

MILK CO-OP ISSUED IN U.S. TRUST CASE

Mid-America Dairymen Was
Big Midwest Contributor
to Nixon's Campaign

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WASHINGTON, Dec. 27—The Justice Department filed a civil antitrust suit today against Mid-America Dairymen, Inc., one of three big middle Western milk marketing cooperatives that made heavy contributions to President Nixon's re-election campaign.

The Government previously brought antitrust charges against the two other cooperatives, Associated Milk Producers, Inc., and Dairymen, Inc.

Yesterday, the Justice Department disclosed that former Attorney General John N. Mitchell had rejected two recommendations by his Antitrust Division to file criminal rather than civil charges against Associated Milk Producers.

The department also rejected in a legal brief an assertion by Associated that some Administration officials had used the antitrust threat in an attempt to extort additional campaign contributions.

Today's suit, filed in the United States District Court in Kansas City, Mo., and announced here, charged Mid-America with "attempting to monopolize and unreasonably restrain the sale of milk in a 10-state area."

With 19,000 Producers

Mid-America is one of the nation's largest milk marketing organizations, with 19,000 producers in Texas, Missouri, Kansas, Nebraska, Iowa, Illi-

nois, Minnesota, Wisconsin, Arkansas and Oklahoma.

Among the practices the Justice Department charged the cooperative had used to eliminate competition from independent producers were the following:

¶ "Unreasonably restricting" members from leaving the co-op and competing with it.

¶ Restricting the right of independent milk haulers to transport milk from independent producers.

¶ Requiring milk processors to buy all of their milk from Mid-America and buying out processors who bought milk from independents.

¶ Agreeing with other milk associations to flood certain markets with milk to drive down the price received by independents and agreeing with other associations to restrict the shipment of milk into Mid-America's marketing area.

As a result of these asserted violations, the Justice Department complaint said, "competition in the production and sale of milk in Mid-America's marketing area has been restrained and eliminated."

Farm Price Rose

The department has not reported on the effects on the price of milk resulting from the alleged monopolistic practices of the three major milk cooperatives. However, the most recent Wholesale Price Index published by the Labor Department shows that the farm price of fluid milk rose by 43.5 per cent in the 12 months ended Nov. 30. In the same period, the Consumer Price Index for all dairy products rose by 20 per cent.

The antitrust litigation is only one of a number of current court cases and investigations in which the milk cooperatives play a prominent role.

Ralph Nader, the consumer advocate, for example, is suing the Government for alleged favors to the dairymen in return for their campaign contributions.