

Panel Backing Immunity To Jacobsen in Milk Case

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WASHINGTON, May 22—The Senate Watergate committee seeking testimony about alleged campaign payments by milk cooperatives to John B. Connally, voted today to obtain immunity from prosecution for Jake Jacobsen, a Texas lawyer and long-time friend of the former Secretary of the Treasury.

The move is part of the Senate committee's investigation of charges that contributions from three large milk cooperatives were linked to President Nixon's decision in 1971 to reverse a ruling by his Agriculture Secretary and order an increase in milk-price supports.

Mr. Jacobsen has testified that he offered \$10,000 from Associated Milk Producers, Inc., one of the co-ops, to Mr. Connally for political contributions, but said that Mr. Connally rejected the offer.

The lawyer reportedly has told friends, however, that he was prepared to change his account and testify that Mr. Connally accepted money from him if his new testimony would ease some serious legal problems and prevent his disbarment.

In return for leniency on counts of perjury here and fraud in a Texas savings and loan case, Mr. Jacobsen has been said to be prepared to testify that he gave money to Mr. Connally on two occasions, in May, 1971, after President Nixon increased milk price supports, and again in March, 1972, shortly after the Justice Department filed antitrust charges against the co-op.

The Senate committee can only grant immunity from use of Mr. Jacobsen's testimony in cases against him but he would face a contempt charge if he refused to answer committee questions.

According to committee sources, David Dorsen, assistant chief counsel, told the members attending a briefing this morning that he believed Mr. Jacobsen would testify that he gave at least \$10,000 to Mr. Connally in 1971.

The informants said Mr. Dorsen had told the committee that Mr. Jacobsen may have received \$5,000 more that same year. Bob A. Lilly, an official of the co-op, has testified to meeting Mr. Jacobsen's requests for both sums.

Mr. Dorsen also told the committee, one source said, that he was investigating a report that Mr. Jacobsen gave money to Mr. Connally during a visit to the Secretary's office in March 1972.

The general manager of the co-op, George Mehren, has told investigators that he accompanied Mr. Jacobsen to Mr. Con-

nally's office at that time and said that during the meeting Mr. Connally, after being told of the co-op's antitrust problems, picked a telephone and spoke "rather harshly," apparently to former Attorney General John N. Mitchell.

Mr. Mehren said in a statement filed in a Kansas City court that Mr. Jacobsen had remained alone with Mr. Connally after others left.

In his previous testimony, Mr. Jacobsen said that the \$10,000 he received from the co-op in 1971 lay untouched in a safety deposit box for two and a half years. Because of that testimony, he was charged with perjury by a grand jury here.

The charge was dismissed recently on technical grounds, but sources close to the case say they expect it to be redrawn.

Mr. Dorsen told the committee today, one source said, that he had evidence that some of the money found in the box by Federal Bureau of Investigation agents had not been placed in circulation until 1973 a year and a half after Mr. Jacobsen said he had deposited it.

Mr. Connally has repeatedly denied accepting money from Mr. Jacobsen, although he has said it was offered to him on two occasions.

The House Judiciary Committee, in a document supporting demands for tapes in its impeachment investigation of President Nixon, said it has evidence that Mr. Connally has told Mr. Nixon of the co-ops' potential for political contributions and counseled the President to raise price supports.

Mr. Connally has acknowledged favoring an increase and communicating his views to President Nixon but only because, he said, he considered a previous cut in the support price to have been "inequitable and unfair and politically unwise."

The former Secretary could not be reached for comment on today's action by the committee.

The committee acted today on a vote of 5 to 1, with the Republican Senators, Howard Baker of Tennessee, Edward J. Gurney of Florida and Lowell P. Weicker of Connecticut, absent. Mr. Weicker, however, had given a proxy vote to go with those of the four majority members of the committee.

Mr. Jacobsen's attorney, Charles McNellis, declined comment on today's development.