

Mitchell, Connally accused

*Tried to halt milk probe,
Watergate report alleges*

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WASHINGTON — The staff of the Senate Watergate Committee has alleged that John Mitchell and John Connally tried to thwart a Justice Department antitrust investigation of a big milk co-operative while in President Nixon's cabinet.

In a 359-page draft report prepared for the committee, the staff said milk producers also made repeated offers of contributions to Nixon's 1972 re-election campaign in trying to stop the investigation.

The report has been approved by Sen. Sam J. Ervin Jr. (D-N.C.), the committee chairman.

White House press secretary Ronald Ziegler termed the document "one of the crudest and most obvious political reports I've seen yet to come from the Ervin committee among the many they have produced."

Ziegler accused the committee staff and Democratic members of an effort to "destroy individuals" through "creating false impressions and innuendos."

The department filed a civil antitrust suit in late 1971 instead of initiating a grand jury investigation, the report said, and the milk producers gave \$200,000 secretly late in the campaign, bringing their total contributions to about \$737,000.

The suit is still pending in U.S. District Court in Kansas City.

The Committee has been investigating a possible link between the milk co-ops' pledge of \$2 million to the campaign and a 1971 increase in the price support for raw milk. The staff report contained new details

on the antitrust investigation of the biggest co-op, Associated Milk Producers Inc.

The report said:

- Mitchell, while attorney general, overruled a Justice Department staff recommendation for a grand jury investigation into possible criminal proceedings, and directed that only a civil antitrust suit be filed.

- Charles W. Colson, as special counsel to the President, sent White House chief of staff H. R. Haldeman a memo on Sept. 24, 1971, warning that if the antitrust investigation "goes too far, there will be a number of

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the very serious adverse consequences which I would be glad to elaborate on in detail."

- Herbert Kalmbach, Nixon's personal lawyer and a principal campaign fundraiser, met with milk co-op leaders on Jan. 14, Feb. 3, Mar. 16, and April 4, 1972, in connection with the suit and

possible contributions.

- Connally, the former treasury secretary, met with milk co-op leaders on Mar. 16 that year, and according to committee testimony, called Mitchell and Sen. Robert J. Dole, the GOP national chairman, to tell them the antitrust suit would have "a very damaging effect . . . politically on the Republican Party."