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Kalmbach Story of Milk Contribution



UPI Telephoto

HERBERT KALMBACH
Report on testimony

Washington

Herbert L. Kalmbach has testified of a midnight meeting where a dairy cooperative official was told that milk prices would be increased and that the White House wanted confirmation of a \$2 million campaign pledge, according to informed sources.

Kalmbach, a former cam-

paign fund-raiser for President Nixon, said in the secret testimony that the session took place on March 24, 1971, in his suite at the Madison Hotel, the sources said.

Milk price supports were increased the next day.

The White House has said that Mr. Nixon's milk price order was not influenced by the promise of campaign

contributions from the cooperative, an organization of dairy farmers.

The alleged meeting, which took place after a Republican fund-raising dinner attended by dozens of dairy cooperative officials, included Kalmbach, Murray M. Chotiner and Harold S. Nelsons, according to the Kalmbach testimony.

Chotiner had quit three weeks earlier as President Nixon's special counsel, and had just entered private law practice, where he was receiving a retainer of \$57,000 a year paid by the nation's largest dairy cooperative, Associated Milk Producers, Inc. Nelson was the chief executive officer of the cooperative.

According to the sources, Kalmbach swore that Chotiner told Nelson that John D. Ehrlichman, who was Mr. Nixon's chief domestic adviser, wanted Nelson to reaffirm the milk producers' promise of \$2 million in light of a milk-price increase that the President had just ordered.

Kalmbach said Nelson agreed, the sources said.

The next day the administration made its public announcement of the price increase of 27 cents per hundredweight, which added hundreds of millions of dollars to the income of dairy farmers.

Kalmbach's testimony was given about six weeks ago to two investigators for the Senate Watergate committee, Alan Weitz and David Dorsen, according to the sources.

They said this testimony, along with other unspecified evidence, provides the basis for a letter which lawyers for the House Judiciary Committee sent to the White House April 19. That letter, intended to state facts showing the impeachment investigators' need for 45 presidential tape recordings about the milk-fund affair, was made public Friday.

It said, among other things, that on March 24, 1971, "Mr. Chotiner stated to several dairymen that Mr. Ehrlichman expected the dairy industry to reaffirm its \$2 million 'commitment' in light of a forthcoming increase in milk price supports."

Associated Press