sane time?

A I don ' t know about that .

Q Did you attend the meeting with the President at
the White House on March 23, 1971?

US Yes.

YR. WILSON: You w ~ t to take a five-minute recess?

m. DOBROER: Yes.

(Shor. recess .)

MR. DOBROVIR: On the record.

BY FR. DOBROVIR:

Q EXhen we recessed, I had just asked you about a
meeting at the White House with the President on March 23,
1971.

Was that meeting arranged?

it

Chicago .

There were efforts to try to persuade the President
to come to that meeting . He didn ' t come .
meeting in Chicago -- he did talk, as I understand it, with

Mr. Wilson in Chicago, and said the kind of thing that he

(43)



He did talk, as I understand it -- I wasn't at the

s-Z3

was sorry he couldn't come.

52

I don't know what he said.

about three days later, well, over the weekend sometime, I got a call from Mr. Nelson.

Q You got a call from Mr. Nelson?

A I believe from Mr. Nelson, saying he was at -- maybe he told Mr. Nelson. I don't know whether that was.

My how, they were to meet with the President about three days after the annual meeting. This must have been in September of '70.

At that time, the President -- a lot of people had urged him to come, and he had gotten the impression that it was a good meeting, a large, well attended meeting, and he wanted to know when our next one was and that he would make

every effort to try to come to the next one.

When was it? and he would like to meet with other people in the dairy industry and to remind Secretary Carding just to keep in mind, that he started to meet in early 1971 with other people.

So, I don't know when it was set, Mr. Dobrovir, exactly, but that is the first mention I heard of it.

o Were you told this by Mr. Nelson? .

(44)

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I was told this by the President.

o By the President.

You spoke to him personally?

A Mr. Nelson and I were there.

Q This was after the Chicago meeting?

A The 1970 annual meeting of MPI.

Q You went to Washington?

A - Came to Washington.

And I went there for the purpose of seeing the President?

A Yes.

Q And how did that occasion come about?

A I said I don't know. I don't know.

As I was saying, I wasn't in Chicago, so I don't know how the meeting got arranged.

So did I see, as I understand it, Mr. Nelson from some place, where ever he was, while the meeting was going on.

on.

Q So you and Mr. Nelson were in Washington together with the President, and I think, I think you met with the President after that time, could you discuss anything else besides the question of how setting up the meetings?

A I just remember he got him a copy of the paper and started

[REDACTED]

(45)

saying "VShen is that z:lecting?"

I was impressed with that.

Q How long did your meeting with him at that time last?

A I don ' t remember .

Q You don't remember what other subjects were discussed?

A the only' thing that impressed ma was that he was very comli-.entarr of what he had heard about our annual meeting. That is what we had just had.

And he expressed an interest an meeting some of our people, which we thought was good, and it sounded like he wanted to ccr..e to our nest meeting, which he ultimately did.

(? Was that the only th'nc3 chat you talked with '9e President about at that time?

A I am sure we talked to hirl about the plight of the dairy farmer because we never missed on opportunity to talk ,0 3A.yhodaz AFOUL t';at, but I don't rer.cmbe~ anything snecifically .

n Do you meet with the President often?

A No.
dent of ten .

I don't know of anybody that meets with the Presi-

(46)

[REDACTED]

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2d. HAROLD NELSON DEPOSITIONS FEBRUARY 7, 1973, NADER v. BUTZ,
67-6d, 76-77 ~

Okay. Can you tell us how the March 23rd, 1971 meet;ing.

with the President was set up?

I believe it was set up by ~ the direct answer to your

question is "lio, I can't." If you want me to Flare you

an opinion to the best Or sly recollection --

Let lee describe a~;aln what testimony already given --

I think this time by Mr. Parr -- indicates. Mr. Parr

testified that to h18 recollection you had invited

President l2r Con to address the 1970 annual meeting . -

That '8 correct.

— Or AMPI, and that lfhlle you were holding -- He could

not attend, but that he telephoned you on the course Or
that meeting.

He telephoned me Just as the meeting was being convened.

Q What was the substance of that telephone ~

A He was expressing his regret at being unable to attend,
expressing his awareness of the importance of agriculture
to the economy of the United States and to the health
and well-being and that sort of thing. You know,
reassuring me that ~ and asking me to tell the
convention that he was concerned about the well-being of
agriculture producers, and telling me also that he wanted
to meet with us -- no specific time was set -- and that
he would discuss such a meeting with Secretary Harden,

I believe he said. And as I recall, Secretary ..

(47)

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2d. HAROLD NELSON DEPOSITION, FEBRUARY 7, 1973, NADER V. BUTZ, 61-64, 76-77

~ at the meeting.

62

And he asked me to tell the convention — I don't know; maybe I shouldn't say he asked me to. He authorized me to" Inay be better. I don't want to put it in the context of the President was asking me to do that.

But to express to them his regrets at belnE; unable to attend and the sentiments that I've Just described.

And then I think fir. Parrrs testimony continues. He received a call, he belieores, from you saying that you were to fly to Washington — and this was Just a few days after that meeting and telephone call ~ you were to fly to Washington to meet with the President. Is that

corrects

Well, I don't remember. We did go to meet the President.

It seems to me that it was relatively soon after that convention, but I can't tell you what date. And I don't recall who it was who called me to notify me that, you know, the President would see us.

Q You don't remember whether a call came from someone on the President's staff?

A Well, no, I don't. I assume that it didn't though. Any time you're allowed to see the President you usually get 2 call and -- But I don't -- it's usually from someone you don't know.

And you did go and see the President?

(48)



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2d. HAROLD IZELSOS DEPOSITIONS FEBRUARY 7, 1973) HADES V. BUTZ,
67-64, 76-77 -

We did.

And who attended the meeting at that time?

As I recall at that time it was Just Mr. Parr and me.

63

And who was --

A Unless you, you know, can refresh my memory on someone

else. I don't believe there was anyone else there .

Q -Was there anyone from the President's staff there?

A I'm sure there was, but I don't recall who. And there

may not have been, but —

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i And what happened at that meeting?

He once again talked about how he regretted that he couldn't attend the meeting. We talked to him about and invited him to address the next meeting ~ the next annual meeting, WthiCh he E d.

Q And that was the entire ~

A This was a very brief meeting. I remember he kidded Dave

PArr about his build as a former Tennessee football player and, you know, talked about his interest in sports and that sort of thing. That seems to me that the main point of discussion at that time was that we would like for him to attend our next — and speak at our next annual meeting.

And was there any discussion at that time or a meeting that would turn out to be the March meeting?

A I don't have an independent recollection but I would say

(49)

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2d- A4ROLD IOELSOS DEPOSITION. FEBRUARY 7, 1973. SHADER v. BUTZ.

it would be unusual Or we didn't seize that opportunity

to tell him that we'd like at his convenience to have

some dairy leaders in to talk with him.

Now, when did you first learn that this March meeting was

going to take place?

You mean the one -- which March meeting?

The March 23rd meeting at the White House.

It seems to me it was just very shortly before the meeting,

maybe -- I don't really know. I can't recall how I heard

or -- it seems to me maybe it was just twenty-four hours

or forty-eight hours before the meeting. It may have

been longer, but not a whole lot Or notice, as I recall.

Now, I could be wrong about that .

Had anything about such a meeting been in the wind before

that ?

Oh, there was always something about such a meeting in the

wind before that and let me tell you why. You know that

those who are opposing your views have access to the

President and are pressing their views on the- President.

You always want an opportunity to be heard because if

you're convinced Or the correctness Or your position,

see, you have confidence that Or you can be heard that

you can refute, especially to those who are opposing

views are present. I was always confident that if we

could get the opposing views exposed in our presence, we

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CROSS-EXAMINATION

By Mr. Go ldb loom:

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Q I have a couple Or questions, Mr. Nelson. During the course Or your various discussions w'th members Or Congress or Congressional staff members or the President or members Or the White House staff or with whomever you may have come in contact or officials Or the Department orb Agriculture in connection with your efforts to obtain a satisfactory ~ that is, satisfactory to your interests — result concerning the price support level were there discussions to the effect that the finding Or political contributions by the agricultural trust would have an

effect or an impact upon the decisions to be reached by
the Government as to the price support level?

Absolutely not.

Did anyone intimate to you that the making of political
contributions, or for that matter, the failure to make
political contributions, would have any kind of effect

on BUCH a determination?

No, they did not.

And in the course of your discussions did you or others
representing your interests suggest that the making of
political contributions might have a beneficial result?

No, absolutely not.

MR. GOLDBLOOM: I have no further questions.

(51)

[REDACTED]

10-10-77, 10-1-77

^ ' I'd Just like to say this: I take it that what you're

asking me -- the essence of what you were asking me 18,

was there a quid pro quo .

.X Q Exact ly .

a A D ere's never been a quad pro quo in my total e w erdence.

fi CROSS-EXAMINATIOSJ

S By Mr. Barrera:

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Just by way of clarifying the people that may have been present at the meeting which you've already given names, both as to those that may have been with the President's staff and those that were from the farm group would you hazard a guess as to how many people may have been there all told? As I recall, the meeting was in the Cabinet Room and the Cabinet table was full — the seats at the Cabinet table and chairs were arranged in back of the President with people occupying them. So I would say that's very hard to figure. I would say or you started counting, though, a total of thirty-five to thirty people in there. I'd say probably nearer thirty-five. I could be wrong on that, too, I'm sure they know how many were in there, but it was a goodly number of people. The \$8500.00 loan to the Arrerica, do I recall your having

said that you did or did not recall the possibility of a non?

(52)

[REDACTED]

3. Harold S. Nelson and David L. Parr have testified
that the figures of 1 million and 2 million were tossed around,
not that any specific pledge was made. Mr. Parr testified
that the figures were used in a jesting manner.

Page

3a Senate Select Committee Executive Session
Testimony of Harold S. Nelson, December 18,
1973, pp. 82, 83.....

3b Senate Select committee Executive Session
Testimony of David L. Parr, December 21,

54

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1973, pp. 205, 206 55

(68)

Barold Nelson testimony, SSC

Executive Session, December 18, 1973.

82 83

Retyped from indistinct original

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Mr. Weitz. Several hundred committees?

Mr. Nelson. Yes,

Mr. Weitz. What total amount did you contemplate contributing, or did you tell them you would contribute?

Mr. Nelson. Well, we did not tell them any specific amounts at various times, a million dollars, two million dollars or even more money was discussed. And had they given us the names of the committees, they could have gotten much more money from us.

Mr. Weitz. When you say a million, two million dollars or more was discussed at various times, who discussed it? Did you discuss it with some individuals or did you -

Mr. Nelson. There would just be amounts that would be thrown out about the -

Mr. Weitz. Yes. Did you hear those amounts discussed, or did you yourself discuss those amounts?

Mr. Nelson. Ordinarily, I would not be the one to mention those amounts.

Mr. Weitz. Who did?

Mr. Nelson. Mr. Parr.

Mr. Weitz. In your presence?

Mr. Nelson. He has mentioned those amounts in my presence.

yes.

Mr. Weitz. Who else was present at any of the times that Mr. Parr mentioned those amounts?

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(54)



fr. Nelson. Mr. Colson.

Mr. Weitz. Mr. Colson. Was it at thffis meeting in 1970,

Mr. Nelson. I do not recall it being at that meeting.

Everybody knew that they had demonstrated their -- to me, it is

an unfathomable thing -- inability to come with a list of com-

mi tees .

Mr. Weitz. Well, how early -- was this the first meetings

when you raised the first possibility of committees being

organized, or had you asked for these committees earlier?

Mr. Nelson. We had asked for these committees earlier.

Mr. Weitz. How much earlier?

Mr. Nelson. I cannot tell you when it would be.

Mr. weitz. 1969?

MrO Nelson. No. I do not recall in '69, but among the

first-meetings we had with Mr. Colson we asked for committees.

Mr. Weitz. When was the first time you met with Mr.

Colson?

Mr. Nelson. Let us say, we may have met with him in

| '69, but if nots it was certainly early '70.

--

Mr. Weitz. And at one of the first or early meetings,

you mentioned that you wanted to make contributions and wanted

the names of commiteees?

Mr. Nelson. Yes, sire We sure did.

Mr. weitz. Did you mention the contribution in 1969, the

Retyped from indistinct original

(55)



.for sample?



David Parr Testimony, SSC
Executive Session, Decem-
ber 21, 1973. 205-206

Retyped from indistinct original

te —

Mr. Sanders. Yes, but as I recall your previous testimony,

you put it in the context of in discussion of this, and really

Be question is, did you ever make such representation?

Mr. Parr. I do not recall anything specifically. No, sir.

Mr. Sanders. Did you ever say that dairy people could give

More than labor organizations?

Mr. Parr. I would have loved to have said that.

Mr. Sanders. Do you think you might have?

Mr. Parr. I don't know.

Mr. Sanders. Well, what I wanted to ask you is, when do

you think you might first have said something to that affect.

But I suppose your answer is that you do not recall that you

ever really said it?

Mr. Parr. well, I want to be fair with everybody, and if

I could shed any light on it I would sure try to do it.

Mr. Sanders. Please try to understand. I am not asking

you if you promised that to the Administration or the re-elec-

tion, or that you promised to give that in return for a certain

favor. I am just asking if you made a general statement that

this much money would be available.

Mr. Parr. I just remember a discussion of about a million

dollars, and then somebody said two million dollars, and that's

the —

Mr. Sanders. Would the first time that that occurred have

been in Colson's office?

(56)



Retyped from indistinct original.

Mr. Parr. Do you mean discussions of that type of nature?

Mr. Sanders. Yes.

Mr. Parr. I just don't know.

Mr. Sanders. Can you recall who participated in such a discussion?

Mr. Parr. No, sir. I do not. We were -

Mr. Gibson. Can we go off the record just a second and take a break?

Mr. Sanders. (Nods in the affirmative.)

(Discussion off the record.)

Mr. Sanders. Back on the record.

Mr. Parr.

In relation to this one million and two million, I recall that it was said, discussed, and as I recall, it was

sort of in a jesting manner. That is the best recollection I

can have.

I have testified that one was mentioned, and then I believe Mr. Colson said, this is a two million dollar packages Q.;655Shle | words like that.

Mr. Sanders. The obvious implication of your answer is that it occurred in Colson's office?

Mr. Parr. Yes, sir.

Mr. Sanders. What I was wondering is, is this the first time to your recollection that contributions of that magnitude had been discussed in your presence?

Mr. Parr. We were constantly discussing what we expected

Retyped from indistinct original.

[REDACTED]

(b7)

4. On March 5, 1970, Secretary of Agriculture Hardin

requested the President to direct the Tariff Commission to

investigate and report on the necessity for import controls on

four new dairy products which had been developed to evade import controls previously established on recognized articles of commerce.

The Tariff Commission by Report 338 found unambiguously that imports

of the four products were interfering with the dairy price program and

recommended zero quotas for 3 of the items and an annual quota of

100,000 pounds for the fourth.

4a. Letter dated March 5, 1970, from Secretary

Hardin to the President,

4b. United States Tariff Commission Press

Release, October 6, 1970.....

(59)

Page

I. 60

I. 65

[Redacted]

4a. SEC.RSTARY HASIDIC LETTER, MARCH 5, 19,7',

The Pres i den t
The White House
Washi ngton, D . C . 20500

Dear Mr. President:

March 5, 1 g 70

This is to advise you that I have reason to believe that certain dairy products are being imported, and are practically certain to Continue to be imported, under such conditions and in such quanti- Lies as to render or tend to render ineffective, or materially interfere with, the price support program for milk and butterfat undertaken by the Department of Agriculture, or to reduce substan- tially the amount of products processed in the United States from domestic milk and butterfat. I have reference to ice cog chocolate cruTb with a fat content of 5.5 percent or less, animal feeds containing milk or milk derivatives, and certain cheese con- taining 0.5 percent or less by weight of butterfat.

These articles are specifically described in the enclosed statement of recoTITendations which sets forth the basis for my belief. Also enclosed for your consideration is a draft letter from you to the Chairman, United states Tariff Commission.

All of the aforementi oned arti cles are products of recent appear- ance in internatio.~l trade which have been specifically developed and promoted to evade import controls established on recognized articles of commerce. These evasions should be stopped before they grow to disruptive proportions and cause unnecessary and burdensome Federal expenditures. For this reason, I urge that you ask the Tariff Commission to initiate and complete its investigation as soon as possible.

Res pectful fly,

S/ Clifford M. Hardin

CLIFFORD M. HARDIN
Secretarv

Enclosures

(60)

[REDACTED]

[REDACTED]

RECOMMENDATIONS FOR STRENGTHENING UNITED STATES DAIRY IMPORT CONTROLS

The United States controls imports of certain dairy products by means of import quotas established pursuant to Section 22 of the Agricultural Adjustment Act, as amended. Such quotas are intended to prevent imports from rendering ineffective, or tending to render ineffective, or materially interfering with, the price support program for milk and butterfat undertaken by the Department of Agriculture, or from reducing substantially the amount of products processed in the United States from domestic milk and butterfat.

Since their inception in 1953, these controls have been used with restraint in an effort to maintain a proper balance between freedom to trade and the necessary protection of our dairy price support program and, through it, our dairy economy. But, because the price incentives are very strong, both foreign suppliers and the import trade have sought to circumvent and evade the quotas whenever possible. It is such a situation which now requires action.

World supplies of dairy products are in surplus to commercial market demand and increased further in 1969. Milk going to fluid use continues to decline while the output of manufactured dairy products continues to increase. These surpluses are seeking outlets at almost any price; export subsidization is commonplace, with such subsidies frequently exceeding the value of the product. The world dairy market is in a state of turmoil and disorganization. In consequence, nearly all countries find it necessary to control dairy products imports by one device or another.

When Section 22 was originally utilized in 1953 to deter imports from materially interfering with the dairy price support program, all the items placed under quota were articles normally found in international trade. In 1954, the first full calendar year of quota operations under Section 22 controls, imported products amounted to 441 million pounds, whole milk equivalent.

The
President

da. SECRE>nAF?Y SARDIS LETTER, MARCH 5, _970_

2

As world dairy supplies have increased, so has the relative attractiveness of the United States market. Recent utilizations of the provisions of Section 22 have necessarily had the specific intent of restraining importations of foreign dairy surpluses, particularly of products deliberately formulated in order to evade existing dairy import restrictions.

One most recent Section 22 action, Procl Motion 3884 of January 6, 1951, was intended to limit annual imports to 1.3 billion pounds, whole **milk equivalent**, an amount the Department considered to be consonant with program. Now, however, we are **again faced** with an increase in imports beyond this level and which again threatens to effect seriously the Department's support program. This **situation** requires me to request that you direct the Tariff Commission to undertake an investigation Under Section 22 of the Agricultural Adjustment Act, as amended, as to the need for import restrictions on **certain articles**.

The products on which import restrictions **are recommended are the** following:

1. Ice cream, as provided for in item 118.25 part 4, subpart D, of Schedule 1 of the Tariff Schedules. One most flagrant abuse in the list of dairy products currently free of restriction concerns ice **cream**. Prior to April 1969, there was no record of any imports of ice **cream**, which is listed in the Tariff Schedules as Item 118.25. In that month, there was the importation of frozen mixtures containing the ingredients of ice cream but in different proportions and with abnormally large milk solids content. This type of product was classified as "**ice cream**" even though the product was not used for direct consumption but, rather, for the manufacture of commercial ice cream. In effect, these mixtures are a modification of the "Junex" mixes which **were placed** under quota restriction in 1967 and 1959.

Imports of this putative ice cream during January-November 1959 exceeded 14.5 million pounds, representing roughly 29 million pounds of genuine ice cream or 86 million pounds milk equivalent. The Bureau of Census data show the price per gallon from 72.7 to 83.6 cents. The same product made at support level prices with domestic butterfat, nonfat milk solids and sugar, all of which are subject to price support, **would be** approximately \$1.50 per gallon.

This evasion threatens to become a major leak in the import control structure, whereas the original (and still principal) source of supply is Belgium, six other countries (Canada, Denmark, Jamaica) are

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The President

4a. SECRETARY HARDIN LETTER J HARCH_5_197_

3

Zealand, Sweden and West Germany) have entered the field. Prompt establishment of an import quota on ice cream, covering genuine ice cream as well as the putative product is recommended.

2. Chocolate provided for in item 156.30 of Part 10 and articles contained in Schedule 1 of the TUS, containing 5.5 Percent or less by weight of butterfat (except articles for consumption at retail

Proclamation 3344 of January 1951, set a limit on the fat content of milk chocolate as "Chocolate provided for in item 155.30, of part 10, Schedule 1, if containing over 5.5 percent by weight of butterfat (except articles for consumption at retail as candy or confection)." One specification of a butterfat content for quota purposes of over 5.5 percent derives from similar descriptions of other products made from a combination of dairy and non-dairy ingredients; **until recently, it had no** practical significance since the butterfat content of normal chocolate crumb is 8-12 percent.

Now, however, the 5.5 percent provision has become a loophole for quota evasion. Crumb with a butterfat content just under the minimum **percent** has come in, both under the TSUS 156.30 and also (because of differing sugar/chocolate content) under TSUS 182.95, "Edible preparations not specifically provided for," a category in which articles containing 5.5 percent or less butterfat are likewise not subject to quota.

The Bureau of Customs estimates that **from the initial importation** on through mid-December, approximately 400,000 pounds of low-fat chocolate crumb have been imported. This figure can be expected to mount rapidly. This is a product which never existed before and which has been devised specifically for the purpose of circumventing United States import restrictions. Furthermore, the reduction in butterfat content is accompanied by an increase in nonfat milk solids. This is a situation which needs correction by making the product subject to quota.

3. Animal feeds containing milk or milk derivatives, classified under item 184.75, subpart C, part 15 of Schedule 1 of the TUS. Another development of particular concern has been the growth in imports of "milk replacer" animal feeds consisting of nonfat dry milk (or dry whole milk) to which other non-dairy ingredients have been added, particularly fats such as tallow, grease or lard. The addition of the non-dairy ingredients allows this type of product to enter without being subject to the import restrictions for dried whole milk, dried buttermilk and whey, or dried skimmed milks, all of which have been subject to Section 22 restriction since July 1, 1953.

The President :

Imports of such animal feeds commenced in January 1908, following a Bureau of Customs decision in August 1967 that such product was classifiable as an animal feed and free of quota as long as that class or kind of merchandise to which the imported product belonged is chiefly used for **animal** feed purposes. Imports in 1968 were 2.4 million pounds and rose to 8.5 million pounds for the first eleven months of 1969. Significantly moreover the rate of imports is accelerating and the major supplier Ireland has been joined by Australia and New Zealand.

These feeds compete with domestic feeding of milk and milk solids, whether such feeding takes the form of whole milk fed directly; fluid skim milks buttermilk or whey returned from creameries and cheese factories; dry feeds containing milk solids; or nonfat dry milk purchased for feeding purposes. The landed, duty-paid cost of the imported feeds is from 12-15 cents per pound; the minimum (support) price for domestic **nonfat skim milk** (to which animal fats must be added) is slightly above 23 cents. With this price difference, there can be little doubt that the imported feeds, unless checked, will gain wide and growing acceptance.

Imports of these "milk replacer" animal feeds threaten interference with the price support program for dairy products. Current trends presage materialization of that threat in significant magnitude. Action to establish quotas should be taken now to forestall that threat before it becomes disruptive and costly.

4. Cheese, and substitutes for cheese, containing 0.5 percent or less by weight of butterfat, as provided for in items 117.75 and 117.85 of subpart C, part 4 of Schedule 1 of the TSUS, except articles (a) the scope of other import Quotas provided for in Part 3 on the Annex to the TSUS, if shipped otherwise than in pursuance to a contract, or if having a purchase price under 47 cents per pound. Proclamation 3884, in establishing import Quota 950.10D as the TSUS provided for exceptions for "cheese not containing cow's milk; cheese) except cottage cheese, containing no butterfat or not over 0.5 percent by weight of butterfat" and articles within the scope of other import Quotas provided for in this part."

the exception as provided in Proclamation 3884 has stimulated an influx of skim milk cheese for use in the manufacturing of process cheese food. No such cheese was imported previously. This is a recent development which can be expected to expand considerably under the pressure of price incentives. It is therefore necessary that the description of this item be changed to eliminate the exception for cheese containing no butterfat or not over 0.5 percent by weight of butterfat.

U.S. Tariff Commission

press release October 6, 1970 1-2

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INFORMATION

U.S. TARIFF
COMMISSION

OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20436
PHONE: NA. 8-3947

**For release
October 6,
1970**

TARIFF COMMISSION RELEASES REPORT TO THE
PRESIDENT
ON DAIRY PRODUCTS

The U.S. Tariff Commission today released its September 21, 1970, report to the President **on the results of an investigation** of certain dairy products under section 22 of the Agricultural Adjustment Act, as amended. The purpose of the investigation (No. 22-28) was to determine whether ice cream, certain chocolate and articles containing chocolate, certain animal **feeds**, and certain cheeses are being, or are practically certain to be, imported into the United States under such conditions and in such quantities as to render or tend to render ineffective, or materially interfere with, the U.S. Department of Agriculture's price-support programs for milk and butterfat, or to reduce substantially the amount of products processed in the United States from domestic milk and butterfat.

The Commission unanimously found material interference, or practical certainty of such interference, from imports of all the products named above and recommended import quotas of zero for ice cream, certain chocolate and articles containing chocolate, and certain animal feeds. With respect to certain cheeses, the Commission recommended an absolute quota of 100,000 pounds for each calendar year after 1970. The quotas they assigned to the various products are based on the patterns of trade during the calendar years 1963 through 1965, inclusive.

The Commission's report contains, in addition to the Commission's statement of the considerations on which its findings

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U.S. Tariff Commission Press
release, October 6 1970, 1-2

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end recommendations were based, information on the domestic dairy situation, Federal programs for dairy products, foreign trade, and support programs and export subsidies of foreign countries.

Copies of the report (T.C. Pub. 338) are available upon request as long as the limited supply lasts. Requests should be addressed to the Secretary, U.S. Tariff Commission, 8th and E Streets, N.W., Washington, D.C. 20436.

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2

and recommendations were based, information on the domestic dairy situation, Federal programs for dairy products, foreign trade, and support programs and export subsidies of foreign countries.

Copies of the report (T.C. Pub. 338) are available upon request as long as the limited supply lasts. Requests should be addressed to the Secretary, U.S. Tariff Commission, 8th and E **Streets**, 4.X., Washington, D.C. 20436.

(68)

* * * * *



5. On October 19, 1970 Secretary Hardin recommended that the Tariff Commission's recommendations be implemented. The Task Force on Agriculture Trade of the Council of Economic advisors disagreed with Secretary Hardin and unanimously recommended to the President, on November 7, 1970, that imports of these items should not be cut off. Thus CE A did not forward Secretary Hardin's **recommendation to the** President. On November 30, 1970, Secretary Hardin in a memo to Bryce N. Harlow, Assistant to the President, again pushed for a zero quota on one of the items.

Page

-----x-----
Don Paarlberg to Paul W. McCracken with attachment. 70

~5a

5b. Memorandum, dated November 9, 1970, from
Hendrick S. Houthakker to Don Paarlberg

73

5c. Memorandum, dated November 30, 1970,
from Secretary Hardin to Bryce N. Harlow

(69)

74

██████████

The President
The White House

Dear Mr. President:

5a. Am'7ACHZIElv7T 5?0 DON PA--LS.' Go.' IF. /0!'.4. 'AvW'U_

(Retyped from illegible copy)

Filed

Please return to
F. A. S.

(Tab 5a)
October

19, 1970

I refer to Report 338 of the Tariff Commission on certain dairy products, containing findings and recommendations in response to your directive of May 13 that the Commission investigate and report on the necessity {or import controls. The products concerned are- ice cream, chocolate crumb **with a fat content of 5.5 percent or less, animal feeds containing milk or milk derivatives, and certain cheese containing 0.5 percent or less** by weight of butterfat.

As you know, the Commission found unanimously that imports of the four products are interfering with the dairy price support program and recorrlmended zero quotas for all items except the low-fat cheese. For low-fat cheese, the Commission recommended an anual quota of 100, 000 pounds to permit continuance of traditional imports of "hard cheese, " a specialty product which is in the same classification as skim milk manufacturing cheese, the item which we seek to bring under control.

Two alternative proposals for your decision are being submitted by the task force chaired by Mr. Houthakker. One is acceptance of the Corr.mission's recommendation in toto; the other is establishment of import quotas in amounts equal to actual imports during the period July 1969June 197Q, inclusive.

I am firmly convinced that acceptance of the Commission's recommendations

is the only proper course of action. The Commission's investigation has substantiated my position that the trade concerned reflects in its entirety (except for "hard cheese") evasions of the intent and purpose of existing import controls. To conclude that the July 1969-June 1970 period, in which accerating imports necessitated my recommendation and you. action, is "representative" is to deny both fact and logic. Failure to follow the Commission's recommendations can only strengthen the hands of the critics who charge that the Administration is unwilling to carry out the intent of Congress in enacting Section 22.

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I urge that you accept the Tariff Commissionis recommendations and issue

a proclmation to give them effects as soon as possible. For your convenience, a draft proclamation is enclosed.

Sincerely«signed

C LI FFOR D M . HAR DIS

Sh.

A.7S.7W7DRIX iiOUTsA~~ER ziIEv0RAgDyMJ gOVEprBER 9, 1950

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PAUL W. McCracken, Chief of Research, C.E.A. 1948
HENDRIK S. HOETHAKKER

S~v<tflt

MEMORANDUM FOR DON PAARLBERG

'SiCFS - "' -D-

Director, Agricultural Economics =

Subject: Dairy Import Quotas

As you know, the Task Force on Agricultural Trade has made a unanimous recommendation on dairy imports to the President. In view of this, there presumably is no longer any need to forward the letter from Secretary Hardin to the

President which you sent to Paul McCracken on October 19.

We are therefore holding these letters. If you want them back, I shall be glad to return them.

,~m'L And

Hendrik S. Houthakker

4''' v At~g ~

~ ~ ~ ~ ~ An.

In "r.e

(73)



~~COUNCIL OF ECONOMIC ADVISERS
WASHINGTON~~

6. On December 16, 1970, Patrick J. Hillings of the Washington, D. C. law firm of Reeves and Harrison gave Roger Johnson a letter addressed to the President. It requested on behalf of AMPI, that the Tariff Commission's recommendation of strict import restriction be adopted. The letter referred to contributions to Republican candidates in the 1970 Congressional election and to plans to contribute \$2,000,000 to the reselection campaign. Attached to the letter was an extensive economic and political analysis of dairy import quotas. Roger Johnson referred the matter to H. R. Haldeman. An undated memorandum from John Brown referred it to "J. C.," who was to check with Ehrlichman and Colson regarding whether the letter should be sent to the President. The letter ended up in Charles Colson's safe and Colson criticized Hillings for sending such a letter. Hillings had not intended or expected that the President saw it at the first place and does not believe that the President did see it. There is no evidence that the President ever saw it.

6a. Routing memorandum from John Brown to

Page

J. C.; Memorandum, dated December 17, 1970, from Roger Johnson to H. R. Haldeman; Letter dated December 16, 1970, from Patrick J. Hillings to the President with attached memorandum .. 7E

6b. Deposition of Patrick J. Hillings, taken January 15, 1971, in Nader v. Butz, (D. D. C. Civ. No. 148-72)

6c. Memorandum of Senate Select Committee interview with Murray Chotiner on December 7, 1973,

as.... 96

and verifying affidavit..... .. 107



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6a. ROGER JOHNSON METIORASDUM, DECEMBER

17 1970

T. Fr E XY H. rT E I {0 b/ £

•Y;SHz CTO.S

December 1 {, 1') { O

TO:

FROAd:

H. R. HALDE;^2LAN

ROGER JOHNSON

SUBJECT: Letter to the President from Pat Hillinas.

Pat Hillings handed one the attached letter-znd asked that it be directed to the President. It concerns a matter with which ootn Peter Flanigan a4d Chuck Colson are fauLiliar and on which-they are wor}cinJ3.

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/

(77)

[REDACTED]

The Honorable Richard Nixon
The White House

Washington, D. C.

Re: §2 Tariff Commission (bills) Resolutions
President; >1 Order; >1

This letter discusses a matter of sensitive
and of significant political impact.

Since January 1 the Washington partner of the

arrangement (one of your 1968 Virginia Co-Chairmen) and I have
represented Associated Milk Producers, Inc. ("AIP"). At
the same time in September you privately met with the two
key leaders Earl Nelson and Dave Parr. You spoke by tele-
phone with each of them to set the stage for the meeting
with Harold Nelson during AIP's annual convention in Chicago
last week. You told Earl of your intent personally
to address AIP's next annual convention (a satisfactory
of about 30,000 dairy farmers and their families).

AIP has followed our advice explicitly and will

do so in the future. AIP contributed about 5135,000.00 to
Republican candidates in the 1970 election. We are now work-
ing with Tom Evans and Elmer Xach in setting up a program
at channels for AIP to contribute \$2 million for your re-
election. AIP also is funding a special project.

On September 21 the Tariff Commission record extended

to you, after it did a study you requested in May, four specific
quotas for our specific dairy products. These recom-
mendations are well documented and by now are well known in
the dairy and related industries. No residential Proclamation

has been issued.

The problem is this. The dairy industry cannot

understand why these restrictions were not implemented

(78)



RECEIVED
DECEMBER 16 1970
U.S. DEPARTMENT OF AGRICULTURE
WASHINGTON, D.C.

LAW OFFICES
REEVES & HARRISON
SUITE 808
1701 PENNSYLVANIA AVENUE, N.W.
WASHINGTON, D. C. 20008
TELEPHONE 802 214-8030
TELEX 440378 EODJ
CABLE "REEVLAN"

OF AGRICULTURE
PATRICK HILLINGS
U.S. DEPARTMENT OF AGRICULTURE

December 16, 1970



Dear Mr. President:

TABLE II

COMPARISONS - MILK PRODUCT IMPORTS

Products

Ice Cream/

chocolate

certain animal feeds

Pertain lowfat cheeses

Actual Imports
Calendar 1969

Staff Proposal

Ratio

2,588,000

638,500

25%

477,000

5,000,000

10 times greater

9,693,000

17,000,000

Twice greater

3,000,000

9,000,000

3 times greater

Gallons. Other figures in pounds.

Product	Staff Proposal		Costs	
	Product Pounds	Milk Equivalent	To USDA/	To Dairy Farms
Ice Cream	5,000,000	9,000,000 - SNF/ 25,000,000 - fat	205,000.00 - SNF 936,000.00 - fat \$ 1,135,000.00	\$ 476,000.0
Ice Cream	5,000,000	19,000,000 - SNF 6,875,000 - fat	433,000.00 - SNF 236,000.00 - fat 669,000.00	364,000.0
Animal Feeds	17,000,000	170,000,000 - SNF No fat	3,876,000.00 - SNF -0-	2,381,000.0
Lowfat Cheese	9,000,000	101,000,000 - SNF 1,125,000 - fat	2,303,000.00 - SNF 42,000.00 - fat 2,345,000.00	1,428,000.0
Totals		299,000,000 - SNF 33,000,000 - fat	6,617,000.00 - SNF 1,228,000.00 - fat \$ 8,045,000.00	\$ 4,649,000.0

USDA cost to remove an equivalent volume of product in the form of butter and nonfat dry milk based on cost of \$17,200.00 for each million of fat equivalent and \$22,800.00 for each million pounds of solids not fat (SNF) equivalent.

Costs resulting from imports of these products at proposed levels - assumes a price elasticity of demand at the farm of -.3 (in other words, if imports increase the total milk product supply by 1%, price to farmer drops -.3%).

Solids not fat.

STAFF PROPOSAL
RELATIONSHIP OF ' §22 DAIRY
PRODUCTS/

Product

Ice Cream

Chocolate

Animal Feeds

LOWFAT Cheese

Totals

Fat Measurement

25;000,000 z 76 %

6'875,000 = 21 %

1,125,000 = 3 %

33,000,000 100 %

Pounds or 8 of milk equivalent.

Solids Not Fat Me as ur

em
en
t

9 t000 f000 a 3 %

19 E000 E000 a 6 96

170,000,000 = 57-%

101,000,000 =_%

299,000,000 100 t

TABLE V

TOTAL U.S. VALUE OF \$22 DAIRY PRODUCTS

<u>Product.</u>	Imports Prior
	<u>to Calendar 1969</u>

Ice Cream

+Chocolate

Animal Feeds

Lowfat
Cheese

Totals

\$ 20,000.00

\$
20,000,00

<u>Staff Proposal</u>	<u>Imported Value</u>	Unfair
Cost		

\$
1,300,000,00

1,400,000.00

3,900,000,0
0

700,000.00

\$
9,300,000.00

\$ 500#000*00
\$ 8(1) 1000.110

1,050,000.00

350,000. (
 \ 0

2,440,000.00 1,210,000.00

1,800,000.00 900,000.00

\$ 5,790,000.00 \$ 3,510,000.00

TOTAL U.S. VALUE OF \$22 DAIRY

TABLE VI

LOSSES TO TAXPAYERS on FARMERS - STAFF
PROPOSAL

Product

Ice Cream

Chocolate

Animal Feeds

Lowfat Cheese

Cost (Loss) to
USDA
(Taxpayers)

\$
1,135,000.00

689,000,00

3,876,000,0
0

2,345,000.0
0

\$8,045,000,00

Loss to Dairy
Farmer

\$ 476,000,00

364,000.00

2,381,000.0
0

1,428,000.0
0

\$4,649,000,00

Unfair Cost Advantage

\$800,000.00

3508000.00

1,110,000.0
0

900,000.0

\$3,510,000.00

Thus, while domestic purchasers theoretically could save \$3,510,000,00 by purchasing at the lower import price, their saving would cost taxpayers \$8,045,000,00 or American dairy farmers would lose \$4,649,000.90

s:

A No.

Q Or about campaign contributions?

A No, never had.

Q Now I would like to get on to this letter. Let me | ii
show you a series of documents. At the top it is a Xerox of | ||
what appears to be a memo to ~~~ and there are two initials ~~~
| || and it says from John Brown. Then the next leaf is December
i || 17, 1970 memorandum to H.R. Haldeman from Roger Johnson; 1 |
| subject, letter to the President from Pat Hillings.

Then there follows two copies, two Xerox copies of

I

a letter from you to the President, and that is followed by |
11 a memorandum dated December 1, 1970, on the letterhead of 1

| | R e e v e s a n d
Harrison.

I would like for you and your counsel to look throu
11 *this*,

I should note for the record that those documents
were turned over to us pursuant to subpoena by John IJ. Dean
I and copies also had been furnished to the Watergate
Special

Prosecution Force.

this deposition.

REPORTING CO. AG.

(96)

I would like to have this marked as Exhibit 1 to

(Exhibit No. 1 marked
for identification)

It ³⁸ !

BY SIR. DOBROVIR:

Q Can you tell us how this letter came to be prepared and transmitted, Mr. HILLINGS?

MR. CHOTINER Which letter?

MR. DOBROVIR: The letter dated December 16, 1970, | to the Honorable Richard Nixon, signed Patrick J. Hillings. || THE

WITNESS: The letter was prepared by Mr. Marion ! |

j Harrison and me and was based on the fact that the Tariff |

|| Commission had unanimously recommended favorable action for

|| milk farmers on restriction of imports, but we had to have

!!

figure out the approval had been unnecessarily delayed.

In previous administrations it was often approved right away. The bureaucracy of the White House at this time

was such that it was very difficult to get them to act. _

-You have probably heard the story of the farmer and the mule, haven't you?

MR. DOBROVIR: No.

MR. CHOTINER: This is a milk farmer?

TEE WITNESS: A milk farmer, right. This milk | farmer was walking along the road and sees on the other | side of the road another farmer with a mule. The mule isn't | kicking it, hitting it and so forth, and the milk farmer

A.

39 !

walks across the road and says that is no way to get that animal to move. The way to do it is to be kind and coax him. So the other guy said well, let's see. You try it. He nuzzles the mule and pats him for about ten minutes and still the mule hasn't moved.

Se looks down by the side of the road and sees a two by four, picks it up, and with all his might hits the mule right between the eyes and staggers the animal. The other guy says, ~I thought you haddatiaywAp Betget him to move is to be kind and not chastize him or beat him.

The milk farmer says, yeh, but first you-have got to get his attention.

That is what we had to do. That was-the purpose off the letter, to get the attention over there, and to try to get them to do what they should have done weeks previous, to act

favorably on the recommendation of the Tariff Commission.

-So we wrote the letter and we had to break through that bureaucracy that existed there at the time. That was the purpose of it.

We also supported it with four memorandum brief of all the facts and figures and details.

We felt the case was meritorious and we were presenting our case as lawyers.

BY MR. DOBROVIR:

Q Now you felt that the way to attract their attention was to open up the letter by discussing the campaign contributions, is that right?

A Well, that was our strategy at that time, was the only way we could get them to get interested was to talk about the political significance, and the fact that these people, the milk farmers of America, were vital to them and we needed their help and support, and we wanted to let them know that these were friendly people.

As far as the money involved, we didn't consider that a significant thing. We never said they would contribute money if they got the support or anything like that. What we wanted to do was to get their attention.

g Did you feel that you had to tell them that you were going to contribute political money in order to get their attention?

A We didn't say we were going to contribute political we said the milk farmers were out working to raise money to help in the campaign. we didn't say that was the only reason we wanted the favorable action, but we figured that would at least trigger their interest, and it did, but it didn't mean there was any offer to contribute the money. The \$2 million

(99)

[REDACTED]

41

figure was just pulled out of the air.

Q You say it did trigger their interest. How do you know that?

A

Q

A

the President.

Because I got called in by Colson and chewed out.

I see.

Finally got Colson. We never intended it to reach

Q You didn't intent it to reach the President?

A No.

Q Why did you address it to him?

A Because everything you send, you address to the President.

Who did you expect this to get to?

Colson.

Did you send a copy to Colson?

No.

How were you sure it would get to *him*?

We weren't sure. We figured if we routed it around him, it might work, and it did.

Q Was the problem that Colson wasn't being particularly receptive to your requests for help on *this* tariff matter?

A It wasn't just ours, the whole bureaucracy over there was way behind. The Congressmen were complaining,

everybody was complaining. You couldn't get any action there, either because they were piled up with too much work or what- | ever the reason, we couldn't get through.

Q Did you and Marion Harrison prepare this letter together?

Q That was in Washington, the two of you sat down and wrote it out?

A Yes.

Q Now here it says in the third paragraph: "AMPI has followed our advice explicitly and will do so in the future."

Can you tell us what that referred to?

A Well, that was actually Marion's language. I think he W25 just trying to indicate they were trying, that they were going to be helpful, the milk farmers across the country would be helpful to the administration. There was a time when we were very worried about the farm vote and this was a key factor. I think that is what he was trying to say.

Q He was saying AMPI was following yours and his advice. What kind of advice had you been giving them and I just want to point out that is the paragraph in which mention is made specifically of the possible contribution of \$2 million.

45

ten
minutes.

(Short recess)

BY MR. DOBROVIR:

Q Getting back to the December 16 letter, did you clear that with anybody, for example, with Parr and Nelson before j you sent it?

A No.

Q They didn't know that you were sending that letter?

A They didn't know at the time, I don't believe, unless Mr. Harrison talked to them about it. We were their counsel and I don't think lawyers have to consult with their | clients on every move they make.

Incidentally, I pointed out, you know, that I didn't intend the President to see it, and I think that is borne out by the memo that you have there, which shows that the letter was delivered to Mr. Roger Johnson, and not to the President, and never went to the President. It went from Johnson to Haldeman to Colson according to the White House memo you showed me.

Q Who is Roger Johnson?

A Roger Johnson is a long-time personal friend of the President that practiced law in Whittier at the same time the President began the practice of law and later became a counsel

(102)



46

for one of the independent oil companies and lived in Washington for many years and then traveled and lived abroad and then retired.

When he retired, Mr. Nixon brought him into the White House as sort of a personal aide to deal with groups and organizations around the country and particularly with a lot of the so-called VIPs. I think he is in the State Department now working on protocol. Q He was employed in the White House in December, 1970-~~~~ A Yes, in the EOB. Q You knew him? A Yes.

Q Did you have the letter delivered to Roger Johnson? | A I took it over there and left it with the secretary Q Specifically? A Yes Q Did you say to the secretary what she should do with the letter? A r said I would like Mr. Johnson to see it and route it to the appropriate people. We never intended the President to see it. | Q You did want Mr. Colson to see it?

A Assuming that he ^{w25} the guy, it turned out to be,

(103)

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.

On top of that, without a date, it says memo to J.C. -- they are initials -- from John Brown, and a comment:

'Would you check with g and Colson on whether this should go in and if 80 in what form

I don't want you to speculate, Hr. Hillings, that is not fair to you. I would like to ask you though if you know **what - other than** what is indicated or not indicated in these documents - do you know yourself what happened to your letter?

A No. I

MR. CHOTINER: You have answered the question. Unless somebody told you

THE WITNESS: All I know is the next time I heard about it is when Colson called me in

BY MR. DOBROVIR:

Q Did you hear from anyone at any time it had gone to Haldeman or anything like that had happened to it?

A No, not until he showed me this.

Q Did Colson tell you where he got the letter?

A No, he was just very upset.

(104)

Q Did he indicate one way or the other about whether the President had seen it?

A He didn't, but I gather he hadn't.

Q How did you gather that?

A Had he seen it I think there would have been some comment to that effect.

Q Now how soon after sending this letter did you talk to Colson?

A About two days before Christmas, the 23rd of December, the 22nd or 23rd of December. Was that on the phone or personal meeting? No, he asked me to come back and see him. You went back to see him? Yes. When you say went back to see him -Came from California to Washington. Be called you in California? His secretary did. -I would just like to explore this a bit. Mr. Colson said come back to see me, and you automatically went, or was there something special?

A He said it is very important that I talk to you. That is what his secretary said. I said all right, but it's

T_ 52

|Christmas time and I don't want to be stuck in Washington.

Q When you sot to his office, he was very angry?

A Yes.

Q In the *course* of that conversation did you talk about the substantive problem of action on the Tariff Commissions recommendations?

A Well, I said I thought there had been an unnecessary delay and the case was meritorious and there was no reason for it to be held up *by bureaucracy* in the White House and 'chat I was sorry if I offended him by doing it, but there was no action, and I felt we had to have some action on it. It had already been approved unanimously by the Tariff Commission. It was just a ministerial act that was needed and no reason to hold it up.

Q Did he say why in the heck did you put a mention of money in a letter to the President?

A He was critical of that. He was very critical of that.

Q Can you recall more precisely what he said? |

A He used some pretty strong language and said yea shouldn't have written a letter like that. I said all right, I agree, but we just couldn't seem to get anybody to listen i to us. >



Murray Chotiner SSC
interview, December 7 1973

for

from idistinct original

To:

From:

Date:

S E M O R A N D U

M

File

Donald G.
Sanders

December 7,
1973

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, e he met Parr and Nelson. - He was introduced by
Harrison. He learned the dairy people were going to assist the 19,0
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 \$1,000,005 or 52,000,000 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 r was probably talking to Colson about the milk'< industry troubles with the Department of Agriculture. One trouble was the milk; products imports, an;. one must have been the milk price

(101)

1971-1972

Received from [redacted] on [redacted]



6C. ALAS WEITZ AFFIDAVIT, FEBRUARY 27

7974

Attached to this 4~~~ 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 23: the re typed December, 1973 memorandum from Alan Weitz to the File re: Second Chotiner interview

{4Len ~~~ ,e5Wz t

Subscribed and sworn to before me
this ~~~2,:777 ny o~~~ ~~~, 1974
y

~~~~)C~

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~~~~

Notary ic) ic

My Commission Expires

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~X
; * ~ ~ ~
[REDACTED]
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" , ~ ~ ~

7, The President, on December 31, 1970, by Proclamation Number 4020 established quotas totaling in excess of 25, 000, 000 pounds **for** three of the products and in excess of 40)0, 000 gallons for the fourth. It had been previously reported to the White:e House **that any modification** from the Tariff Commission's recommendation of **zero quotas on three** items and 100, 000 pounds on another would be viewed on the Hill as a "slap in the face" by the dairy people.

7a. Proclamation 4026, December 31, **1970**,
Weekly Compilation of Presidential
Documents, January A, 1971_

Page

7b. Memorandum dated October 13, 1970, from
Dick Burress to John Whitaker.....115

(111)



22 with respect to this matter and has reported to me its findings and recommendations made in connection therewith; and

WHEREAS on the basis of such investigation; and report I find and declare that the article (or articles) imported; restrictions are hereinafter proclaimed are being imported and are practically certain to be imported into the United States under such conditions and in such quantities as to render or tend to render ineffectual or material interference

with the price support program now being conducted by the Department of Agriculture for milk and butterfat or to reduce substantially the amount of products produced in the United States from domestic milk and butterfat; and

WHEREAS I find and declare that for the purpose of the first proviso of section 22(b) of the Agricultural Adjustment Act, as amended the representative period for imports of such articles is the calendar years 1967 through 1969; and

WHEREAS, on the basis of such investigation and report, I find and declare that the imposition of the import restrictions hereinafter proclaimed is necessary in order that the entry, or withdrawal, of such articles from a warehouse for consumption of such articles will not render or tend to render ineffectual or materially interfere with the price support program now conducted by the Department of Agriculture for milk and butterfat, or to reduce substantially the amount of products produced in the United States from domestic milk and butterfat; and

WHEREAS I find and declare that the allocation of shares of the import quota proclaimed herein among the countries of origin shall be based upon the proportion of such articles supplied by such countries during the twelve months July 1969 through June 1970 taking into account of special factors which may have affected or may affect the trade in the articles concerned; and

WHEREAS it has been determined and is hereby carried out the intent of the import restrictions proclaimed in the said Act; and

(Of the ERIEAS) find and declare that the allocation of shares

of the import quota proclaimed herein among the countries of origin shall be based upon the proportion of such articles supplied by such countries during the twelve months July 1969 through June 1970 taking into account of special factors which may have affected or may affect the trade in the articles concerned; and

WHEREAS I find and declare that the imposition of the import restrictions hereinafter proclaimed is necessary in order that the entry, or withdrawal, of such articles from a warehouse for consumption of such articles will not render or tend to render ineffectual or materially interfere with the price support program now conducted by the Department of Agriculture for milk and butterfat, or to reduce substantially the amount of products produced in the United States from domestic milk and butterfat; and



MEMORANDUM

MEMORANDUM TO:

FROM:

SUBJECT:

7b. DICX BURRESS MEMORANDUM, OCTOBER

13, 1970

TIIN WHITE HOUSE

WASHINGTON

October 13, 1970

JOHN WHITAKER

DI CK BURRE S SS

f S>PAS~~

Tariff Commission Recommendation on Quotas for Dairy Imports

As I indicated in our conversation, Henry Houthakker appears to have the lead with respect to this matter. He states, that it is held up pending obtaining additional information from some foreign countries through the state Department. In all likelihood, the recommendation will be modified somewhat before

they are forwarded on for Presidential action.

I have checked on the Hill and the feeling there is that if we are going to implement the recommendation in its entirety and just as it was forwarded by the Tariff Commission that we should do so prior to the election for it could help some of our candidates in Wisconsin and Minnesota. If on the other hand, we are going to modify it in any respect whatsoever then tie would be wise to hold it until after the election. Any ""~"" modification would be viewed as a slap in the face by the dair

people .

Until such time as final action is to be taken in this matter, I do not believe any further reply to Congressman Steiger is required. However, it would be 2 good idea to give the Congress- man some advance notice of the final action whatever that may

be, prior to its general release.

(115)

y



Handwritten signature and date: "to J. B. [unclear]" and "Beach 10/15"

F: S

8. During late 1970 and early 1971 the dairy industry actively sought Congressional support and action in its effort to obtain an increase in the milk price support level.

In February and March of 1971 approximately 100 Senators and

Congressmen wrote the Secretary of Agriculture to urge that the support

price be increased. Most wanted the price raised to 90 percent of

parity. Some asked that the price be raised to at least 85 percent of

parity.

8a Senate Select Committee Executive Session Testimony

Page

of Harold S. Nelson, December 18, 1973, pp, 117_120,... 118

Letters and telegrams to the Secretary of Agriculture transmitted by the White house to the Judiciary Committee

and noted at Book VI, Part 1, Paragraph 19.

(117)

[REDACTED]

Harold Nelson testimony, SSC
Executive Session, December 18,

1973---117-120 _

117

Retyped from indistinct original

with Mr. Colson.

Mr. Weitz. Did you meet with all of those individuals?

Mr. Nelson. Yes.

Mr. Weitz. Who was present at those meetings?

Mr. Nelson. The various people.

Mr. Weitz. Was Mr. Parr generally present at those meetings?

Mr. Nelson. Generally, yes.

Mr. Weitz. Sir. Harrison?

Mr. Nelson. Yes.

Mr. Weitz. Mr. Hillings? Was Mr. Hillings present at all those meetings?

Mr. Nelson. Mr. Hillings may have been present one time when we met with Secretary Hardin, I don't really recall that he was, but I don't believe he was ever present when we met with any of these other people.

Mr. Weitz. And at these meetings, you presented various dates to them with respect to the position of the dairy co-ops?

Mr. Nelson. What you might call, mostly unwritten views [unreadable] and arguments, and also some written papers on the subject. — —

Mr. Weitz. And did you, during this period late 1970, the first several months of 1971, mount an effort or organize to obtain Congressional support?

Mr. Nelson. Yes, we did.

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(118)

Harold Nelson testimony, SSC
_ Executive Session, December 18,
1973, 117-120

RETYPE FROM stinct origi al

118

Mr. Weitz. How did you go about doing that?

Mr. Nelson. Well, the Congressional effort, you understand, wasn't an AMPI effort alone. This was an effort that I

would say the nearest thing to what you might _
figuratively speaking, the head of this was the National Milk

Producers Federation which enlisted the aid of its -- or
attempted to enlist the aid of all of its members.

The prime movers in this effort, I would say, were
A)D?I, Mid-America, and Dairymen, Inc. Those were the prime
movers. We also had, as I recall, one prime opponent to it,
initially, and that was another cooperative Land-O-Lakes, which
is legally a cooperative, but has a different philosophical
approach to the whole thing than these other marketing groups.
And so this support was pretty wide-spread throughout the
United states, as far as dairy cooperatives were concerned.

And their members, or representatives, would call on their
respective Congressmen and Senators asking them to co-author a
bill setting the supports at 90 percent.

Mr. Weitz. Now what time period are we talking about?
The first decision by the Secretary of Agriculture, not raising
price supports, was March 12. Would you have begun this effort
let's say a month or two months before that time?

Mr. Nelson. I would say at least that.

Mr. Weitz. At least a month or two months?

Mr. Nelson. At least that.

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(119)

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8a. HAROLD NELSON TESTIMONY DECEMBER 18, 1973, SSC EXECUTIVE SESSION, 117-20

Harold Nelson testimony, SSC
Executive Session, December 18,

-- 1973, 117-120

119

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Mr. Nelson. So it would be fair to say that throughout the early part of 1971, the first two and a half, three months of

1971, you were meeting both with representatives of the Administration, and also with the various Congressmen and 80 forth,

to obtain their support, in contacting whoever they felt was

appropriate in order to try to obtain an increase, and also to

perhaps solicit their support for a bill to raise the support

level?

Mr. Nelson. You're talking about "you" you're not using

the personal pronoun, you're using the whole collective effort?

Yes, that's right.

Mr. Weitz. Was it contemplated, let's say, in February or March of 1971, that a bill would be, or you hoped, would be introduced into Congress to raise the support level?

Mr. Nelson. I believe it was before that.

Mr. Weitz. So part of this whole strategy was both to

approach the Administration pretty much from the outset in obtaining an Administrative increase if possible, but also to

obtain Congressional support and possibly Congressional action?

Mr. Nelson. Yes.

Mr. Weitz. Did you communicate your information, or the

fact that you were making this effort, this Congressional

effort to anyone in the administration?

Mr. Nelson. I don't recall any specific communication, but it was no secret. There wasn't anything furtive about the

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(120)

Harold Nelson testimony, SSC
Executive Session, December 18,
1973 117-120

Retyped from indistinct original

1'20

effort with Congress. It was a well-known, well-publicized fact.

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

(Discussion off the record.) (A brief recess was
taken.)

Retyped from indistinct original

(121)

[REDACTED]

[REDACTED]

urged Clark MacGregor on at least six occasions in late February and early March to urge the President to raise the support price. Congressman Mills telephoned the Director of the Office of Management and Budget, George Shultz, with the same request. Mr. Shultz sent a memorandum to John Ehrlichman indicating the substance of Congressman Mills request for a rise in the support level.

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Page

- 9a Memorandum, dated March 5, 1971, from Clark MacGregor to John Ehrlichman and George Shultz, - , 124
- 9b Memorandum, dated March 5 from Clark MacGregor to John Ehrlichman.-....., 125

(123)

MEMORANDUM ,

THE WHITE HOUSE

WASHINGTON

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FROM:

SUBJECT:

2 {

March 5 1971

JOHN EH,r;T ICH-~,,AIQ GEOR GE S
I SH LT Z

CLARK MacGREGOR

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Discussion on Dairy Problems

I have before me Don Rice's four-page memo to Messrs. Shultz and Ehrlichman dated March 4th. At the bottom of Page 2 Don Rice states that Representative Al Quie (R-Minn) "strongly opposes an increase in the price support level at this time." This, based on personal conversations, the latest being late yesterday, what is correct is that Al Quie does not feel that it is necessary or advisable not to announce support levels at 85% of parity. Al Quie would be seriously embarrassed in his district were it to become known that he strongly opposes the 85% position taken by Speaker Albert and congressmen Mills and Byrnes. What Al said to me was, "The Land O'Lakes position is a sound one, but I am not saying that for publication. "

On Page 4 of the Rice memo it is stated, "Clarence Palmby believes strongly that it [the Rice-recommendation package] would satisfy Wilbur Mills. This is not correct. Wilbur Mills has urged me more than a half dozen times in the last three weeks to urge the President to announce the 85% of parity price support level; the latest Mills appeal to me was by phone late in the afternoon of March 4th. "

cc: Don Rice

Pete Peterson

John Whitaker

[Redacted signature block]

(184)

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OFFIC_ C:F ----;;si:AG:L;c';T A!S) BUDGET

March a, 1°71

MEMORANDUM JOHN EHRLICHMAN
RE:TELEPHONEe C-,ll FROM:n WILBUR,MILLS this

afternoon re price supports l:s on mil'<.

He called to inquire about the situation and to push for a prompt decision. SJ,e clearly wants to see about support price raised and expressed his doubts about the estimatesof excess supply that would be created by that move H estates his view that theDepartment always over estimates the production increase and

under-es timates demand; .

---f ----- - pff

George P. Shultz

(125)

[REDACTED]

WASHINGTON, D.C. 20503

10. Following Secretary Hardins announcements March 12, 1971.

that the support level would not be raised for the 1971-72 marketing

year, intense lobbying began. On March 16, 1971, Richard T. Burress

reported to John Ehrlichman that the decision had been hit by partisan

attacks and that legislation would be introduced which would require

that the price support level for milk be raised to 85 percent of parity,

that it would have the support of Speaker Carl Albert and Wilbur Mills

and that it would likely pass.

IOa Memorandum dated March 16, 1971, from Richard T.

Burress to John Ehrlichman with routing memorandum,
dated March 18, 1971, from John Ehrlichman to John

--Wz-- 1--

Page

(127)

[REDACTED]

*Whitaker.....

.....

11. In the House, 28 separate bills ~~~, were introduced between March 16th and March 25th to set the support price at a minimum of 85% and a maximum of 90% of parity. 29 Republican and 96 Democratic members introduced or co-sponsored this legislation.

In the Senate, 28 Senators introduced legislation on March 16, 1971, that would have required support levels at a minimum of 85 per cent of parity. Of the bill's sponsors, one was a Republican and 27 were Democrats. Three days later, Senator Hubert Humphrey sponsored his own bill seeking higher parity.

lla _ White Paper, The Milk Support Price De-

Pa ge

cision, January 8, 1974,



1971 CONGRESSIONAL BILLS ON DAIRY PRICE SUPPORTS

The following bills are

<u>Date</u>	<u>Bill</u>
<u>Introduced</u>	<u>Number</u>
3/16/71	H. R. 6185
3/17/71	H.R. 6248
3/17/71	H.R. 6249
3/17/71	

HOUSE OF REPRESENTATIVES

substantially identical

Sponsor(s)

Sr. (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) Shpley (D-Ill)
 Randall (D-Mo) Price (D-Ill)
 Kuykendall (R-Tenn.)

Roncalio (D-Wyo)

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-Ginn)
 Abbitt (D-Va) Abourezk (D-S.
 Dak) Kastenmeier (D-Wis)
 FASCELL (D-F12) Broyhill (R-N.
 C.)

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 (D-Ill)
 Wright (D-Tex)
 Aspin (D-Vt)
 Thone (R-Nebr)
 Daniel (D-Va)
 Dorn (D-S.C.)
 Fisher (D-Tex)

Edwards (D-La)

Core

(132)

related to each other:

Purpose

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.

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-1

11a. THE MILK SUPPORT PRICE DECISION WHITE

<u>Date</u> <u>Introduced</u>	<u>Bill</u> <u>Number</u>	<u>Sponsor(s)</u>	
3/17/71	H.R.6289	O'Konski	(R-Wls)
3/18/71			
3/18/71			
3/18/71			
3/23/71			
	H.R.6412		
	H . R . . 6 4 25		
	H . R . .6534		
3/23/71	H.R.6553		
3/23/71	H.R.G559		
3/23/71	H.R.6619		
3/23/71	H.R .6621		
3/23/71			
3/23/71	H.R . 6635		
3/2 3/7 1	H . R . 6 6 4 7		
3/23/71	H.R.6650		

Zwach (R-Minn)

Harvey (R-Mich)

Smith (D-Iowa) Abernethy (D-Miss)
Stubblefield (D-Ky) Purcell (D-Tex)

Matsunaga (D-Hawaii) Vigorito
(DPa) Denholm (D-S.Dak) Martin (R-Nebr)
Robert s (D-Te x) Halpern (R-N . Y .)
Zablocki (D-Wis) McFall (D-Callr)
Montgomery (D-Miss) Johnson (D-Calif)
Schwengel (R-Iowa) Anderson (D-Tenn)
Wat t s (D-Xy) Per.kins (D-Ky) Riegle
(R-Mlch) Whitehurst (R-Va)

Hull (D-Mo)

Natcher (D-Ky)

Quillen (R-Tenn)

ffFoss (R-Ioo a)
Scherle (R-Iowa)
King (R-N . Y .)
Hal l (R-t~~~to)

Jones (D-N.C.) Preyer (D-N.C.)

Henderson (D-t;.C.) Taylor (D-N.C.)

Lennon (D-N.C.)

Long (D-La)

Mcitxlllan (D-S . C .)

Sebe lius (R-Kan)

Strattoll (D-N.Y.)

more

(133)

Purpose

To support the price Or manufacturing
milk at a level not more than 90% nor
less than 85% of the parity price for the
marketing year 197172, as the Secretary
determines is necessary in order to assure
adequate supply .

"
"

- S

11a. THE MILK SUPPORT PRICE DECISION WHITE PAPER

<u>Date</u> <u>Introduced</u>	<u>Bill</u> <u>number</u>	<u>Sponsor(s)</u>
----------------------------------	------------------------------	-------------------

3/23/71

3/24/71 H.R.6683

3/24/71 H . R . 6 6 9 1

3/24/71 H.R.6701

3/24/71

3/24/71

3/25/71

3/25/71

3/25/71

H v R. 6785

H.R.6657 Young (D-Tex)

, Evans (D-Colo)
Aspinall (D-Colo)

H . R. 6712

H.R.6727

H.R.6746

Hastings (R-N . Y

Landrum (D-Ga)

Stephens (D-Ga) Brinkley (DG
a) Stuckey (D-Ga)

Thompson (R-Ga) Mathis (
DGa)

Thompson (D-N{ J

Nichols (D-Ala)

Andrews (D-Ala)

H.R.6753 Duncan (R-Tenn)

Pry or (D-Ark)
Bingham (D-N.Y.)
Leggett (D-Calif)
Mahon (D-Te x)
Melcher (D-riont)
Baker (R-Tenn)
Duncan (R-Tenn)
Myers (R-End)
Hillis (R-Ind)
Hanley (D-N . Y .)
Ga?,ifiana'cls (D-N
Brasco (D-IE. Y .)
Collins (D—Ill)
Alexander (D-Ark)
Kee ('D-le' . V2)
Gallagher (D-H . J .)
Gonzalez (D-Tex)
Begich (d-Alaska)
Kyres (D-Maine)

The following bills are identical:

3/18/71 H.R.6357 Abbitt (D-Va)

3/22/71 H.R.6502 Tho,..son (R-.lis)

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(134)

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Purpos e

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
197172, as the Secretary determines is
necessary in order to assure adequate
supply .

To support ~-~ Or milk at 90% Or
the parity price through purchases Or
milk and milk product s .



SENATE

Date	Bill
	<u>Introduced NUMBER</u>
3/16/71	S .1277
3/19/71	S .1294

Sponsor(s)

Nelson (D-;is)
Mondale (D-Minn)
McGee (D-Wyo)
Hughes (D-Iowa)
Bayh (D- Ind)
Burd ick ((D-N . Dak)
Cook (r-Ky)
Mc G overn (D- S . Dak)
Stevenson (D-Ill)
Eagleton (D-Mo)
Tunney (D- C21i r)
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)
Al len (D-Ala)
I,ong (D-La)
Inouye (D-Hawali)
Hollings (D-S . C .)
Fulbright (D-Arli)
Sparkman (D-Ala)
Eastland (D-Illiss)
Bentsen (D-Tex)

Humphrey (D-Minn)

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(135)

Purpose

To support the price Or
manufacturing milk at a leve 1
not more than 90% nor less than
85% Or the parity price for the
marketing year 197172, as the
Se c r e t ary determines is
necessary in order to assure
adequate supply .

12. On March 19, 1971, John Whitaker reported to John Ehrlichman

that contrary to a vote count Or the previous night, Secretary Hardin is

convinced there is a 90 percent chance that an 85 percent of parity

support bill will pass Congress and that the President should allow

himself to be won over to an increase to 85 percent of parity.

12a

.....	Page
Memorandum, dated March 19, 1971,, from John C.	
Whitaker to John D. Ehrlichman	138

(137)

C :4

THE WHITE HOUSE

WASHINGTON

March 19, 1971

MEMORANDUM FOR JOHN D. EHRLICHMAN - /

/ I t! ./

FROM: John C. Whitaker .- j//

/

SUBJECT: Suggested Meeting with Secretary Hardin

He

I think we should have a prompt meeting with Secretary Hardin today. The prime issue is milk price supports. Contrary to what I reported in the 7:30 meeting this morning on a House count they did last night; Hardin is convinced there is a 90 percent chance that an 85 percent of parity price support for milk bill, sponsored by Carl Albert, will pass Congress. The issue is, if it passes, does the President veto it. Currently, we are playing a bluff game with the dairy people saying the President will have to veto a milk price increase and get credit on the consumer side, but Hardin doesn't think it will stop the bill from passing. He is now of the opinion that when the dairy meeting takes place with the President next Tuesday, the President should allow himself to be won over and go along with the argument of raising the price of milk to 85 percent of parity. This is the key issue and I think you, Shultz, Rice, Colson and I should discuss it with Secretary Hardin.

A secondary reason for the meeting is that Hardin is still hard on the idea that the extension service in some way should be held harmless in the rural revenue sharing bill. He is convinced we can never sell the bill without protecting the extension service, and that by protecting the extension service, we have enough votes to get those people working for us and pass the bill. He said he discussed it with the President, although only briefly in a reception line, and as predicted, the President said, "If you think that is what we ought to do, then we ought to go ahead." The Secretary recognizes that the game isn't played this way and wants an honest discussion with us about it.

cc: George Shultz Don Rice cjl/els
Colson.

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(138)



[Handwritten signature]

13. On the morning of March 23,

1571, the President called

Secretary of the Treasury Connally. The primary subject of the conversation was an unrelated matter. The latter part of their conversation touched on the fact that the President would be meeting later that morning with the dairymen, the potential effect of a support level increase on consumer prices and that the President wanted a decision that day.

13 a., Secretary Connally's log,- March 23, 1971

140

Tape recording of President's statement - ~ during telephone conversation between the President and Secretary John Connally

.....March 23, 1971....., 141

Connally, March 11, 1971 to May 11, 1971142-

I) z President's log of, contacts with Secretary

(139)



4th July - President's day

WEEK END

Monday, Nov. 23.

13a. TAPE RECORDING OF MARCH 23, 1971 MEETING

A portion of the supporting evidence for paragraph 13 consisted of tape recordings of the President's March 23, 1971 meeting with John Connally.

The Committee on the Judiciary heard the tape recording and examined transcripts prepared by the Inquiry staff during the initial presentation regarding dairy matters on June 5, 19 74.

(141)

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14. The meeting had been planned and scheduled some months in advance. The President originally invited the dairy leaders during a courtesy telephone call on September 4, 1970, and a cutlery meeting on September 9, 1970. Specific arrangements were begun in January, 1971. The Department of Agriculture obtained a list of the officers and representatives of the major dairy industry groups. A list of potential invitees was forwarded to the White House by Secretary Hardin on January 26, 1971, with his recommendation that a meeting be scheduled. On February 25, 1971, Secretary Hardin was informed that the President had approved the meeting for 10:30 a.m., March 23, 1970.

14a
January 26, 1971,

Memorandum dated
from Secretary

Hardin to H. R. Haldeman. ease *_

Page

14b	Deposition of David L. Parr taken December 12, 1972 in Nader v. Butz, (D. D. C. Civ. No. 418-72) pp. 51-54. 145
14c	Letter, dated February 25, 1971, from Dwight L. Chapin .to Secretary Hardin.....149



Q I lunderst2nd that.

Especially wi~h alr ~kose d~ry f2rur1ers in tcnv~m a.

the scuzze =,me?

A I d3n t t k;lol-z cbout th2t .

Q Did yon aLtnnc; de r.eedag wiSl Ae PresE dent Qt

~e l~nite Elouse on M~Ch 23, 1971?

- A Yes.

m. IsULSON: You wans to t9se a fiore~inute recess?

DSA. DOBROER: Yes.

tShorz recess .)

m. DODROER: On the re.-ord.

BY SE. DOBROVIR:

Q TEen xJ2 recessed, I had Dust asked vou about a

:r.eet:i'r.g 2t the N7hit:e ~ouse ~-ziv:n the Presider.t on March 23,

lg.l.

Ec.~ w-2s that rleetinq c:~ransed?

A Tn 1>70, SSI was h2s~ing c>S znnual meeting in

Chic=~o .

There were effcr.s to tr~~ to Pe-suade the Presice;lt

to cor.e tC tr.at meeiiig. He didn't c0m2.

meeting in Caicacyo -- ne did .aiRF, as I un^erstar.d it, \Tz t l

rjltr. t'C?ISCN in C:ltecaao, znd san'd thC ;;ind of thing that ;~e

was sorry he couldn't come.

I don't know what he said.

About three days later, well, over the weekend

sometime, I got a call from Mr. Nelson.

Q You got a call from Mr. Nelson?

A - I believe from Nelson, saying that ---maybe he

told Mr. Nelson. I don't know how that ran.

--- how, they were to meet with the President about

three days after the annual meeting. This must have been in

September of '70.

At that time, the President -- a lot of people had

urged him to come, and he had gotten the impression that it

was a good meeting, a large, well attended meeting, and he

wanted to know when our next one was and that he would make every

effort to try to come to the next one.

T. --- if? And he would like to meet with other |

people in the dairy industry and to remind secretary Hardin,

just to keep in mind, that he wanted to meet in early 1971

with other people.

So, I don't know when it was set, Mr. Dobrovir,

exactly, but that is the first mention I heard of it.

Q Were you told this by Mr. Nelson?

A No.

(146)

I heard of it

I was told 'his by the President.

o By the President.

You spoke to him personally?

A Mr Nelson and, I, were there.

Q This was after the Chicago meeting?

A . The, 1970 annual meeting of A2{Pt.

Q You went to Washington?

A . Came to Washington.

Q And expressly for the purpose of seeing the

Presi dent?

' A Yes.

Q And,d how- did that occassion come about?

A I said I don't know. I don't know.

As I was saying, I wasn ' t in Chicago t so I don ' t

know,z ho.: the meeting got: a:ranged.

' He did talk, as I understand it, to Jlr. Nelson from someplace wherever he was, while the meeting was going on e

So you and Mr.. Nelson flew to Washington to meet with the President, and now when you':1 met with the President at that time, did you discuss

s anything else besides the question of his setting up a meeting?

A I just remember he got his yellow pad and started.



saying, "When is that meeting? "

I was im..ryreseed with that..

Q How long did your meeting with him at that time

last?

A I don ' t remember .

VQ You don't remember what other subjects were

discussed?

A 0 --The only' thing that impressed me was that he was very, compli-|.ent2rNr of what he had heard about our annual meeting. That is what we had just had.

And he expressed an interest in meeting some of our people, which we thoug:tlt was good, and it sounded li)-e he v;-2n'ed -c come to our next meeting, which he ultimately did.

1

0 C) Was that the only thing that you talked with the President about at that time?

we talked to him about the p)iGhs of the

da"-Sz farmer because we never missed an opportunity to tal,c

t? anybody about' that, but I don't remembe- anything

specifically .

n Do you meet with the President often?

A--- No

I don't know;--- of any'---0d~~~~~ that meets wi' dent often.

(148)

[REDACTED]

A I am sure ' th the Prosi-

THE WHITE HOUSE

Mr. Secretary.

- February 25, 1971

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 - 23, for a meeting*

in the Cabinet Room.

By a copy of this letter asking Mr-John Whitaker to handle the details of the appointment with your office. Also L would appreciate knowing when confirmed this date and time with the dairy leaders.

With best wishes,

Honorable- Clifford M. Hardin
- Secretary of Agriculture.
Department of agriculture
Washington, D. C. - 20250

cc: Mr. Whitaker

(149)

Sincerely,

Handwritten signature and initials

Dwight L. Chapin

Deputy Assistant
to President

Secretary
- Secretary



WASHINGTON

Handwritten signature and stamp

15- The President opened the meeting by thanking the dairy leaders

for their non-partisan support of Administration policies.

Secretary Hardin then briefly outlined the problems facing the

dairymen and asked for their views. The remainder of the meeting

was taken up by the dairy leaders pleading their case for a higher

support price and discussion among the President, Administration

officials and the dairymen regarding the economics of a milk price

support increase. No conclusions were reached about the support

price. Campaign contributions were not mentioned.

Page

_ Tape recording of meeting among the President and

dairy representatives, March 23, 1971,....., .., 152

(151)

[REDACTED]

15a. TAPE RECORDING OF MARCH 23, 1971 MEETING

The supporting evidence for paragraphs 15 - 20 consisted of tape recordings of the President's March 23, 1971 conversations and meetings with Administration officials and dairy cooperative representatives.

The Committee on the Judiciary heard the tape recording and examined transcripts prepared by the Inquiry staff during the initial presentation regarding dairy matters on June 5, 1974.

(152)

[REDACTED]

[REDACTED]

16.

On the afternoon of March 23, 1971, the President held a meeting with seven administration officials to discuss the dairy-price support problem. The meeting opened with Secretary Connally, at the President's request, outlining the situation. He pointed out that politically the President was going to have to be strong in rural America and that the farmers had many problems and that this was one of the few which the President could do anything about; second, the major dairy groups represent some 100,000 dairymen who are being tapped, labor union style, to amass an enormous amount of money which they were going to use in various Congressional and Senatorial races all over the country to the President's political detriment. Secretary Connally also advised the President twice that he believed a support level increase to be economically sound.

Tape recording of meeting among the President, Secretary Hardin, Secretary Connally, John Ehrlichman, George Shultz, John Whitaker,

a. Phil Campbell and Donald Rice, March 23, 1971

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(153)

[REDACTED]

The supporting evidence for paragraphs 15 - 20 con

sisted of tape recordings of the President's March 23,

1971 conversations and meetings with Administration

officials and dairy cooperative representatives.

The Committee on the Judiciary heard the tape record

ing and examined transcripts prepared by the Inquiry staff

during the initial presentation regarding dairy matters on

June 5, 1974.

(154)



~~ALL INFORMATION CONTAINED HEREIN IS UNCLASSIFIED~~

17. The discussion then centered on the pending legislation which,

would, should require a support level increase. The President stated that he

believed such a bill would pass. Secretary Hardin expressed the view that a bill forcing an increase was almost certain to pass and told the

President that 150 names were on the ball and that Speaker Carl Albert

supported it. Secretary Connally stated that Wilbur Mills also supported

it and that it would pass the House beyond any question, Secretary.

Connally said the move would gain liberal support as it would embarrass

the President.

Tape recording of meeting among the President, Secretary Hardin, Secretary Connally, John Ehrlichman, George

-Shultz, John Whitaker, J. Phil Campbell and Donald Rice

Page

(155)



SHULTZ, JOHN WHITAKER, J. PHIL CAMPBELL AND DONALD RICE
MARCH 23, 1971..... 156

18. Vetoing-
dairymen) were arguing, on Capital Hill such a veto would cost the President Mis,souri Wisconsin, South Dakota, Ohio, Kentucky and- Iowa in the 1972 election. Hardin said the President would not have any choice but to sign it.

The President then made the judgment that Congress was going to pass the bill and that he could not veto it. The President then adopted a proposal by Connally that a trade-off be made, giving the dairymen an increase in 1971 in return for a promise not to seek an increase in 1972.

i- Tape recording of meeting among the President, Secretary Harlin, Secretary Connally, John J. Ehrlichman, George Shultz, John Whitaker, J. Phil Campbell and Donald Rice

March 23, 1971 z

Page

NOTE: OBJECTION HAS BEEN RAISED BY CONGRESSMAN SEIBERLING THAT THE SECOND PARAGRAPH IS A CONCLUSION RATHER THAN A STATEMENT OF INFORMATION WITHIN THE RULES OF PROCEDURE OF THE COMMITTEE,

(157)

[REDACTED]

18a. ZAPE RECORDING OF MARCH 23, 1971 MEETING

The supporting evidence for paragraphs 15 - 20 con

sisted of tape recordings of the President's March 23,

1971 conversations and meetings with Administrat

officials and dairy cooperative representatives.

lion

The Committee on the Judiciary heard the tape recording and examined transcripts prepared by the Inquiry staff during the initial presentation regarding dairy matters on June 5, 1974.

(158)

[REDACTED]

[REDACTED]

[REDACTED]

19- Secretary Hardin->lin then raised the question of the Administration

getting credit for the increase. Secretary Connally suggested rather

that first the Speaker, Carl Albert, Congressman Wilbur Mills and

others be contacted in order to obtain their support, in return, on

other legislation. The problem was discussed of how to keep the

dairymen from learning of the decision until Congressman Albert

and Mills could be approached but still obtain a promise from the

dairymen not to push for an increase in 1972.

Page

Tape recording of meeting among the
President, Secretary Hardin, Secretary
Connally, John Ehrlichman, George Shultz,
John Whitaker, J. Phil Campbell and LI)on.^,ld

~Rice, March 23, 1971, ----

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19a. TAPE RECORDING OF MARCH 23, 1971 MEETING

The supporting evidence for paragraphs 15 - 20 consisted of tape recordings of the President's March 23, 1971 conversations and meetings with Administration officials and dairy cooperative representatives.

The Committee on the Judiciary heard the tape recording and examined transcripts prepared by the Inquiry staff during the initial presentation regarding dairy matters on June 5, 19 74.

(160)

20. At the end of the meeting, the President outlined who was to contact... (not Speaker) Albert and Congressman Mills and that he understood J. Phil Campbell]] s.~~~oul(l contact the dairymen about not' seeking an increase in 1972.

Page

Tape recording of meeting among the President, Secretary Hardin, Secretary Connally, John

Ehrlichman, George Shultz, John Whitaker, J. Phil Campbell and Donald Rice,

March 23, 1971

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NOTE:

OBJECTION HAS BEEN RAISED BY CONGRESSMAN SEIBERLING THAT THE ENTIRE PARAGRAPH LEGS A CONCLUSION RATHER THAN A STATEMENT OF INFORMATION WITHIN THE RULES

OF PROCEDURE OF THE COMMITTEE.

(161)

[REDACTED]

20A. TAPE RECORDING OF MARCH 23, 1971 MEETING

The supporting evidence for paragraphs 15 - 20 consisted of tape recordings of the President's March 23, 1971 conversations and meetings with Administration officials and dairy cooperative representatives.

The Committee on the Judiciary heard the tape recording and examined transcripts prepared by the Inquiry staff during the initial presentation regarding dairy matters on June 5, 1974.

(162)

[REDACTED]

[REDACTED]

21. J. Phil Campbell called Harold Nelson after the meeting and asked him if the Administration did raise the support level would he and the other dairymen "get off our backs" and not ask for more in creases, to which Mr. Nelson agreed. Campbell did not tell him of the meeting with the President; did not discuss anything else; and did not tell him not to boycott a Republican fund raising dinner.

21a

Senate Select Committee Executive Session
Testimony of J. Phil Campbell, May 31, 1974,

pp. 60. 61. 64 X --

(163)

[REDACTED]

Page

J. Phil Campbell, May 31, 1974,

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I

11 t.

-1 i

21a. PSIL CAMPBELL, TESTIMONY, MAY 31, 1974, 60-61, 64 time:le which would be five fifty Eastern Standard Ti—
e which

^,ould be the time in Washington on March 23 O,c 71, there is a

record of a phone call from Mr. Phil Campbell. to Mr. Nelson.

with the message to return the call to your ho—.e. IS you

number Area Code 703-360-5739?

Mr. Camp?bell. Yes. So

Slr. Weitz. That would indicate then that at 5-30 in R:he

afternoon which:h would have been shortly after the t:d,5 meeting

you placed 2 call that did not reach Mr:t:. Nelson.

Mr. Campbell. Maybe I didn't. All I know is I placed the

I call and talked to him. I can 't give you the detail s . I mean
you have the records and I will 1 have to accept when it was on

there .

Ilr. Weitz. Do you recall him returning the call at your

2F [REDACTED]

4 record of a phone call from Mr. Phil Campbell to Mr. Nelson

4 with the message to return the call to your home. Is your

5 number Area Code 703-360-5739?

6 Mr. Campbell. Yes. So —

7 Mr. Weitz. That would indicate then that at 5:30 in the

8 afternoon which would have been shortly after the 4:45 meeting

9 you placed a call that did not reach Mr. Nelson.

10 Mr. Campbell. Maybe I didn't. All I know is I placed the

11 call and talked to him. I can't give you the details. I mean

12 you have the records and I will have to accept when it was on

13 there.

14 Mr. Weitz. Do you recall him returning the call at your

1

4 1

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22!!

21a. PHIL CAMPBELL TESTIMONY, MAY 31, 1974, -- 60-61.

64

Mr. Weitz. Did you have your secretary place the call?

Mr. Campbell, I don't remember -- her how it was done.

Mr. Weitz. But it is likely that the number you

would have had in your records would have been his office in

San Antonio?

Mr. Campbell. That is correct. Yes. Possibly his scene.

: 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 I

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 i?rice increases but price support increases -

because T don't think it is good for the dairym..en. Will >!--ou

get of- our:-- backs'-s? And he agreed and said he would d.

Mr. t.eitz. You recall using that language, "set off our

D.-- C. I. 5 ?

I-r. C.-.bell. Ye_, I as!eG him. to get off cur bac', t!d

j! he agreed that if we did raise the price supp?ort that he would (.

24' X. Pr. ' ' § ?

A,~--o29- Campbell I l * No->

1

(165)

[REDACTED]

Mr. Witz, Did you indicate what you had met with the

else se in. the co?. versation

Ter. Campbell. No that was a very short conversation. |

Mr. Weitz. Did you as)--- him not to boycott the Republican.;

fund raising dinner

5 I

10'

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'12

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16 .

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24. 1

25

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 fund raising.

Mr. Weitz. Did you attend that dinner?

Mr.,CampMell. No, sir.

Mr. Weitz. were you aware on the 23rd the dinner was

going to be held the ne:et evening?

Mr. Camp:upbeil. I was aware because I got a letter soliciting:

me to buy a \$1,000 tic);etr which I was not financially able to

do. I get these letters each year and T have. never bought a

tic);et because I am not financially able to.

Mr. Weitz. were you aware that t:---le da- ry co-ops were  
planni]g to attend the dinner?

w----r. C2.,?bell. I don't know when o knew;---, I heard after

wards's that they were the-e and I don't. ^-nosz ho f many tickets

they bo;ght or anything abo it it, but T had. nothing to do with

L. \* : a --- s ; \ f - t - ---

Mr. :-ritz, were're you .: "?re t)' R+ ' 2--er th 'larch 12 ' \_ziz:

they had started to change,e their minds about attending the

(166)

██████████ ██████████

1 | him that it had been made.

was the next night?

8 | planning to attend the dinner representatives of the co-op were

Murray M. Chotiner stated in his deposition he did not know in advance

of the decision to increase support levels, did not discuss campaign contributions

in seeking a support level increase on behalf of the dairymen and did not talk to

the dairymen in the context of contributions in return for favorable action.

Deposition of Murray M. Chotiner taken December 28,  
1972, in Nader v. Butz, (D.D.C. 418-72) pp. 10, 11,

Page

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\_\_\_\_\_

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----- DEPOSITION OF MURRAY M. CHOTINER, 12/28/72, PP. 10, 11,

**21-24** ..... **168**

22a. MURRAY CHOTINER DEPOSITION, DECEMBER 285 1972, NADER V. BUTZ, 10-11,  
27-24

.t--I would... It: v. S.-- \_ f e l: -have a se s? ... o...\*

'->~\*"-~""-s t ~0 •"\_ ~-!<8"" , ~-~'1"; 1}z7 a., ~-S-m..OLicnV is .:'- ;-> il.~

e~X-----o~aW

]CC,: ' ' W1; ~-~ -rz ow\_ ~S\_~o^; .-cu2t~. ; , ~ ~ .)\_7 d.

t-i ;t,4s -r\_ ^3 hr\_ ,e,r^ \_ ,... C: o~' J : ~-~ teci : ~-~ ,jnr^C: ~-> ; ~-~ : 'Xf' , ~-~ s \_ ^

-- A : ~-~ "s' p' o' " ~-~ C: 1 n i \*S o ~-

... ..

(168)

**A proper way.**

Q A proper way.

A No, sir.

Q After they --

A Pardon me.

Other than what :

is a country-over for 1972.

Q Now March 25th, with the Secretary of Agriculture announced that he was identifying the prime support level, you didn't have anything further to do with this question?

A Yes, sir.

Q Did you have to any time prior to the Secretary's March 25th announcement that the earlier position might be

the way that I know it was

and he said you said.

Did you have to any time

to refer to the situation

23. Herbert W. Kalmbach has testified that as of March 25, 1971 he was unaware of any price support matter and that he does not recall any suggestion or indirect suggestion of a relationship between campaign contributions and governmental actions affecting the dairy industry by members of the dairy industry or their representatives or members of the White House staff. Harold S. Nelson, David L. Parr and Marion Edwyn Harrison have all testified to the effect that there was no quid pro quo relationship between a milk price support increase and campaign contributions.

23a Depositions of Herbert W. Kalmbach, taken December 13,

1973, in Nader v. Butz, (D. D. C. Civ. No. 148-72), pp.

Page  
 23b Deposition of Herbert W. Kalmbach taken April 30, 1973, in Nader v. Butz, (D. D. C. Civ. No. 148-72), pp. 10-15, 19-22, 46.....181

23c Deposition of Harold S. Nelson taken February 7, 1973, in Nader v. Butz, (D. D. C. Civ. No. 148-72), pp. 76, 77. . . 192

23d Deposition of David L. Parr taken December 12, 1972, in Nader v. Butz, (D. D. C. Civ. No. 418-72), pp. 152,

23e Deposition of Marion Edwyn Harrison taken December 27, 1972, in Nader v. Butz, (D. D. C. Civ. No. 418-72), pp.

•-n~~n~~ 194

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**Deposition of Herbert W. Kalmbach taken April 30, 1973, in Nader v. Butz, (D. D. C. Civ. No. 148-72), pp. 55, 56, 110-112..... 176**

**Deposition of Harold S. Nelson taken February 7, 1973, in Nader v. Butz, (D. D. C. Civ. No. 148-72), pp. 76, 77..... 192**

**Deposition of Marion Edwyn Harrison taken December 27, 1972, in Nader v. Butz, (D. D. C. Civ. No. 418-72), pp. 152, 153..... 196**

'Murray Chotiner?

T may have spoken to Mr. Chotiner about this, from

'time to time.

ii 5;} How long have you known Mr. Chotiner?

, A I have known him--oh, I think I first met him in the

115

III

It

Has your contact with him been frequent since that time?

A No, infrequent.

Q So you would not recall a close association of yours

in political work?

A No, I know Mr. Chotiner and have known him casually

over the years.

I

il

n  
;

Q Are you acquainted with Marion Harison?

A Yes.

Q Do you know him?

A No.

Q How would his conversation with Mr. Chotiner, if

it was true, Chotiner--did he take place shortly after you assumed your responsibilities as fund raiser for the campaign, say, before March 1, 1971?

A Most certainly I might have had with Mr. Chotiner

U in this area, and again I don't know if he was the one that

or

23b. HERBERT RALSBACH DEPOSITIONS APRIL 30v 1973, NADER v. BUTZ, 10-15, 19-22 46

zu

Al

IS

.j

. )a No, I do not.

i! Do you recall what hype Add at that meeting?

If A: No~

.: Q would it refresh your recollection if T said to you

! that fir. Nelsol-1 testified? I think it best that I read his

it testim.on->~ so the record is entirely accurate. Reading from

| page 28 of the deposition given by I'r, Nelson in Febrlary of

this year, and fir. Nelson had first discussed the 1972 meeting

treat you referred to, and then:

"OVF-T'ION: '5!hen you say ei d E you or Er. Jacobson,

! diA you yourself know §.rr: Ralabach before that meeting?

UR,-,5-Z;R: I have Net Ilr. Kalmbach before that meeting.

"wU'ZSri'10m7: In what connection?

"AiSvfSR: In a connection with seeking direction as

I to how we could make the contributions we wanted

SQUESTION: Could you describe those contacts: wne..

| YOU met hires where you met him

"MSzinR: I don't recall. I believe it was either

I in Washington or ir. his office in California.

"xN'uES-15N: Do you recall when?

nANS-HER: No.

"QUESTION: And who initiated Ate contact?

MANS[ER: as I recall, I can't t211 you. It might

ii

\* :uc

,-1-1 .j

(188)

[REDACTED]

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9  
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13

CROSS-EXAMINATION 2 ByL

Mr. Cloldbloot?:

3 Q I have a couple of questionss Or. I4elson~~ During the  
-1 course of your various discussions with members of  
5 Congress or Congressional staffs members or the President  
6 or members of the White tiouse staff or with whomever you  
X may have come in contact or officials of the Department  
of Agriculture in connection with your efforts to  
obta'n  
a satisfactory -a that is, satisfactory to your  
interests  
result concerning the price support level were there  
discussions to the effect that the making of  
political  
contributions 'my the agricultural trust would have  
an  
effect or an impact, upon the dectsiions to be  
reached by  
4 the Government as to the price support level?  
;' A hbRolutely note  
Did anyone intimate to you that the making of political  
-  
contributsonst or for that matters the failure to  
make political contributions, would have any kind  
of effect on such a determinate on?  
N°s they did not. And in the course of your  
discussions did you or others rep-esentingo your

Interests suggest that the making of political contributions right have a beneficial result? Not absolutely not.

MR. GOLDBLOO.,~~ I have no further questions

(192)

1A I'd Just like to say this: I take it that what you're  
2 asking me -- the essence of what you were asking  
r.e ts,

3 was there *a quid pro quo*.

1Q Exactly.

oA There's never been a quid pro quo in my total experience

o

b A\_ Mr. Barrera 9

CROSS-EXAMINATION:

HI

8 qJust by stay Or cl2rtSyng the people that may have  
been

9 present at the meetin~~azhlch you've already given  
SOTn2

I) namesa both as to those that may have been with the  
11 Presldent~~s staff and those that may haste been  
with the

12 farm groups in number, would you hazard a guess as to  
hoof

1:3 many people may haste been there all told?

A:

A:

'~~~ A As I recall, the meeting was in the Cabinet Bloom  
and the

I) Cabinet table wrao full - the seats at the Gabinet  
table

li

1,

1 18

x

'v''

.51

-- and chairs were arranged in back of the  
Presidential with people occupying them.. So I would say  
-- that's very hard to figure I would say if you  
started counting, though a total of thirty-five to  
fifty people in there. I'd say probably nearer  
thirty-five. I could be wrong on that too. I'm sure  
they know how many were in there, but it was a  
goodly number of people.

Q The \$800.00 loan to Child-America, do I recall your  
having said that you did or did not recall the  
possibility of such a loan?

!2. DoBrkovIn: I have no more questions.

MR. GOLDBLCO"I: I have a few questions, Sir. Parr.

EYS2lit-i.ATION BY CCUI-X2EL ON KEYS F OF DEFEND'S

BY M1S1. G0m03X00tI: \_

In co,~~mnection with the **efforts that you testified about in which you participated to obtain a change in the Secretary's lsia.ch i2 decision to maintain the price support levcll at \$4.66 2 what it had been the previous year, dad you either believe, or say to anvone, that the marring of political contributions by TAPE to any committee or group supporting either the President oX the United States a, Dcl,~~\_b'~~h^ar Con.=\_esstonal candidates could achieve a change in the price su-ppDS4 determinations**

ANo.qDin anyone ever say to you, either directly or by iraplic2c'on, or by irl,erence that if political contributions were mau2 by TAZz to co-L.nittees which were Republican in nature, that t'-.~~ matins of those political contributions would se's to effectuate 2 change in the price supDort determin^tion of the Secretary of March 12, 1971?

ACo.

Q Do-you believe that the making of political contri- but~~.ons by Tii?~~, or by any other poln tical trust associated

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with a direct arrangement caused the change in the price support  
determination of the Secretary of Agriculture

of March 25, 1971?

A No.

Mr. GOLDBLICK: I have no further questions.

Mr. PARR: I have no questions.

We are not going to waive signature, but please

send the original to Mr. ELLIS, and he will handle it quickly.

(When at 5:00 o'clock, p.m., the taking of the deposition  
was concluded, )

113

1 dairy groups, that this particular committee of which adz-. Hump

jl was Chairr!atl, was not so used?

A T was not aware and *I am not now amaze.*

IxLR. CEICiTiNJ'.fl: Olsaye I haven't any more questionse

MR. (DOLOm.LOO.S: I have a fell

EMAI.-IIN2'!.~~'In)tN DX COtiNS:ERL FQR DEEENDaiNTS

BY j4Rs GOhD2I.2ODI:

Q Is.r. Harrisfun, yell te>3eified

activities .ial terms ox repress Sting the interests of your

clients -- \_\_\_\_\_leazel alid

the dttezmznaFicon of that level during 1971, in particular,

meetings thee you hatS tfitFs various officials of the Department

of Agriculture and representations sslfimh you Lade in con~~nszcb ic:

with meetirjgs, to various personnel on the \_staf..

No.., barring, that is keeping aside any privileged commvaicatic:

which you may have had with your **clients, did** you at any time

during the presentations that you made to officials of the

Department Or Agriculture or personnel on the Wllite louse staf

or for that matter, anyone else, Discuss the matter of political

|contributions that were made or were going to be Dade or the

jl possibility of their being Dade in connection wthith~~our

efforts to obtain a satisfactory result for your clients'

interests on the dairy price support level?

A No.

TEPORIING to.

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f  
Q Did you ever at any time in the course of your

i  
activities to obtain a satisfactory result for your clients'

interests suggest or intimate or say that political contribu-  
tions ought .]32 mane mat::hat This would xDe a jay of achieving  
a s;atisfac:tory result for that deten,litlation?

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A IXow

Q Did anyone ever suggest to you from the personnel of the  
I;e2arer~.~ent of S.#gric~llcx~we, personnel on the T^2hite ISousc staff ox ~?ny~^  
hore er.se for tn2'; matter,that Lf political . contrile3stions were made by you>.  
clients;, that this would help t.

| to achieve a satis:fasat:zzy result for yowls ClICINt5 § intere<ttzX

Zt Certainly not.

FIR. GOLI5RLOOM: I have no further questions.

I!IP. . DOBROVIP~: Do you have ally questions, I'll ChotiJle.

MR. CROTI'Su.: I nexrer ask them.

MR. DOBROVIR: Thank you very much for coming by. I guess we  
w AI see you tomorrow.

TIE: IITN'-SS: Let me indicate on the records I am here in response  
e to a subpoena of the United States District l Court for the District of Coluxabia  
issued by a Deputy Clerk thereof on motion of Err William A. Dolarovir, attorney  
for ' & plaintiffs in this case.

[17hereuporl, at 3:40 o'clock p.m., tine taking of t'le . deposition  
was concluded. )

tETORITESTo,INT |.

2Xi. Economic and traditional political considerations were the only basis of the decision to increase the price support level. Increased costs and other economic factors raised by dairymen, the political pressure which precluded a veto of a bill which would set parity at a minimum of 85% and possibly as high as 90%, the potential threat of production controls which would decrease the milk supplier **and the** need for an increased supply of cheese were factors which caused Secretary Hardin to change his earlier decision.

|     | Page                                                                      |
|-----|---------------------------------------------------------------------------|
| 24a | Affidavit of Clifford M. Hardin, filed March 11, 1972,<br>in <u>Nader</u> |
| 24b | C5CC Docket MCP 9Sa, Amended and attachments..... 208                     |

*NOTE: OBJECTIONS HAS BEEN RAISED BY CONGRESSMAN SEIBERLING THAT THE ENTIRE PARAGRAPH IS A **CONCLUSION RATHER** THAN A STATEMENT OF INFORMATION WITHIN THE RULES OF PROCEDURE OF THE COMMITTEE.*

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." (7U.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 \$4.65 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 as the subject of the controversy even before it was made. Nevertheless, on balance I determined for the reasons stated in C.C.C. Docket #CP 93a 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 an increase in dairy production costs during the preceding 12 months. For example, Senator Smith the President on March 23, 1971, various representatives of the industry urged an increase in the price support level citing as one of the factors of increased costs to farmers.

5. The existence of such sentiment on the part of many members of the industry and wide segments of the dairy industry led me to inquire as to

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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 contacts 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 dairy 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 Executive Order on February 25, 1971. At the Greetings **to the best of my recollection** the President gave 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. Document 1-EP 983-- 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 secession, based on recent legislation, which would have had the effect of reducing the average 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 a novel, Price support determinations for particular commodities had been increased in the past.

8. During the course of reevaluating the evidence I had discussions

and advise from members Of rv staff, including Under Secretary Campbell, Assistrnt Secretary Ljmz, arid assistant Secretary Palsr,~~;y.

9. On l'>reh 25> 1971, this reevaluation of evidence pertinent to the dairy situation, on the basis of the criteria in 7 U.S.C. 14l;6~~ culminated in an announcement, issued at my direction, that the price support level for the marketing Fear 1971-1972 would be established a'

> .93 per cat .

10. The decision to set the price support level at \$4.93 per cat. ra5 based entirely on a reconsideration Of the evidence on the basis or' the statutory criteria.

11. Neither the decision to reevaluate the \$h.6/6 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 tiyne did any person or organization promise or lead me to believe that funds of any hind or anything Of value would be paid to me or any other person or organizat- On iin return for a reevaluation Of, or increase ins the price sulnpDrt level.

12. Being coEnizant of the views of Con3ress as well as the views on the dairy industry and other industries affected by our progress, rith respect to the administration of statutes relating to Agriculture, is, of course, a fundamental part Of the Secretary's role.

/s/ C15 fford rt. F'a Pi n  
Clifford SI. Boudin

Subscribed and sworn to before me this 7th 2sy Of Lynch, 1972

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City Or St. Iouis Act performed in the City Of St. Leads, which adjoins th  
c ColLnty of St. Louis, Hay commission  
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RAL?;i •S.DER, ct al., )

Plaintiffs, )

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Defendents.

SIInTs OF XISSo m.1 )

) ss.

CITY CF S....LOUIS....)

Civil Action 'Jo. 14a-72

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1, Clifford li. F:ardin, bein£ duly sworn, hereby depose and say

• as follows:

1. I Bm a Yice-Chairman of tre Board of Ralston Purina Co~~pany, St. Louis, Misscuri. From Janu2ry 21, 19c9 unttl ;:ovel.~~ber 17, 1971, I vw as the Secretary of Agricult-ure of the t:..ised States. As such, I hai ultirlte res?onsiv lity lor t!re deter-. r.ation. of dairy price s'jp'\_rs levels for the =:ar,;eti::g year IS,1-1°72 under the epDlica\_~~e sta~utes.

2. Sectcion 201 of the h~~.-icultur21 Act of 1'-49, as a:nended (7 U.S.C. 1446), authorizee 2r.d lirec.s the Secre.sry of A,-iculture to r.2ke available pricc sUuDort to proJucers o. milk 'at su. h level nct in.excess of 90 per ccntu.n nor less t'.en 75 per centv.~~ of the parity Dri\_e therefor as the Secretary detcr...ines necess2ry in o~~^er to essure an adequate su?ply." S-:ction 1106 oz the ^oriFutturdl nct of 1949, as alr.endc.i, requ rcs thcf^crear/ "inso:s~~.r a5 F--actic251c t :O annu.Co t'nc leve!. o' suDDc:^: ";or ...il',< ".n eivan-n of :';^ ...r.:ctin; .c. r or .c- aio-!' (7 U.S.C. 14-';:). ~: e le~~Z<.l o' :-acr; .a a!r;a\*~~.cc . :.3y nc: ' e rcot;cec. In a'ditcn, !:?' - Ir:os(s oi ~~~^;~~ on . ~~~~ta) o: tnc A-r.cu' tl:ral t.ct Or 1954 incl- 'e, aro:: cti!er tl:in. ;, s:o ,\_..ure ad^ou ~~~~c su ~~~ol 'r- ot - lk o;;' dl~~:y .-v-:;;; :- :.X\_-:;;^1,,: I8tv^~~i.o:).-n:.-~~ Ov'\* e.'ic'e-.t t~~~:oduc' ;vii •%:1~~

o\_ well u\_ •-+<bilize th. econor v of dairy f->rmers at a level which will provide a r.lir  
return 'or their labor and invest;er.t when eor;loered with the east of thin:^^s that  
farn1er\_ buy." t7U.S.C. 1446b).

3. On 'larch 12, 1971, an announcen.ent was issued at Djr dire-tion advising the  
publie of ry deterrination to su??ort the price of r;ilk at \$4.66 per cLr~~. for the year A?. il  
1, 1971 to March 31, 1972. This was the same level as was in effect for the previous year.  
The com?lex econo:~ie factors which enter into a deesion such as thi-s are, of course, not  
subject to 2ny one interpretation. Indeed, based on the info~~...ation and advice t:nat I  
w2S receiving, a nu.-jer of deter-'nations, includ-'ng one to raise the su?port level to  
\$4.g3 **per c~~rt., would have been** justified at tnis tim.e. The initial deterr,ination  
of the level of pr ce support for n l:e as anr.onn-ed on ~larch i2, 1971 wes the sub-ect of

ra jor controversy even before it ;/2S rade. lievertheless, on bei2nce I

deter2:lined for the reasons stated in ^,^C. Docket '!C? cEa to set -he

**SuppGrt level** at \$4.<66 per cwt.

4. At the tiGe of the Elnrch 12, 1971 announeement of the pr-'ce

5.

aware of substan.ial Coneressional sent-nent in favor of a hiCher  
figure. Subseeuent to the 2nnouncer.ent of the \$4.66 per cwt. price su?port on llarch 1),  
1971, suc'n sent ~.ent increased rotaD'~~ A nurber of bills vere introduced in bo-h the  
Senate and the ihouse whic'. would have increased the sU?port level oa a r.andato-y basis to  
as nUGS as \$5.00 re~ cwt. In addition, certa'n reDresentatives of the dairv industry st-o., iy  
u oed tha; the p-.ce su?por, H.eter:ninasion be rev sed pointing to inc-eease in eairy  
rroduction costs dur\_ng the rwreced'r.. 12 ronths. Fo- eAe\*.?ie, at a oetin v .h the ^~es-  
'8ene on x--ch 23, '971, vario-u5 reD.esen~atives o' ;he indus;~y u-gec an in~ease i- •he r--  
.e support level citin-. a.ain the racto- o' in\_~ea.e;l cos:s ;: a-...e s.

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