

# U.S. Milk Suit To Prod GOP Gift Denied

1/27/73

By Morton Mintz

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A former government anti-trust chief has repudiated under oath a charge by a dairy cooperative that he sued it to coerce contributions to President Nixon's re-election campaign.

"My sole reason" for ordering a suit filed against Associated Milk Producers, Inc., "was to prevent and restrain what appeared to be serious violations by AMPI of the antitrust laws," former Assistant Attorney General Richard W. McLaren swore in an affidavit.

"I deny that I directed the investigation of AMPI or the filing of the suit . . . for any improper purpose," McLaren, now a U.S. District Court judge in Chicago, said.

In a related affidavit, an assistant special Watergate prosecutor swore that AMPI's charge of coerced contributions is supported by none of the documents and tape recordings obtained by his office and a federal grand jury here from the White House, the Justice Department and non-governmental sources.

See MILK, A5, Col. 1

## MILK, From A1

Yesterday, the Justice Department filed the affidavits by McLaren and the prosecutor, Jon A. Sale, in U.S. District Court in San Antonio, where the antitrust complaint is being litigated. San Antonio is also the home city of AMPI, whose Trust for Agricultural Political Education (TAPE) is one of three such groups that together gave \$427,500 to the Nixon re-election drive.

McLaren disclosed in his affidavit that then-Attorney General John N. Mitchell had twice rejected his recommendations for a grand jury investigation into a possible conspiracy by AMPI and others to monopolize and restrain competition in the marketing of milk products in the Midwest.

"To the best of my recollection and belief," McLaren said, Mitchell suggested a civil action "after reviewing the legal and tactical questions involved, including the difficulties of obtaining a criminal conviction in the face of a defense that the defendants' activities were exempt from the antitrust laws" under certain agricultural legislation.

He said he made his first request to Mitchell to authorize a grand jury investigation on Sept. 9, 1971, on the recommendation of the division staff and with the consent of the Agriculture Department.

"At that time I was aware from news accounts that, approximately one week before . . . President Nixon had addressed AMPI's second annual meeting in Chicago, to which AMPI reportedly had brought

40,000 members and their wives," McLaren said.

In March, 1971, the Agriculture Department first denied and then approved an increase in milk-price supports, raising by \$500 million to \$700 million the prices consumers pay for milk, butter and cheese. Three days before the reversal, TAPE gave the first \$10,000 of the \$202,000 it gave Mr. Nixon's organization in 1971.

McLaren, in the affidavit, said he made his second recommendation to Mitchell for a criminal prosecution on Oct. 29, 1971, after his division continued to receive complaints of anti-competitive activities by AMPI, and after learning that AMPI attorneys were claiming the cooperative to be exempt from the Sherman antitrust act.

On Nov. 10, McLaren continued, top aides said the division should think in terms of getting an immediate injunction against AMPI, without waiting for action by Mitchell, because AMPI's "predatory activities appeared to be causing irreparable injury to non-members."

Three weeks later, in a discussion with Mitchell, the Attorney General "suggested that the Antitrust Division proceed along civil rather than criminal lines," McLaren said.

The division's Chicago office recommended on Dec. 20 that a civil complaint be filed against AMPI. Everyone in "the normal chain of review" concurred, McLaren said. Mitchell signed the complaint on Jan. 22, 1972, four days after it reached him.

Armed with the signed com-

plaint, the division held off filing it while contacting AMPI to see if it wanted to engage in negotiations leading to a possible consent settlement.

AMPI counsel, at a meeting with John E. Sarbaugh, chief of the division's Chicago office, "questioned the propriety of filing a complaint at all," claimed anew that many of the questioned practices were exempt under the Capper-Volsted Act, raised other objections and, McLaren said, "stated that dairymen were big contributors."

In the end, the negotiations failed. "In consequence, I directed that the suit be filed on Tuesday morning, Feb. 1, 1972," McLaren said. He left the Justice Department to become a judge the next day.

Aside from the official exchanges with Mitchell, McLaren swore, he did not have "at any time" in the AMPI proceeding "any indirect communication with anyone in the White House" or with any

fund-raiser for any organization.

AMPI's charge of fund raising coercion was the basis for a request to the court in July to order the government to produce documents related to the case. Prosecutor Sale, in his affidavit, said disclosure of the papers "would interfere with the ongoing grand jury investigation."

The Sale and McLaren affidavits are "a complete answer" to AMPI's charge, the government said in a brief filed yesterday.