

NY Times
**Milk Official Reportedly Tried
To Give \$150,000 to Kalmbach**

WASHINGTON, May 3 (AP)—The head of the nation's largest dairy cooperative allegedly tried to pay \$150,000 to Herbert W. Kalmbach, a Presidential fund-raiser, to have a Government antitrust suit reduced to a "wrist-slap," according to a statement filed in United States District Court in Kansas City. The charge in the court document was attributed to Bob A. Lilly, former lobbyist for Associated Milk Producers, Inc. Mr. Lilly was also quoted in the statement as saying that top officials of the organization had told him that up to \$2-million had been pledged earlier to President Nixon's campaign as a "commitment of money made in conjunction with the 1971 price support" increase ordered by Mr. Nixon.

The 1971 price increase and the Government's still-pending antitrust lawsuit are both subjects of the House Judiciary Committee's impeachment inquiry. The committee is said to be requesting 45 White House tape recordings related to the price-support decision.

Mr. Lilly testified under immunity last year before the Senate Watergate committee and a Watergate grand jury. Subsequently, he was interviewed Dec. 27 and 28 by Edward L. Wright, a former president of the American Bar Association who was conducting an independent inquiry for the cooperative's board of directors.

Typewritten notes of the Lilly interview became public this week after the Justice Department's Antitrust Division subpoenaed Mr. Wright's notes and papers. Mr. Wright's account was made public in Lit-

tle Rock Monday and Tuesday as an exhibit to his pretrial testimony, which he gave in his law office in that city.

Mr. Lilly's quoted statement in the first eyewitness allegation of an attempt to derail the antitrust suit. Also, it is the first assertion attributed to an official of the cooperative linking the 1971 price increase to promises of campaign money.

According to the account, Mr. Wright asked Mr. Lilly what happened on April 4, 1972, just two months after the Government sued the co-op.

"This really stinks," Mr. Lilly was quoted as saying.

The account said that on that date, George L. Mehren, general manager of the co-op, signed \$150,000 worth of checks, drawn on the co-op's political account. They were not cashed and were later voided.

Mr. Mehren met with Mr. Lilly and with Harold S. Nelson, a \$100,000-a-year consultant who had been the previous general manager.

"Nelson tried to discourage Mehren from calling Kalmbach," Mr. Lilly was quoted as saying. "He said that Kalmbach would not talk about matters like this on the phone. Mehren wanted assurance of only a wrist slap in the antitrust case. Mehren wanted to know what the hell they were contributing \$150,000 for."

Then the account mentions Mr. Nixon's 1971 order raising the Federal support price for milk. The White House has said that Mr. Nixon was influenced by "traditional political considerations" but not by the dairy-men's promises of campaign money.