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'Third Payoff' APR 8 1975

A Hazy Memory In Connally Trial

Washington

Prosecution witness Jake Jacobsen testified yesterday that he might have made a third \$5000 payoff to former Treasury Secretary John B. Connally.

Under cross-examination, Jacobsen was vague about a possible third payment but concluded he must have given the money to Connally because the records show he received it from counsel Bob Lilly of Associated Milk Producers, Inc.

Connally's defense lawyer in the bribery trial, Edward Bennett Williams, did not have an opportunity before the fourth day of the trial ended to show why the defense, rather than the prosecution, raised the possibility of a third payoff.

Jacobsen testified under direct examination last week that he had a clear recollection of making two 1971 payoffs to Connally totaling \$10,000, provided by Associated Milk Producers, in return for Connally's help in persuading then-President Nixon to increase the federal support prices for raw milk.

Jacobsen said that initially he was unable "to recall any of the events surrounding a third payment. Now looking at the record I conclude I had received the money from Lilly," he said.

"I did visit my safe deposit box. I did bring that money to Washington. What I don't have is a firm recollection of giving it to Secretary Connally."

While Williams did not have the opportunity to explain the significance of his questioning, it was expected he would use Jacobsen's hazy recollection about it to attack the over-all credibility of the most damaging witness against Connally.

Williams read sections of grand jury testimony in which the former lobbyist for Associated Milk Producers denied making the payoffs or discussing political contributions with Connally.

Williams also pointed out that Jacobsen was indicted in Texas on seven counts in an unrelated bank fraud case which could have resulted in a 35-year prison term.

Williams said Jacobsen reached a plea-bargaining agreement with Watergate prosecutors that resulted in dropping the Texas charges. In return for his testimony against Connally, Jacobsen was allowed to plead guilty to a single count of giving an illegal gratuity to a public official, which carries a maximum sentence of two years.

Pressed by Williams, Jacobsen acknowledged he was aware of allegations that he received kickbacks on loans he helped friends arrange through Texas banks in which he held stock.

"Didn't you offer to give evidence against former President Lyndon B. Johnson (so) you could plea bargain your way out of those charges?" Williams asked.

"No, sir," Jacobsen replied.

United Press