

Milk-Fund Payoff Denied by Connally

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Bangor, Me., April 20, Reuter—Former Secretary of the Treasury John Connally today categorically denied he pocketed a \$10,000 payoff by the dairy industry for his efforts to increase the federal subsidy on milk.

Connally, in Bangor to address the biennial convention of the Republican party, said that in 1971 his friend, Jake Jacobsen, a lobbyist for the dairy industry, told him his client had 10,000 dollars to donate to a political party.

Connally said he declined to accept the money because he was a democrat serving an administration and he felt it would be unethical to funnel funds either to Republicans or Democrats.

"I would describe the \$10,000 as a typical campaign offer from a friend which I did

not accept. I said 'no thanks Connally, the one-time Democrat said.

It was reported today that Jacobson was prepared to testify before the Watergate prosecutor that Connally accepted the \$10,000 for helping the Associated Milk Producers (AMP), the nation's largest dairy cooperative.

When convention officials learned in the early hours of Saturday that stories were being published reporting that Mr. Jacobson was planning to testify against Mr. Connally, they discussed the possibility of "disinviting" Mr. Connally.

But republican state chairman Harold Jones vetoed the plan and the Texan was given a warm reception.

In Moscow, Idaho yesterday, Mark Felt, retired associate director of the FBI, said he was approached by the White House in 1972 to issue a news release on Watergate which he considered improper.

He refused to elaborate on the matter.