

Connally Is Going on Trial Today on Charges That He Accepted \$10,000 in Illegal Gratuities

By JAMES M. NAUGHTON
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WASHINGTON, March 31—

John B. Connally will go on trial here tomorrow on charges that he accepted \$10,000 in illegal gratuities from dairy industry lobbyists when he was Secretary of the Treasury in 1971.

The bribery trial, before Chief Judge George L. Hart Jr. of the United States District Court, is expected to be one of the last and least complicated, but perhaps the most interesting, of the major cases brought by the Watergate special prosecution. The trial is expected to last three weeks. Mr. Connally, a 58-year-old protégé of President Johnson, was a leading Republican contender for the Presidency be-

fore he was indicted last year by a Federal grand jury.

Prosecutors and defense attorneys agree that the case will turn, in large measure, on the conflicting testimony of Mr. Connally and his one-time friend, Jake Jacobsen.

Mr. Connally is accused of accepting two \$5,000 cash payments from Mr. Jacobsen, who was an attorney in 1971 for Associated Milk Producers, Inc., in return for Mr. Connally's part in a decision to increase Federal price supports for milk.

Mr. Connally has consistently denied accepting any money from the dairy cooperative. Mr. Jacobsen, who pleaded guilty to bribery charges last July, will be the chief prosecution witness.

The conduct and outcome of the trial could be affected by a pretrial ruling by Judge Hart that the Government must prosecute Mr. Connally separately on related conspiracy and perjury charges.

Mr. Connally and Mr. Jacobsen both testified in 1973 before the grand jury and the Senate Watergate committee that Mr. Jacobsen twice offered \$10,000 to Mr. Connally as a cover, but legal, campaign contribution, that Mr. Connally refused both offers and that the money lay untouched for more than two years in a bank safe deposit box in Austin, Tex.

Mr. Connally has not deviated from that account. "Nobody could buy me," the

wealthy Texan said when he was indicted, "not for \$10,000 or \$10-million."

Mr. Jacobsen subsequently told investigators, however, that he and Mr. Connally devised the account as a cover story when they became the objects of the milk fund investigation in 1973. Thus, some legal sources have said that Judge Hart's decision to separate the charges and order two trials has weakened the Government's case in the initial trial.

Case Is Outlined

Based on pretrial papers filed by both sides, the following is an outline of the Government's case:

Four days after meeting with Mr. Jacobsen, Mr. Connally successfully argued at a meeting with President Nixon and other officials that the

Federal price support level should be raised from \$4.66 to \$4.92 per hundredweight of milk. A tape recording of the March 23, 1971, meeting is expected to be played at the trial.

Mr. Jacobsen says that he delivered \$5,000 in cash to Mr. Connally at his Treasury Department office on two occasions in 1971—May 14 and Sept. 24.

Two years later, with investigators looking into transactions between the Nixon Administration and dairy industry groups, Mr. Connally and Mr. Jacobsen met on Oct. 26, 1973, at the Sheraton Crest Hotel in Austin and allegedly agreed that Mr. Connally would provide \$10,000 that the two could say had been kept in a deposit box.

Mr. Connally, who had by

then left the Nixon Cabinet, allegedly gave Mr. Jacobsen \$10,000 at an Oct. 29, 1973, meeting in Mr. Connally's law office in Houston. Mr. Jacobsen says that he deposited the funds at the Citizens National Bank in Austin.

Affraid that some of the bills went into circulation after they had allegedly been deposited in 1971, Mr. Connally allegedly gave Mr. Jacobsen a second \$10,000 on Nov. 25, 1973, at the Austin home of George Christian, a mutual friend who had been press secretary to President Johnson.

Mr. Jacobsen allegedly turned that \$10,000 over to investigators two days later at the Austin bank.

1974 Accounts Recalled

According to accounts published last year, the alleged

cover-up went awry when some of the second batch of \$100 bills turned out to have been deposited in time to have been printed by Mr. Jacobsen in 1971 but not circulated in time.

Mr. Connally has acknowledged arguing for the increase in milk price supports and has said that he was offered, but turned down, the \$10,000 of dairy industry money that, by Mr. Connally's account, he was to give to political candidates of his choosing. Mr. Williams said last November that Mr. Connally's defense was "he didn't take the money for himself or anyone."

Technically, Mr. Connally is charged with two counts of accepting illegal gratuities. The offense is punishable by a prison term of two years and \$10,000 fine on each count.