

Ex-Humphrey Aide Testifies He Saw No Evidence

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Jack L. Chestnut told a jury in Federal District Court here yesterday that he could not recall ever seeing any of the documents or making any arrangements for an illegal corporate campaign contribution from a milk cooperative. But he stated under cross-examination that he had been paid \$5,000 during the time of the contribution for "legal work" done for the cooperative.

The testimony came midway in the one-day presentation of the defense for the former 1970 senatorial campaign manager for Senator Hubert H. Humphrey, Democrat of Minnesota, and just before the prosecution and the defense delivered their summations in the third day of the trial.

Mr. Chestnut is charged with accepting an illegal corporate campaign contribution by arranging for the Associated Milk Producers, Inc. (AMPI) to pay \$12,000 advertising bill of the 1970 Humphrey campaign from the now-bankrupt New York firm of Lennen & Nowell.

Prosecution Testimony

Under direct examination by his attorney, Douglas Thomson, Mr. Chestnut, a Minneapolis lawyer, insisted that he had brought the series of payments from the San Antonio-based milk cooperative were from its political arm, a legal contribution. He said he did not recall ever having seen, signed or dictated two letters referring to the transaction, or ever having seen the milk cooperative's checks sent through his office to the advertising firm.

The 42-year-old defendant said that the term "A.M.P.I. funds" used by Bob A. Lilly, the chief prosecution witness and the man who said he had sent the illegal contributions to Mr. Chestnut at his request, always meant in his mind that they had been from the legitimate political arm of the cooperative.

In fact, he said, everyone in the campaign, including Mr. Humphrey, had referred to

them as "A.M.P.I. funds," and no one had ever known of, or referred to, the political arm by its formal name, Trust for Agricultural Political Education (T.A.P.E.).

"I never heard of T.A.P.E. in 1970," he said. The checks for "legal services" covering a period under cross-examination by Assistant United States Attorney Eugene F. Bannigan from April 27, 1970 to Nov. 15, 1970 were introduced. They were in the form of personal checks from an A.M.P.I. consultant and former Vice Presidential

executive assistant to Mr. Humphrey, William C. Connell.

With this information, which prosecution sources said might not have developed had Mr. Chestnut not taken the stand, Mr. Bannigan began questioning the defendant about his legal training knowledge and experience in setting up corporate trusts. Mr. Bannigan referred to the payment through Mr. Connell as "peculiar" at one point and "curious, curious" at another.

"You were the attorney for A.M.P.I. and you didn't know

what T.A.P.E. was," asked Mr. Bannigan.

"I was not their general counsel," answered Mr. Chestnut, who went on to say that he had been retained for a two-year period by the 42,000-member milk cooperative to represent them in Minnesota, one of 22 states where they have members. The arrangement was at the recommendation of Mr. Connell. Mr. Chestnut said, and all he, Mr. Chestnut, need be aware of in his role was Minnesota law regarding cooperatives.

SDAY, MAY 8, 1975

of Illegal Contribution

Mr. Bannigan's pressing the question of the checks for "legal services" as well as other personal checks received by Mr. Chestnut from Mr. Lilly totaling \$23,950, were designed to show what he called "willful intent" on the defendant's part in allegedly arranging for the payment of the \$12,000 advertising bill.

Mr. Chestnut is only charged with arranging the one payment to the advertising firm. He insisted under Mr. Thomson's questioning that he had also thought that the other

funds had been legitimate political contributions from the A.M.P.I. political unit. He noted that these other checks were made out to Minnesota Democratic Campaign Committee, a state group that under campaign law was not limited to a \$5,000 ceiling on individual contributions from a legal source. National groups are.

Also in attempting to refute the prosecution's contention that Mr. Chestnut had destroyed documents of the transaction, "willfully and intentionally," Mr. Thomson called as a

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25

by Milk Co-op in '70 Race

witness a lawyer who said that the defendant had consulted him before destroying records.

The lawyer, John D. French, told the jury of nine women and three men that he had advised Mr. Chestnut, after being asked for an opinion, that Mr. Chestnut had no legal obligation to maintain the records.

That opinion was written to Mr. Chestnut in 1972 when he was managing the Humphrey Democratic presidential nomination bid. This was the same time that some of the 1970 records were destroyed. It was

also given verbally to Mr. Chestnut in 1970, said Mr. French.

Both occasions were before the investigation of the Watergate committee, an investigation which, according to the prosecution aroused Mr. Chestnut's fear.

The defense also called a secretary in Mr. Chestnut's office. She described office procedures that she said could have made it very possible that Mr. Chestnut had never seen the letters, checks or other documents relating to the \$12,000 payment.