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**U.S. Settles Milk Trust Action
Linked to Campaign Donations**

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WASHINGTON, Aug. 13—The Justice Department announced today that it had reached an agreement settling its antitrust suit against the Associated Milk Producers, Inc.

This is the lawsuit that the group attempted to bribe its way out of, according to the testimony of two of its former officers, by offering a large campaign contribution to former President Nixon's personal lawyer and fund raiser, Herbert W. Kalmbach.

The organization is also one of the group of milk cooperatives that has been accused of offering Mr. Nixon campaign contributions of up to \$2-million, in exchange for higher

Government-decreed prices for milk and for restrictions on imports of cheeses and other milk products.

As is always the case with civil antitrust suits, the settlement imposed no penalties beyond the association's agreement not to engage, in the future, in various allegedly illegal practices that it was charged

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with carrying out in the past. As a matter of legal technicality, the association did not admit to any past illegal acts. This is also a standard feature of settlements of civil antitrust suits.

None of the various allegations of attempted illegal political influence by the milk producers group have yet gone to a jury, though several are in various pretrial and pleading stages.

The settlement of the antitrust suit appeared to be considerably more than the "slap on the wrist" that Associated Milk officials were said to be asking when they allegedly offered \$150,000 to \$300,000 to Mr. Kalmbach.

Earlier, according to documents that have been produced in court, John N. Mitchell, then Attorney General, stalled the attempt of the Antitrust Division to start a grand jury investigation that might have resulted in a criminal case against the milk producers group.

The civil case that was set-

tled today was filed by the former antitrust chief, Richard W. McLaren, on Feb. 1, 1972, his last day in the antitrust job.

The association had been accused, among a long list of alleged violations of the Sherman Antitrust Act, of putting many kinds of illegal pressures on milk producers who were not members of the association, including threatened boycotts of milk processors who bought any milk from nonmembers.

Not Final for 60 Days

It was also alleged to have coerced truckers who hauled milk for association members not to do so for nonmembers, and with manipulating deliveries in such a way as to qualify their members for prices higher than they were entitled to under Agriculture Department's milk-marketing orders.

All of these various alleged illegal actions appeared to be enjoined by the settlement, which was filed in United States District Court in Kansas City.

The settlement will not be-

come final for 60 days, another standard provision of a consent settlement. The waiting period is intended to give the judge time to decide whether the settlement appears to be a reasonable one.

Ordinarily, third parties have not been permitted to come into court to make any complaint about such settlements, although at least two Federal District Court judges have permitted such third-party interventions in recent years. It was not known whether the judge in this case, John W. Oliver, would hear any third-party protests, should they develop.

The association was ordered to inform all the truckers who haul milk for it, all the processors who buy its milk and all of its members and employees of the agreement it had reached with the Justice Department.

A.M.P.I. dominates the production and marketing of milk in 14 Middle Western, Southwestern and Southern states doing more than \$1-billion worth of business a year, and controlling about 12.5 per cent of the milk production of the nation.