

Cash in Alleged Cover-up Traced at Connally Trial

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WASHINGTON, April 9—A \$20 bill from the Federal Reserve Bank in Chicago became a central ingredient today in the bribery trial of John B. Connally as Government prosecutors sought to trace the origins of money allegedly used by the former Treasury Secretary to cover a \$10,000 payoff.

The bank note was one of several hundred that figured in testimony of 11 witnesses who appeared in United States District Court, all of them to talk about money.

The jurors stared at a huge facsimile of a sample \$20 bill. An official of the United States Bureau of Printing and Engraving explained the identification of currency. And officers of seven Federal Reserve Banks around the country testified as to the swiftness—or in some cases the slowness—with which they funneled new banknotes into circulation.

The testimony bore on the Government's effort to corroborate the account of the key prosecution witness, Jake Jacobsen. He testified earlier that in 1971 he gave Mr. Connally \$10,000 as a payoff from a dairy farmer cooperative and joined the former Treasury Secretary two years later in an intricate effort to hide the payment.

Purpose Seems Opaque

The purpose of much of the testimony today about currency seemed opaque to Chief Judge George L. Hart Jr., and some of the seven women and five men in the jury box dazed looks. Judge Hart professed his bewilderment to the prosecutor, Frank M. Tuerkheimer, and the defense attorney, Edward Bennett Williams.

"I guess you and Mr. Williams know what you're doing," Judge Hart told Mr. Tuerkheimer. "I don't."

Neither side elaborated, in court or out, on its purpose. But Mr. Tuerkheimer was evidently attempting to lend credence to Mr. Jacobsen's account of two 1973 meetings, at each of which, he alleged, Mr. Connally gave him \$10,000 in cash to place in a bank deposit box in Austin, Tex.

Mr. Williams apparently sought to lay a foundation for a later effort to persuade the jury that some of the currency involved in the two alleged transactions in 1973 might not have been in circulation at the time, and that, accordingly, Mr. Jacobsen had concocted the testimony.

Mr. Jacobsen, a one-time lawyer for Associated Milk Producers, Inc., the nation's largest dairymen's cooperative, swore to the jury last week that Mr. Connally gave him \$10,000 on Oct. 29, 1973, to back up a cover story that the alleged \$10,000 payoff money had lain untouched in the bank box since May, 1971.

This much of the testimony today centered on the Govern-

ment's efforts to show that the specific bills Mr. Jacobsen testified he got from Mr. Connally on Oct. 29 had in fact been in circulation, and available to Mr. Connally, by that date.

The defense has contended that no money passed between Mr. Jacobsen and Mr. Connally, and that Mr. Jacobsen's account was contrived to incriminate the former cabinet officer falsely.

Officials of seven of the 12 Federal Reserve Banks appeared today—agents of the five others will testify tomorrow—to verify records showing when individual bills had journeyed from the Bureau of Engraving to the

banks and then into circulation.

In each instance today, the seven bankers certified records showing that the bills in question should have gone into general circulation before Oct. 29, 1973.

But the officials of the Federal Reserve Banks in Boston, Chicago, Atlanta, St. Louis, New York City, Minneapolis and Philadelphia testified that there were no records to demonstrate conclusively that such was the case with \$20 bills. They said that the banks did not keep records of the precise dates that \$20 bills entered the public money supply, although they did keep records on bills of largely denominations.

Mr. Williams therefore pressed Daniel P. Kinsella, an assistant vice president of the Federal Reserve Bank of Chicago, on the history of one \$20 bill that Mr. Kinsella said had gone from a storage vault to the bank's currency department by Aug. 29, 1973—exactly two months before the alleged transaction in Houston, Tex., between Mr. Connally and Mr. Jacobsen.

Mr. Kinsella testified, on cross-examination by Mr. Williams, that it would have been "quite unusual" for the Chicago bank to have retained possession of the \$20 bill longer than 30 days.

Chronology of Bills

Later this afternoon, however, Mr. Williams drew from executives of other Federal Reserve Banks a chronology of bills that had taken considerably longer than 30 days to pass through their vaults and into circulation.

Clifford Saxon of the Atlanta bank told Mr. Williams that the records showed that one banknote, bearing serial number F02011774A, had arrived at the bank in 1955 but not gone into circulation until Dec. 16, 1969. Records of other alleged cover-up bills that came from the Atlanta bank showed that they had not gone into circulation for periods ranging from 45 days to three years.

Similarly, George Haag of the Federal Reserve Bank of Philadelphia attested that bills

had been kept as long as seven and a half months at that bank's storage facility before being turned over to the cash department for circulation.

The importance of the testimony is not likely to become apparent to the jury until the prosecution and defense offer their closing arguments, probably late next week.

Before the bankers' testimony today, agents of the Federal Bureau of Investigation testified to having taken possession of both the \$10,000 bundles of cash at issue.

Philip A. Greb, an agent in the San Antonio, Tex., field office of the F.B.I., calmly snipped the seal on a white canvas bag and then rifled through 346 bills whose total face value was \$10,000. He said that it was the same cash he inventoried at Mr. Jacobsen's bank in Austin on Nov. 27, 1973—"Mr. Jacobsen made the comment that he was glad it was all there," the agent said—and seized on Feb. 21, 1974.

John Graven, a security officer of the Bureau of Printing and Engraving, later verified records indicating that some of the bills that Mr. Greb had seized bore serial numbers showing that they had not left the bureau until as late as October, 1971.

That would have been five

months after the date on which Mr. Jacobsen said he agreed to swear that he had deposited the bills in a bank box, a discovery that prompted Mr. Jacobsen to plead guilty to making the payoffs and to begin cooperating with the prosecutors in early 1974.

Another F.B.I. agent, Edward

R. Leary of the District of Columbia field office, testified that he took possession on March 7, 1974, of the other \$10,000 bundle, the one that Mr. Jacobsen said he had kept in his nightstand. Mr. Leary said that the currency contained 49 bills bearing the signature of Secretary Shultz.