

Accord in Milk Antitrust Suit

Washington

The nation's biggest dairy cooperative agreed tentatively yesterday to settle a government antitrust suit that has its roots in the milk fund affair.

The co-op, Associated Milk Producers, Inc., agreed to refrain from using threats, coercion and a number of specific practices which the Justice Department had attacked as illegal.

The antitrust division had accused the \$1-billion-a-year co-op of using predatory practices to gain a hold on milk production in 14 Midwestern and Southwestern states from Texas to Minnesota. The co-op controls about 12.5 per cent of the nation's milk.

The proposed settlement was filed with U.S. District Judge John W. Oliver in Kansas City, Mo. A copy was made available in Washington. Interested parties have 60 days to comment.

The government's handling of the suit has come under investigation by the Senate Watergate committee, the Watergate special prosecution force and the House Judiciary Committee's impeachment inquiry.

Former President Nixon, who had been promised \$2 million in campaign donations by the co-op leaders, privately ruled out any antitrust prosecution of the co-op on the same day he raised federal milk price supports in March, 1971, according to a Judiciary Committee transcript of a White House tape recording.

Later the antitrust division repeatedly asked for a grand jury investigation of the co-op's alleged monopoly practices, but then Attorney General John N. Mitchell vetoed the requests for a criminal probe and directed that

a civil suit be brought instead.

The suit was filed Feb. 1, 1972.

On Apr. 4, according to Watergate testimony, the co-op's general manager, George L. Mehren, offered \$150,000 in campaign donations to Nixon fund-raiser Herbert W. Kalmbach and

asked that the antitrust suit be reduced to a "slap on the wrist."

Kalmbach has said he refused. Mehren has denied offering donations to Kalmbach, but says he is unable to explain why he signed \$150,000 worth of campaign checks that day, or why he later ordered them voided.

Associated Press