

Prosecutors Pressing Connally Probe

By Jack Anderson

The Watergate prosecutors are pushing their investigation of former Treasury Secretary John B. Connally right into the White House Oval Office. They have asked the White House for tapes of conversations between President Nixon and Connally on milk matters.

In secret statements to the Watergate prosecutors, dairy lobbyist Jake Jacobsen has said he delivered \$10,000 to Connally at the Treasury Department. Jacobsen alleged that Connally pocketed the money and returned it only after the dairy lobby came under investigation.

The forceful Connally, once a power in the Nixon Cabinet and still a presidential contender, told us in a lengthy telephone conversation from Texas that he had been offered the \$10,000 but had rejected it. "I have told the prosecutors the truth," he declared emphatically.

The prosecutors, meanwhile, are eager to learn what the President and Connally said to one another about the dairy industry's push for higher price supports in 1971 and 1972.

Both men attended a White House meeting on March 23, 1972, to discuss the dairy leaders' requests. The White House account of the meeting acknowledges that Connally said the dairy industry "had political funds which would be distributed among House and Senate candidates in the coming election." The dairymen also promised financial support for the

President's own reelection campaign.

The following day, the White House ordered a subsidy increase worth \$500 million a year to the dairy industry.

The prosecutors are particularly interested in Nixon-Connally conversations during the 30-day period preceding the White House meeting. Sources close to the case tell us that one tape is thought to be "extremely sensitive." This reportedly gives the President's responses, as picked up by the White House recording system, during a crucial telephone talk with Connally.

Our sources say the prosecutors are also interested in the President's conversations with former Attorney General John N. Mitchell on the milk case. This may indicate that the prosecutors are investigating Mr. Nixon's own role in the milk scandal.

Jacobsen has told the prosecutors, meanwhile, that Connally returned the \$10,000 not once but twice. The former Treasury Secretary allegedly became worried that the first batch of bills could be traced.

Jacobsen and Connally also got together on a cover story. Jacobsen promised to say he had never delivered the \$10,000 to Connally but had kept it in a safe deposit box. Jacobsen has now been indicted for perjury for telling this story under oath to a grand jury.

His belated confession has been checked out by FBI agents

who have confirmed from available records and witnesses many of the details, according to FBI sources.

Oppressed Miners—Two giant mining companies have been allowed to deduct from their U.S. taxes the money they pay to South Africa from the fabulous Tsumeb mines, which American churchmen charge are worked by oppressed blacks. The churchmen tell us the working conditions are "inhuman."

The mines are located in the vast southwest African region of Namibia, which was ordered freed in 1966 by the United Nations. Both the World Court and the U.S. government backed up the ruling. Yet South Africa refused to leave, holding Namibia by force.

One reason was that the South African government is raking in millions from the Tsumeb mines. The money is paid primarily by two American mining companies, Newmont and America Metal Climax. Although South Africa is holding Namibia illegally, the U.S. government has permitted the companies to write off the taxes they pay to South Africa.

In 1971, a desperate wildcat strike of 13,000 blacks brought some reforms. Terms in the mines were cut from two years to six months and mattresses were provided to cover the workers' two-decker cement bunks. But the men were still barred from living with their families.

Blacks, no matter how well

qualified, are never put over a white worker. The whites average \$685 a month, the blacks \$65. By contrast, Newmont's president, Plato Malozemoff, collects well over \$20,000 a month, plus a \$120,000-a-year retirement plan.

So outraged are some Newmont stockholders that they are waging a proxy fight and a showdown is almost certain at the annual meeting May 22. The revolt is led by the United Church of Christ, which owns \$2 million in Newmont stock.

Footnote: Malozemoff firmly defended his company, saying the separation of families is forced on him by the South African government. The company has no choice, he said, but to pay South African taxes. American Metal Climax, whose head Ian MacGregor is also chairman of "Religion in American Life," conceded: "There is much progress to be made."