

CONNALLY LINKED TO JACOBSEN CALL

Concern Allegedly Passed on to President Over Inquiry on Scandal in Texas

By JOHN M. Crewdson

WASHINGTON, June 24 — John B. Connally telephoned President Nixon in 1972 to express concern about a Justice Department investigation of Jake Jacobsen's role in a Texas savings-and-loan scandal, according to a well-placed source.

The source did not say whether Mr. Connally had asked the President to intervene.

Other authoritative sources have said that Mr. Connally, while Secretary of the Treasury, telephoned the Justice Department repeatedly to express the fear that Mr. Jacobsen was being unfairly treated there.

Mr. Connally is a long-time friend of Mr. Jacobsen, a Texas lawyer who was a White House aide to President Johnson.

The call to Mr. Nixon, the first source said today, was made after Mr. Connally had resigned from Treasury in June, 1972, to head an organization of Democrats supporting the President's re-election.

Mitchell and Kleindienst

While the precise substance of the Nixon-Connally conversation is not known, the former Treasury Secretary and Texas Governor is reported to have been explicit in two conversations earlier that year with former Attorney General John N. Mitchell and in two others with Mr. Mitchell's successor, Richard G. Kleinsienst.

Each time, Justice Department sources have said, Mr. Connally's message was that Mr. Jacobsen had assured him he was innocent in the savings-and-loan case and that Mr. Connally believed Mr. Jacobsen had become a target of a Republican "vendetta" against Texas Democrats.

Following a two-year Justice Department investigation, Mr. Jacobsen was indicted by a Federal grand jury last February on charges that he had con-

spired in the misappropriations of an \$825,000 loan from the First Savings and Loan Association of San Angelo, Tex.

Sources close to the Jacobsen case said last week, however, that a tentative agreement had been reached with the special Watergate prosecutor's office to drop the San Angelo charges against Mr. Jacobsen as part of an arrangement in which he would testify that he had given Mr. Connally a bribe in an unrelated matter.

Mr. Jacobsen is reportedly prepared to testify that he passed Mr. Connally \$15,000 in three equal installments in 1971 as part of an effort by dairy industry representatives to influence the Nixon Administration's position on the milk support price.

The sources said the tentative agreement with the Watergate prosecutors would include a guilty plea by Mr. Jacobsen to a reduced felony charge of offering a bribe.

Mr. Jacobsen was indicted earlier on a charge that he had perjured himself before the Watergate grand jury when he said that \$100,000 of the money he allegedly offered Mr. Connally had lain untouched in a safe-deposit box for more than two years.

District Court Dismissed

That indictment was dismissed on a technicality by the Federal district court here.

Mr. Jacobsen, if granted formal immunity from further prosecution, will reportedly retract the perjurious testimony and tell the jury that he gave the money to Mr. Connally in his Treasury Department office.

Mr. Jacobsen has testified that the funds, in \$100 bills, were delivered to him by Bob Lilly, then an executive of the American Milk Producers, Inc., which Mr. Jacobsen then represented.

Mr. Connally has told the Senate Watergate Committee that Mr. Jacobsen did ask for his help in gaining Administration approval for an increase in the milk support price, and that he was present on March 23, 1971, when Mr. Nixon authorized the increase.

He reportedly told the Senate panel that Mr. Jacobsen had once offered him \$10,000 in cash that he could use to make political contributions, but insisted that he had rejected the money.

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