

A Report Lawyer To Rebut Connally

Washington

Texas lawyer Jake Jacobsen has sent word to Watergate prosecutors that he is prepared to testify that former Treasury Secretary John Connally took \$10,000 for helping a giant dairy cooperative, according to an informed source.

Connally, who has consistently denied receiving the money from Jacobsen, was not available immediately for comment.

The sources said Jacobsen is prepared to testify against

Connally if the government will reduce two felony indictments against him to misdemeanor counts, allowing him to plead guilty to the charges without automatically losing his license to practice law.

Jacobsen's lawyer, Charles McNelis, would neither confirm nor deny the report when pressed for comment yesterday. Previously, he denied that Jacobsen has switched his earlier testimony that Connally refused to take the \$10,000.

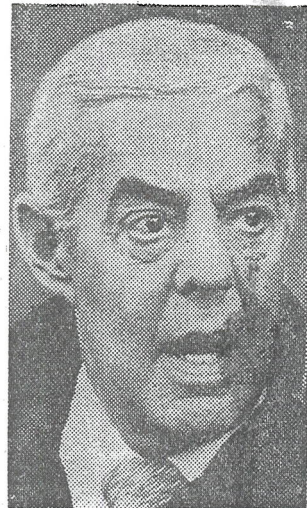
Jacobsen, once a close associate of Connally, faces a Watergate perjury charge and an unrelated seven-count indictment in a Texas savings and loan scandal. Conviction on all counts in both indictments would carry a maximum penalty of 40 years in jail and \$80,000 in fines.

Conviction on any one felony count would almost surely lead to Jacobsen's disbarment.

The source said Jacobsen has now signaled the Watergate special prosecution force that if misdemeanor pleas can be arranged, he is prepared to admit that his previous testimony clearing Connally was incorrect, and to swear that Connally took the \$10,000 in two installments.

The story that Jacobsen is prepared to tell, according to the source, is this:

In May, 1971, shortly after Connally had assisted dairy men in getting President Nixon to raise federal milk price supports, Jacobsen delivered \$5000 to Connally in the Treasury Secretary's office. The money came from Jacobsen's client, Associat-



UPI Telephoto

JAKE JACOBSEN
Under indictment

ed Milk Producers, Inc., the nation's largest dairy cooperative.

Later, in March, 1972, Jacobsen delivered a second \$5000 to Connally after Connally called Attorney General John Mitchell to ask for



UPI Telephoto

JOHN B. CONNALLY
Ex-Treasurer

help in clearing up an anti-trust lawsuit against the milk producers. The suit is still pending, although there have been repeated allegations of attempted high-level interference.

Associated Press