

Kalmbach Tells Jury of Talks With Ehrlichman

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WASHINGTON, Nov. 12—The Watergate cover-up trial turned today to the question of how hundreds of thousands of dollars in cash was raised and distributed to the men who participated in the Watergate burglary.

The jury heard some of the most revealing evidence to date on the role of John D. Ehrlichman in the alleged conspiracy to cover up the facts of the burglary.

Herbert W. Kalmbach, who was once the personal attorney for President Nixon and a key fund-raiser for Nixon political campaigns, spent the day on the witness stand. He testified about cross-country airplane trips to get money, clandestine conversations over pay telephones using aliases and code words, and packets of hundred-dollar bills concealed in brown paper sacks and laundry bags.

Assignment From Dean

At one point, Mr. Kalmbach broke down and cried—the first witness to do so at the trial—as he related how he had gone to a corporation executive and, under the pretense of raising money for Mr. Nixon's re-election, had collected \$75,000 in cash to be passed on to the burglars.

Mr. Kalmbach said that he received his assignment to raise money for the seven original defendants from John W. Dean 3d, then White House counsel, on June 28, 1972. This was 11 days after the burglary of the Democratic headquarters in the Watergate complex here.

Mr. Dean has testified that he approached Mr. Kalmbach after clearing the matter with Mr. Ehrlichman, who was the chief White House adviser on domestic matters and a close friend of Mr. Kalmbach.

Mr. Dean and E. Howard Hunt, Jr., one of those who received money Mr. Kalmbach collected, have testified at the present trial that the main purpose of the money was to buy the silence of Mr. Hunt and the other accused in connection with the burglary.

Meeting With Ehrlichman

Mr. Kalmbach said today that, for a while he believed the money would be used only for legal, "humanitarian" purposes to pay the defendants' legal fees and to support their families.

But he said that, after he obtained huge sums of cash that had been contributed to the Nixon re-election campaign and set aside by the campaign committee, he became concerned about the propriety of what he was doing.

On July 28, 1972, he testified, he asked for a meeting with Mr. Ehrlichman and, after they exchanged pleasantries, brought up the matter of the money.

"I said, 'John, I'm looking you right in the eye, and I know Barbara and your family, and you know Jean and my family and you've got to tell me here and now that this is something that is proper that I should go

forward with," Mr. Kalmbach recalled.

According to the witness, Mr. Ehrlichman replied, "Herb, this is proper. It's for those fellows and their attorneys' fees and their families."

"This Is not Kosher"

Then, Mr. Kalmbach related, Mr. Ehrlichman said, "Herb, you are to go forward with this," Mr. Kalmbach continued:

"It was in the form, to me, of a directive to go forward. I remember with absolute certainty that he said, 'Herb, they'd have our heads in their laps.'"

"If what?" James F. Neal, the chief prosecutor in the case, asked.

"If the secrecy wasn't maintained," Mr. Kalmbach replied.

Ten days later, Mr. Kalmbach declared, he came to the firm conclusion that "I was involved in an illegal activity."

He reached that conclusion, he said, after meeting with Anthony T. Ulasewicz, a former



Associated Press

Anthony T. Ulasewicz arriving yesterday for Watergate trial. Herbert W. Kalmbach said Mr. Ulasewicz raised doubts on propriety of distribution of money.

New York City policeman who had taken the money raised by Mr. Kalmbach and had distributed it to the defendants.

Mr. Ulasewicz, Mr. Kalmbach related, told him, "This is not kosher. I don't think this is an activity you ought to be involved in."

Mr. Ulasewicz is scheduled to

be the witness when the trial resumes in the morning.

Both he and Mr. Kalmbach testified at length before the Senate Watergate committee in the summer of 1973, and Mr. Kalmbach's testimony today, while more detailed, was essentially the same as what he gave the committee.

Since July, Mr. Kalmbach has been serving a sentence of eight to 18 months in Federal prison. He pleaded guilty to a violation of a campaign finance law and to promising an ambassadorship in return for a campaign donation.

Judge Appears Incredulous

Mr. Ehrlichman was the only one of the five men on trial who was seriously implicated by Mr. Kalmbach's testimony. The others are H. R. Haldeman, former White House chief of staff; John N. Mitchell, former Attorney General and campaign director; Robert C. Mardian, former Assistant Attorney General and political coordinator for the Nixon campaign, and Kenneth Wells Parkinson, who was hired as a lawyer by the campaign.

Judge John J. Sirica seemed incredulous that it took Mr. Kalmbach so long to realize that he had not acted properly in raising money for the original defendants.

After the jury was excused for the day, Judge Sirica himself began to question Mr. Kalmbach.

The judge noted that Mr. Kalmbach had said that shortly after the burglary two lawyers each refused to accept from Mr. Ulasewicz a \$25,000 cash legal fee for helping the Watergate defendants.

"Didn't that arouse your suspicions as to the legality of

those payments?" the judge asked.

Mr. Kalmbach replied that it had not.

Judge Sirica asked whether the aliases and use of pay phones had not indicated that something was amiss.

It did not, the witness said.

Advised to Tell Truth

"You are telling this Court and that jury," the judge went on, with disbelief in his voice, "that you never became suspicious that these payments were probably for illegal purposes, a cover-up, or other than those humanitarian purposes until you finally decided to get out?"

Mr. Kalmbach said that this was the case.

Under cross-examination by William S. Frates, Mr. Ehrlichman's attorney, Mr. Kalmbach said that Mr. Ehrlichman had told him throughout that the money he had raised was for legal purposes, and he said that Mr. Ehrlichman had advised him to tell investigators the full truth about the case.

"Did John Ehrlichman ever tell you to do anything that you considered illegal or improper?" Mr. Frates asked.

"He did not," Mr. Kalmbach replied.

But Mr. Kalmbach told of a meeting with Mr. Ehrlichman in California in April, 1973, as the Watergate case was coming unraveled.

The two men drove in an automobile to a bluff overlooking the Pacific Ocean and, according to Mr. Kalmbach, Mr. Ehrlichman said, "Herb, I want you to be certain you identify John Dean as the one who directed you in these dealings."

"And you, too, John," Mr. Kalmbach recalled replying.

"At that, Mr. Kalmbach said, Mr. Ehrlichman stared into the ocean and nodded his head.

Meanwhile, a group of television and radio networks and executives filed a legal motion asking Judge Sirica to give them access to White House tape recordings so that they could be broadcast.

Cautioned on Secrecy

The money that was raised by Mr. Nixon's White House and campaign aides and was paid to the seven original Watergate defendants is a pivotal point in the prosecution's contention that there was a conspiracy to keep facts from the authorities.

All told, Mr. Kalmbach swore, he collected and distributed about \$220,000 from June through September, 1972.

While he said that he had been told by Mr. Dean and Mr. Ehrlichman that the money was intended to be used by the defendants to pay their legal fees and support their families, he declared that Mr. Dean had cautioned him about the need for secrecy.

Earlier Testimony

If the payments were ever disclosed, Mr. Kalmbach said he had been told, the result could be disastrous to Mr. Nixon's bid for re-election.

Mr. Kalmbach's testimony today was damaging to Mr. Ehrlichman not only on the conspiracy and obstruction of justice counts that are faced by other defendants, but also on a specific charge against Mr. Ehrlichman of lying under oath to a grand jury.

In May, 1973, according to the indictment, Mr. Ehrlichman

told the grand jury that he had not approved the raising of money for the Watergate defendants and had not said that such collections should be kept secret. He also told the grand jury that he had told Mr. Kalmbach only that Mr. Kalmbach should help raise money if he did not mind doing so and that Mr. Kalmbach had replied, "No, I don't mind."

Mr. Kalmbach's testimony today that Mr. Ehrlichman had given him a "directive to go forward" was the critical prosecution evidence to support the charge that Mr. Ehrlichman had lied under oath.

At his appearance last year before the Senate Watergate committee, Mr. Kalmbach was tanned and athletic-looking and walked with a spring in his step.

Today, perhaps as a result of his months in prison, he was pale and a bit stooped.

Breaks Down in Tears

Late in the morning, he broke down in tears as he tried to explain his relationship with Thomas V. Jones, chairman of the board and chief executive officer of the Northrop Corporation.

He told the jury that Mr. Jones gave him \$75,000 in hundred-dollar bills in August, 1972, and that the money was eventually passed on to the Watergate defendants.

Did Mr. Jones know what the money was to be used for, Mr. Neal the chief prosecutor, asked.

No, Mr. Kalmbach responded. Then, in a cracked voice, he muttered, "He's a fine man."