

Huge Dairy Co-op Slapped With Fine

Washington

Brushing aside a plea for leniency, a federal judge yesterday scolded the nation's largest dairy co-op for violating campaign laws and fined it the maximum \$35,000.

The cooperative, Associated Milk Producers Inc., pleaded guilty to a six-count charge of conspiracy and making \$280,900 in illegal corporate donations to Democrats and Republicans in federal elections of 1968, 1970 and 1972.

Erwin C. Heininger, lawyer for the co-op, asked the judge to go easy because the officials who authorized the illegal payments no longer work for the co-op and because the fine "will have to come out of the pockets of people who are completely innocent."

But chief U.S. District Judge George L. Hart said he found it hard to believe that the co-op's board of directors had been ignorant of the illegal donations authorized by their managers.

"This kind of cavalier violation has got to be put to a stop," Hart said.

He fined the group the

maximum possible amount, \$10,000 on the single felony conspiracy count and \$5000 on each of five counts of making illegal donations.

It was the largest such fine imposed on any corporation so far in the Watergate scandal.

The co-op, which has \$1 billion in yearly sales and about 38,000 members, was given 20 days to pay.

All of the corporate donations had been admitted before by its two former top executives, general manager Harold S. Nelson and special counsel David L. Parr. Nelson and Parr both have pleaded guilty to felony conspiracy counts and await sentencing.

The co-op donated various sums of money or services to Senator Hubert H. Humphrey (Dem-Minn.), Senator Edmund S. Muskie (Dem-Me.), Senator James Abourezk (Dem-S.D.), former Representative Page Belcher (Rep-Okla.), former Representative Patrick Hillings (Rep-Calif.), Representative Wilbur D. Mills (Dem-Ark.), various unnamed Iowa Democrats and Presi-

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dent Nixon's one-time chief fund-raiser, Herbert W. Kalmbach.

Pleading for a lower fine, Heininger said the co-op is made up of "hard-working, sincere, honest dairy farmers," and said the board of directors is made up of farmers who are "unsophisticated" about politics.

Heininger noted that Nelson and Parr had been removed from power in January, 1972, and said none of the admitted donations were made after that.

He also said some of the donations were made because of "bad legal advice."

"I think it is a tragedy that it did happen," Heininger said. "It will not happen in the future."

Heininger asked Judge Hart to impose a fine of \$15,000, less than half the maximum.

Hart said the primary consideration in the sentencing was to deter future violations of the law.

"The law has been on the books for a long time, and it's been well-known for a long time, and it's been completely disregarded by Republicans, Democrats and Independents for a long, long time," he said.

The milk producers issued a statement from their president, John E. Butterbrodt, of Burnet, Wis., who said the co-op knew of no evidence that the candidates who benefited from the illegal donations "had any knowledge whatsoever of the actions taken in their apparent behalf."

Butterbrodt said the milk producers had cooperated completely with the Watergate special prosecution force, and that "We have run a completely clean ship since the change of management in January of 1972."

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