

Ehrlichman Action Bared

Involved in Milk Fund

By George Lardner Jr.
Washington Post Staff Writer

Former White House aide John D. Ehrlichman personally arranged a 1971 meeting with the milk producers to nail down a \$2 million pledge for President Nixon's re-election, according to first-hand evidence supplied to the Senate Watergate committee.

Ehrlichman, the committee said in its final report yesterday, told the President's chief fund-raiser at the time, Herbert W. Kalmbach, of the forthcoming meeting in a phone conversation on March 23, 1971.

Mr. Nixon decided to increase milk price supports that same day during a conference with his top advisers in the White House Oval Office.

The Senate committee emphasized, however, that no announcement of the increase was made until after Kalmbach arrived in Washington on March 24, met with the milk producers that night at Ehrlichman's direction, and was reassured that they intended to contribute \$2 million for the President's re-election.

See MILK, A9, Col. 1

MILK, From A1

Kalmbach testified before the committee that Ehrlichman told him in advance that "a reaffirmation of the pledge would be received."

Kalmbach disclosed his contacts with Ehrlichman only last month in executive-session testimony that the committee said was prompted by Kalmbach's recent discovery of his personal itinerary for the dates in question.

The White House has acknowledged that Mr. Nixon had been told of the milk producers' plans to contribute \$2 million before he ordered the higher price supports, but it has denied that this influenced his decision. The President has said that his action on milk price supports was prompted primarily by Democratic congressional pressures to raise them.

The Senate Watergate committee conceded that "much of what the President says is supported by the surrounding events," but said that Mr. Nixon's position "does not take into account other key facts uncovered by the select committee in the course of its investigation."

The Senate committee's report concluded a nine-month investigation of the milk fund. Watergate prosecutors and the House Judiciary Committee are still conducting their own inquiries.

President Nixon approved the higher milk price supports on March 23, 1971, after intensive lobbying at the White House and on Capitol Hill by officials of Associated Milk Producers, Inc., and two other huge dairy cooperatives, Mid-America Dairymen and Dairymen, Inc.

Mr. Nixon made his determination after a meeting with the milk producers in the Cabinet Room that morning and after a final conference in the Oval Office with Ehrlichman and other advisers that ended at 5:38 p.m.

According to congressional investigators, the White House then passed word to the milk producers that they were expected to reaffirm their \$2 million campaign commitment.

AMPI officials had first made the promise the year before in discussions with White Office special counsel Charles W. Colson, but the milk producers had yet to come through.

Kalmbach, who was in California on March 23, told the committee that he spoke with Ehrlichman by phone sometime that afternoon or evening. Since afternoon in California can be evening in Washington, Senate investigators say they believe the conversation took place after the meeting with Mr. Nixon in the Oval Office broke up.

In any event, the committee reported, Kalmbach, who was about to come to Washington on other business, testified that Ehrlichman told him—without providing any other details—to add an 11 p.m. meeting to his agenda for March 24.

Meanwhile, the Senate committee report said, AMPI general manager Harold S. Nelson, the leading strategist for the milk producers in the drive for higher support prices, was contacted by the President's longtime confidant, Murray M. Chotiner, who had just left the White House staff to become a lawyer for AMPI. (Chotiner has since died.)

Nelson had not previously testified about such a phone call. Senate committee sources said his memory was jogged last month by Kalmbach's new testimony.

According to the committee report, Nelson told staff investigators that "sometime on the 23d," Chotiner called and told him "that the prospects for a price support increase were good but that it was not certain and that Nelson was not to count on it."

Nelson, the report stated, said it was clear to him that Chotiner had obtained his information from someone at the White House.

Before the Oval Office meeting with Mr. Nixon broke up, according to lawyers for the House impeachment inquiry, "there was a brief discussion about someone contacting Mr. Colson." A few minutes later, White House logs show, Ehrlichman met with Colson. Colson then contacted Chotiner.)

In his discussion with Chotiner, Nelson told inves-

tigators, he was also told to attend a meeting the next night with Kalmbach and Chotiner.

"I was to let Kalmbach know that we were still prepared to make the contribution," Nelson reported to Senate investigators.

Asked whether Chotiner linked this to the price support decision, Nelson replied:

"No, he just said that he wanted me to meet with Kalmbach, and I suppose that was an implication there, but he didn't deal that bluntly at all."

According to the Senate Watergate committee, Nelson said it was the March 23d phone call from Chotiner that triggered a round of meetings by the milk producers throughout that night, one of them after a predawn flight to Louisville, Ky., where a hurry-up attempt was made to raise \$300,000 for the President's campaign from an official of Dairymen, Inc.

Kalmbach's itinerary indicates that he arrived in Washington late in the afternoon of March 24. He landed at Dulles Airport and went directly to a meeting with Ehrlichman at 5:30 p.m. It was then that Kalmbach has testified he was furnished with details of the late-night meeting that he had been told to put on his agenda.

"My very best recollection," Kalmbach testified, is "that at the 5:30 meeting with Mr. Ehrlichman, he advised me that I would be meeting with Mr. Chotiner and Mr. Nelson later that evening, at which time a reaffirmation of the pledge would be received."

Nelson has already testified that he met Chotiner at 11 p.m. in the lobby of the Madison Hotel where they had a chat before going upstairs to Kalmbach's suite there.

Then they went upstairs to see Kalmbach. According to Kalmbach, Chotiner explicitly linked the forthcoming increase in price supports to the milk producers' reaffirmation of its \$2 million campaign pledge. Kalmbach testified that Chotiner also stated that "Mr. Ehrlichman had asked Mr. Chotiner to make sure that I was informed of this reaffirmation, that they were in

fact reaffirming the \$2 million pledge to the campaign."

Kalmbach, however, also testified that he considered the expected announcement of higher price supports a "foregone conclusion" at that point. He said he did not think it would have been reversed even if the milk producers had reneged.

The Senate report indicated that Nelson was somewhat less certain. The AMPI official said he had no understanding that the price support increase was conditioned on the renewed campaign pledge, but he acknowledged that any refusal on his part might well have had "an adverse impact."

The Watergate committee report suggested that although Nelson renewed the \$2 million pledge at the March 24 midnight meeting in Kalmbach's suite, it was more of a formality than previously suspected.

Kalmbach, for example, said it was plain to him from his meeting with Ehrlichman earlier that day that "I was not to seek a reaffirmation, but I would be supplied with such a reaffirmation."

By the time Chotiner and Nelson came up to see him, he added, "it was my impression that they were simply advising me of something that they probably had indicated to someone else earlier."

The administration publicly announced the higher price supports on March 25.

The White House has said that Mr. Nixon did take "traditional political considerations" such as the farm vote—into account in ordering higher price supports.

The Senate Watergate committee contended that the White House may well have been worried, too, about losing the \$2 million promised by the milk producers, especially "at a time when the President's fund-raisers were trying to raise 'early money' for the campaign while the President trailed Sen. (Edmund) Muskie in a leading presidential poll by 5 percentage points."

The Senate committee also emphasized that it had been denied both documents and tape recordings it sought from the White House for its investigation.