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**Kalmbach Says Strangers  
Got \$400,000 From Him**

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WASHINGTON, July 17 — Herbert W. Kalmbach testified today that, under orders from the White House, he provided \$400,000 in cash three years ago to men he had never seen before and whose names he still did not know.

Mr. Kalmbach, then a personal attorney and major fundraiser for President Nixon, told the Senate Watergate committee that he now suspected that all or part of the money was

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used in an unsuccessful attempt to defeat George C. Wallace in the 1970 Democratic primary campaign for Governor of Alabama.

Mr. Kalmbach also acknowledged that his work in raising money for the seven Watergate defendants was "an improper, illegal act," although he said he did not realize that at the time.

In retrospect, he said, he feels that he may have been "used" by four of President Nixon's advisers—H. R. Haldeman, John D. Ehrlichman, John W. Dean 3d and John N. Mitchell.

Mr. Kalmbach repeated to the committee today that his instructions for raising and disbursing \$220,000 for the Watergate defendants had come from Mr. Dean, the former Presidential counsel. He also said that he had received personal assurances from Mr. Ehrlichman, the President's former domestic ad-

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viser, that his work was proper.

Under often incredulous questioning from the Senators, Mr. Kalmbach continued to insist that he thought the money was only for the defendants' legal fees and family support.

Mr. Dean testified last month that the money had been paid to persuade the men who were indicted in the Watergate conspiracy to keep silent about the activities of high officials in the White House and the President's re-election campaign.

Mr. Kalmbach said that the Presidential advisers who knew what the money was intended for had betrayed him.

The 51-year-old California lawyer, who has reportedly agreed to testify for the prosecution in any further criminal trials arising out of the Watergate burglary, appeared contrite today about his activities.

That led Senator Sam J. Ervin Jr., Democrat of North Carolina, the committee's chairman, to remark, "People are a lot like lightning bugs; they carry their illumination behind them."



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Herbert W. Kalmbach testifying for second day.

Mr. Kalmbach made the following other points in his testimony today:

¶He denied ever soliciting campaign contributions from corporations, thus disputing the board chairmen of several major corporations, including American Airlines.

¶He informed Mr. Mitchell, the former Attorney General and campaign director, that there was a surplus from Mr. Nixon's 1968 campaign. Mr. Mitchell testified last week that he knew of no such surplus.

¶He lent \$20,000 of his own money to Mr. Ehrlichman last year and, at Mr. Ehrlichman's instructions, took pains to keep the loan secret.

¶His orders to pay the salary and expenses of Donald H. Segretti, who has been indicted for campaign sabotage, came from Mr. Nixon's former appointments secretary, Dwight L. Chapin.

During Mr. Kalmbach's testimony this afternoon, Mr. Ervin produced the transcript of a tape recorded telephone conversation last April between Mr. Kalmbach and Mr. Ehrlichman.

The call, placed by Mr. Ehrlichman the day before Mr. Kalmbach was scheduled to appear before the Watergate grand jury, was recorded by Mr. Ehrlichman who was obtained by the committee, apparently under subpoena, from him.

#### Concerned Over Dean

In part, the conversation showed Mr. Ehrlichman's concern that Mr. Dean was attempting to get a grant of immunity from prosecution by wrongly implicating Mr. Ehrlichman and Mr. Haldeman, the former White House chief of staff.

one of the most bizarre tales of the Watergate hearings thus far.

Under questioning from Senator Herman E. Talmadge, the Georgia Democrat, Mr. Kalmbach said that he had received orders to deliver the money from Lawrence M. Higby, an aide to Mr. Haldeman.

Mr. Kalmbach said that he had stashed hundreds of thousands of dollars in cash left over from the 1968 campaign in safety deposit boxes across the country and that it was this money that he used for the payments ordered by Mr. Higby.

Mr. Ehrlichman apparently recorded many conversations last April, without telling the persons on the other end of the line. Last month, the committee disclosed the transcript of a call between him and Richard G. Kleindienst, the former Attorney General.

As he did in the Kleindienst conversation, Mr. Ehrlichman went to lengths in the one with Mr. Kalmbach to present his own case about knowing nothing of the Watergate cover-up.

Mr. Kalmbach said that he was distressed when he learned recently that Mr. Ehrlichman had recorded his call.

Mr. Kalmbach's description of how he provided the \$400,000 in cash to complete strangers, apparently to be used against Governor Wallace, was

Mr. Kalmbach related that he took the first \$100,000 from a box at the Chase Manhattan Bank in New York City. He took the bundle to the lobby of the Sherry Netherlands Hotel at 59th Street and Fifth Avenue and gave it to a man he had never seen before.

The following dialogue between Mr. Talmadge and Mr. Kalmbach then occurred:

SENATOR TALMADGE: How did you know you gave the \$100,000 to the right man?

MR. KALMBACH: I was advised at a later date that I had given the funds to the right person.

Q. You didn't walk into the lobby and give the two

hundred thousand to the first man you saw, did you?

A. No sir.

Q. What was the arrangement whereby you could make the proper contact?

A. I don't recall the specific arrangements, Senator. It was simply that he—I was in the lobby, and I think I was in a particular colored suit and he came up to me and identified himself as being from some place and I don't recall where it was.

Senator Talmadge, in his Georgia accent, continued to express astonishment. The Senator drew from Mr. Kalmbach how at another point he had withdrawn \$200,000 in cash, had given it to his brother-in-law, France Raine, and had instructed Mr. Raine to give it to a stranger in the lobby in the Sherry Netherland.

The final \$100,000, Mr. Kalmbach testified, was given to another person he had never seen before in the lobby of the Bank of California building in Los Angeles.

Mr. Kalmbach said that he still did not know what the money was used for and never asked. But when questioned by Mr. Talmadge about whether he had suspected that it was used against Governor Wallace, Mr. Kalmbach answered, "Yes, sir." \*SEE A 21, COL. 5



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Howard H. Baker Jr., vice chairman of the Senate Watergate committee, leaning over to confer with Chairman Sam J. Ervin Jr. during yesterday's hearing. At the left are Robert Silverstein, assistant counsel, examining papers, and Fred D. Thompson, chief minority counsel.