

# U.S. Dismisses Tax Suit Over 3M's Slush Fund

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MINNEAPOLIS, July 27 (UPI) —United States District Judge Donald Alsop dismissed today Federal tax charges against the Minnesota Mining and Manufacturing Company stemming from a secret corporate slush fund.

The worldwide manufacturing concern and two former officers were indicted by a Federal grand jury in January 1975 on several charges in connection with the fund, from which illegal political contributions were made.

Judge Alsop ruled the indictments violated an agreement between 3M and the Watergate special prosecutor's office in which the Government agreed not to prosecute the tax charges in return for guilty pleas to lesser charges.

The former board chairman, Harry Heltzer, as well as the

company pleaded guilty in 1974 to charges in connection with a \$30,000 contribution from the slush fund to former President Richard M. Nixon's 1972 election campaign. The company was fined \$3,000 and Mr. Heltzer was fined \$300.

The company contended that before the guilty pleas were made, it agreed to tell Government prosecutors about the secret fund, which had been maintained for about 10 years. In return, 3M said, the Government agreed not to prosecute the company for having the fund. Judge Alsop's ruling agreed with 3M's contention, saying the evidence "would lead one in the position of the defendants to reasonably conclude that the guilty pleas and full cooperation would be fully dispositive of all criminal matters arising out of the illegal political contributions.