

Connally Denies Seeking Or Accepting Dairy Bribe

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By JAMES M. NAUGHTON

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WASHINGTON, April 14—John B. Connally denied today from the witness stand that he had ever sought or accepted \$10,000 in payoffs for helping dairy farmers to obtain increased Federal price supports in 1971.

"It did not," the former Secretary of the Treasury said, biting off each word with slow, measured emphasis, when asked in United States District Court whether bribery had occurred.

He denied the earlier testimony of Jake Jacobsen, a one-time lawyer for the nation's largest dairy farmer cooperative, who swore that Mr. Connally sought money in April, 1971, and accepted two \$5,000 payments the following May and September.

Mr. Connally, a former Governor of Texas, took the witness stand after Lady Bird Johnson,

the Rev. Billy Graham, Representative Barbara Jordan of Texas and others appeared in the crowded courtroom as character witnesses for the defense.

"Now, some folks don't like him," former President Lyndon B. Johnson's widow said of Mr. Connally, "but I don't think any of them doubt his integrity."

Mr. Connally sat erect, a slight blush occasionally coloring his face, for nearly two hours this afternoon as he answered questions put to him by Edward Bennett Williams, the chief defense attorney. Cross-examination by Government prosecutors will take place tomorrow after Mr. Williams completes direct questioning.

During most of the examination today, which traced Mr.

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Connally's rise to political prominence and his admitted intervention "on the merits" on behalf of the dairy farmers as Secretary of the Treasury, Mr. Connally and Mr. Williams conducted a calm, unhurried colloquy.

But Mr. Williams began replying in slow-paced phrases as they discussed the charges by Mr. Jacobsen, a one-time friend of Mr. Connally, who was the chief prosecution witness.

"Did you ever ask Mr. Jacobsen for any money or anything of value?" Mr. Williams asked.

"I did not," Mr. Connally answered, looking at his lawyer across the length of the jury box.

Mr. Williams repeated the question, wondering rhetorically if the witness had ever asked for money in a Treasury Department meeting with Mr. Jacobsen in late April, 1971.

Conversation Denied

"No such conversation ever took place," Mr. Connally said. "Not there—not in the Treasury—nor anywhere."

Mr. Williams reminded Mr. Connally of Mr. Jacobsen's testimony that \$5,000 in manila envelopes was paid to the Treasury Secretary on May 14, 1971. "Did it happen," the lawyer asked.

"It did not," Mr. Connally said firmly and evenly.

On May 14 or any date? Mr. Williams went on.

"No, sir," Mr. Connally said.

The defendant similarly declared "it did not" happen, as Mr. Jacobsen had alleged, that a second \$5,000 was paid to him on Sept. 24, 1971.

"Did he give you any money at any time?" Mr. Williams asked.

"No, sir, he did not," Mr. Connally insisted.

Mr. Connally told the jury

of seven women and five men that he had twice rejected offers from Mr. Jacobsen of \$10,000 that Mr. Connally could contribute to political candidates of his choice or to the re-election campaign of President Nixon in 1972.

He said that at a luncheon meeting on June 25, 1971, Mr. Jacobsen said that he had \$10,000 available from Associated Milk Producers, Inc., the dairy farmers' cooperative, to contribute to anyone Mr. Connally designated.

'A Delicate Position'

"I told him I didn't think I could do that at all in good conscience," Mr. Connally testified. "I told him I was a Democrat in a Republican Administration and somewhat in a delicate position."

Mr. Connally said that the overture and the rejection were quickly dismissed, and that Mr. Jacobsen did not raise the subject again until early August, 1972, when Mr. Connally had left the Treasury and was organizing Democrats for Nixon to campaign for the President.

"He brought up the subject of contributions from the dairy

industry, specifically from A.M.P.I.," Mr. Connally said on the witness stand. Mr. Connally said that he had rejected any political gifts from the dairy farmer's cooperative because of "bad publicity" A.M.P.I. gifts had received and an antitrust action facing the cooperative.

Mr. Jacobsen gave essentially the same account to Government investigators in late 1973 and early 1974. He testified at the trial after pleading guilty to a bribery charge, that he and Mr. Connally contrived the account in 1973 as a cover story.

Mr. Connally told Mr. Williams today that he did meet with Mr. Jacobsen on Oct. 26, 1973, but said that the meeting was not as Mr. Jacobsen had alleged to agree on the cover story before either of them went before a Federal grand jury.

According to the defendant's account, Mr. Jacobsen

him that another official of the cooperative was testifying privately about \$10,000 made available for Mr. Connally's political use. Mr. Connally quoted Mr. Jacobsen as having offered to testify that the other official, Bob A. Lilly, "never gave me \$10,000, and you and I never discussed it."

But, Mr. Connally went on, "I said, 'We don't have any choice about it . . . we've done nothing wrong. Let's just tell it like it is.'"

Earlier, the defense presented testimony from three witnesses that rebutted elements of Mr. Jacobsen's account of two efforts in 1973 to put \$10,000 of Mr. Connally's own money in a safety deposit box in a Texas bank in furtherance of an alleged cover-up.

Two secretaries who worked

in Mr. Connally's law office in Houston swore that they never saw Mr. Connally take a cigar box into the office on Oct. 29, 1973.

Mr. Jacobsen had testified that Mr. Connally left the office, returned 10 minutes later with a cigar box containing \$10,000 and rubber gloves and gave the money to Mr. Jacobsen.

Both secretaries, Beverly Ware and Cynthia McMahan, conceded on Government cross-examination that they were very busy that day. But each said that she would have remembered Mr. Connally's passing their desks with a cigar box.

George F. Christian, a former press secretary to President Johnson and Mr. Connally, testified that he stood on the porch of his home in Austin, Tex., and watched Mr. Connally and Mr. Jacobsen drive away separately on Nov. 25, 1973.

Mr. Jacobsen had testified that he and Mr. Connally entered the former Treasury Secretary's car outside the home to exchange a second \$10,000 in alleged cover-up money meant to replace the first packet in the bank box.

The character witnesses included two former Cabinet officers from the Johnson Administration—Robert S. McNamara, who was Secretary of Defense, and Dean Rusk, who was Secretary of State. Other character witnesses were James Rowe, once the administrative assistant to President Franklin D. Roosevelt, and Robert S. Strauss, the chairman of the Democratic National Committee.

The character witnesses, some of whom were greeted by gasps of recognition from

courtroom spectators, took the witness stand one by one after Chief Judge George L. Hart Jr. turned down a defense motion for a directed verdict of acquittal.

Mr. Williams contended that the Government's case was insufficient to sustain a finding by "reasonable" jurors that Mr. Connally was guilty beyond a reasonable doubt.

Most of the defense argument on behalf of the motion centered, however, on the contention that the Government had failed to prove the elements of the alleged crime. Mr. Connally was charged with having twice accepted \$5,000 in illegal gratuities offered in appreciation for his "official" acts in persuading the Nixon Administration to increase Federal milk price supports in 1971.

The defense contended that the Secretary of the Treasury had no official role in setting agricultural price supports. Mr. Williams said that under the Federal law governing milk price supports, even the President had "no power whatsoever" to interfere with the judgment of the Secretary of Agriculture.

But Judge Hart interrupted Mr. Williams several times to assert "what you do is to disregard the realities" of the decision-making process. He said that an Agriculture Secretary who disregarded a President's "recommendations" would soon be out of office.

Judge Hart also referred to the tape recording of a March 23, 1971, White House meeting at which Mr. Connally argued on behalf of increased milk price supports, and President Nixon ordered Clifford M. Hardin, then Secretary of Agriculture, to make the increase.

