

MILK GIFTS LINKED TO HUMPHREY AIDE

Election Official Reportedly
Had Co-op Pay Ad Bills

WASHINGTON, Aug. 2 (AP) — An advertising executive Barry Nova, has signed a statement saying that Senator Hubert H. Humphrey's campaign manager arranged for an illegal \$12,000 corporate payment in 1970.

The manager, Jack L. Chestnut of Minneapolis, invoked the Fifth Amendment guarantee against self-incrimination and refused to testify before the Senate Watergate committee about corporate payments to the Humphrey campaigns in 1970 and 1972.

Mr. Humphrey, Democrat of Minnesota, has said he was unaware of the corporate money.

Mr. Nova, who did advertising work for Mr. Humphrey's 1970 Senate campaign, said in his statement that Mr. Chestnut had asked him to forward some of his bills for work to a milk producers' cooperative, the Associated Milk Producers, Inc. The co-op admitted yesterday that it had illegally paid \$12,000 of the bills out of corporate funds.

Mr. Nova's notarized statement is in the open files of the Watergate committee.

The files contain copies of a letter, signed by Mr. Chestnut, asking the cooperative's lobbyist, Bob A. Lilly, to pay the bills. There also is a statement quoting Mr. Lilly as saying that he had sent \$12,000 in corporate checks to Mr. Chestnut to be forwarded to the advertising company. Copies of the two \$6,000 checks, made out on the corporation account, are included.

Considered It Legal

Mr. Nova, of Greenwich, Conn., worked as a political advertising specialist in the now-bankrupt company of Lennen & Newell. He said he believed the group he was billing was a political trust and not a corporation. "We believed the proposed payment from the 'American Milk Producers' to be entirely legal and proper," Mr. Nova said.

The Watergate files show that Lennen & Newell eventually sent four invoices for consulting fees for \$3,000 each to "Associated Milk Producers, Inc., c-o Bob A. Lilly." The bills were dated April 17, April 24, May 1 and May 8, 1970.

Mr. Nova said Mr. Chestnut had forwarded the bills to Mr. Lilly only after an initial period in which the advertising company had billed the milk producers "c-o Jack Chestnut." Mr. Chestnut apparently got the advertising company to issue new invoices deleting his name and substituting Mr. Lilly's.