

Co-op Agrees to Government Terms

Milk Antitrust Suit Settled

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The Associated Milk Producers, Inc., largest dairy cooperative in the country, agreed to settle a government antitrust suit yesterday, promising not to use coercion against nonmembers.

The milk producers organization, which also was involved in a campaign fund scandal with the Nixon administration, agreed to the terms laid down by Justice Department lawyers and submitted to a federal court in Kansas City, Mo., yesterday.

A Justice Department spokesman said the government had won all the points in the consent decree that it had felt it might win by taking the case to trial.

One of the toughest provisions would sharply reduce the milk cooperative's ability to expand its economic power by purchasing new milk-processing plants.

It is prohibited from buying any milk plant for 10 years without advance approval of the Justice Department.

One Justice Department official acknowledged this was an unusual restriction in antitrust settlements, one that is rarely used outside of bank merger cases.

The cooperative is the nation's largest, dominating milk production in 14 Midwestern and Southwestern states. It controls about 12.5 per cent of the nation's milk.

It also had become one of the largest donors of politi-

cal campaign funds, having at one time promised to raise \$2 million for President Nixon's campaign in 1972.

Its donations came under scrutiny of the Senate Watergate committee, the Watergate Special Prosecution Force and the House Judiciary Committee's impeachment inquiry.

Early this month, the coop was fined \$35,000—the maximum—for violating federal election laws by making illegal campaign contributions.

The money had gone to President Nixon, Sen. Hubert H. Humphrey (D-Minn.), two other senators and a number of congressmen.

The settlement of the antitrust suit was announced

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