

Dairymen Seen Eying Kalmbach

SAN ANTONIO, March 22 (AP) — A dairy cooperative's general manager says there were plans in 1972 to call on Nixon fund-raiser Herbert W. Kalmbach for help with a Justice Department antitrust suit against the co-op, according to testimony here.

Harold S. Nelson said Thursday that Dr. George Mehren, general manager of Associated Milk Producers, Inc., wanted a conversation arranged with Kalmbach, who was also Mr. Nixon's personal attorney.

Nelson testified in a deposition in antitrust cases filed by private litigants which relate to the Justice Department case. Nelson, who was Mehren's predecessor as AMPI general manager, has been indicted on perjury charges in an Arkansas federal grand jury investigation of 1968 dairy political activities.

Nelson's deposition was about a meeting on April 4, 1972, which he said took place at AMPI's headquarters here.

The testimony adds yet another piece to a disputed story being checked out by Watergate investigators. It involves claims that AMPI made an arrangement with Kalmbach for the antitrust suit to "die a natural death" in exchange for \$300,000 in contributions.

Nelson said he has never been told that such an arrangement existed.

The arrangement, according to hearsay testimony by former AMPI official Dwight Morris, was revoked by Kalmbach after publicity over the Nixon administration's handling of an International Telephone and Telegraph Corp. antitrust case.

Nelson said of the April meeting that Mehren "was exercised about actions by the administration and particularly the filing of the antitrust suit by Justice."

In seeking a discussion with Kalmbach, Mehren "wanted to see if there was anything they might do to help in the regard," Nelson said.

Asked if Mehren planned to discuss political contributions and the antitrust suit with Kalmbach, Nelson said, "Well, he was going to discuss the two matters contemporaneously."

Although Nelson said he counseled against such a discussion, he said AMPI attorney Jake Jacobsen was called to arrange a phone call between Mehren and Kalmbach, and that Kalmbach was to call Mehren at home.

Nelson said he does not know if the Mehren-Kalmbach conversation ever occurred.

Bob A. Lilly, AMPI legislative director, has been quoted as saying Mehren talked with Kalmbach by telephone to discuss exactly what benefits the co-op would derive from a \$300,000 contribution.

Lilly, who Nelson said was present at the April, 1972, meeting, was quoted in the so-called Wright Report, an independent report commissioned by AMPI on its activities for the past five years.