

The Battalion

Vol. 67 No. 11

College Station, Texas

Friday, September 17, 1971

845-2226

Carr, Osorio prohibited from illegal stock deals

DALLAS (AP)—A stock fraud suit, which for eight months sent shock waves through Austin and even to Washington, ended Thursday with a federal judge finding the state's former top law officer and its former insurance commissioner had joined in illegal share transactions.

U. S. District Court Judge Sarah T. Hughes, on the 13th day of trial, issued permanent injunctions against former Texas Atty. Gen. Waggoner Carr, former Texas Insurance Commissioner John Osorio, six other businessmen and one corporation, pro-

hibiting them all from further illegal stock dealing.

The government alleged the stocks of certain companies were manipulated in a scheme intended to enrich state politicians and influence legislation.

At the center of the scheme was Houston promoter Frank W.

Sharp, who did not contest the suit but testified against the others in return for a grant of immunity from further prosecution. He was also fined \$5,000 and given a three-year probated sentence on two lesser charges.

Judge Hughes, in delivering her 11-page judgment, confined her remarks to technical aspects of the case. She did not mention big-name politicians such as Gov. Preston Smith and House Speaker Gus Mutscher Jr., who were alleged to have dealt in the manipulated stock but who are not defendants in the present suit. Nor did she mention assistant U.S. Atty. Gen. Will Wilson, whose name came up a number of times at the trial because he was formerly legal counsel to Sharp. Victims or near-victims of the stock manipulation such as the five Apollo astronauts and the Jesuit Fathers of Houston did not figure in her remarks either.

Outside the courtroom, Carr, who when the case first came up said his critics could "go to hell," still protested his innocence. He said he was "deeply shocked and disappointed" that the judge had found against him on what he called "some of the technicalities."

"I know that I am not guilty of what the SEC said I was. I will confer with my counsel and make a very early decision on appealing," he said, adding: "We'll continue to fight this to the very end."

John Osorio, who used to be Carr's law partner in Austin and who later headed National Bankers Life Insurance Co., whose stock was manipulated, returned to earlier charges that the case had been politically motivated.

Some Texas politicians, including the governor, have suggested the case was brought by Washington with the aim of smearing the state Democratic party, and

this view was echoed by defending lawyers at the trial.

The other individual defendants were Tom Max Thomas, who also worked with the Carr-Osorio law firm at one time; oil investor David Hoover of Dallas; J. Quincy Adams, vice president of Ling & Co., formerly in business as Dallas brokers; Audy Byram, former president of RIC International Industries Inc., which is now in bankruptcy; Jim Farha, a vice president of Ling & Co.; and Phillip M. Proctor, a securities trader for Ling.

Judge Hughes found that Hoover "crossed state boundaries from Kentucky to Texas transporting unregistered shares" besides engaging in "a scheme or artifice to defraud various lending institutions" by pledging unregistered stock.

Asked outside the court if the SEC might file criminal charges now that the civil suit is ended, Robert F. Watson, who headed the SEC legal team at the trial, said: "We can't comment on that."

U.S. Atty. Eldon Mahon said, however, his office will take up results of the case immediately, although any possible indictments stemming from the trial could be weeks away.

Several defendants at once indicated they are planning appeals.

Osorio, who said Sharp "owned me lock, stock and barrel," said he did not agree with the judge's findings and intended to appeal. Carr said he was considering an appeal.

Tim Timmins lawyer for Adams, said "the evidence was totally insufficient for this decision" and an appeal would be lodged immediately.

Byram, who headed RIC until June last year, called the decision "terrible." "I plan to obtain a new attorney and file an appeal," he said.

Resolution asking rent cuts approved by Student Senate

A resolution asking the administration and Board of Directors to lower married student apartment rents to their past level was passed by the Student Senate Thursday night.

The resolution, sponsored by Dick Sepeda, Graduate Student Council representative, asked the board to return the rents to the August 1, 1971 level in the spirit of the Nixon price-wage-rent freeze.

The largest rent increase for any group of apartments was \$10.

The same resolution had been passed Thursday morning by the Graduate Student Council along with a resolution requesting Texas' United States senators and representatives to favor college students in the handling of the wage-price-rent freeze.

John Sharp, senate president, explained the administration's position as had been communicated to him by President Jack K. Williams.

Williams told Sharp that the \$44,482 to be taken in from the rent increases would be to supply four new maintenance personnel for the apartments, be spent on increased utility rates, and to buy supplies to be used in the apartment areas.

"The increase had to be made by the university because of the deterioration of the College View apartments," Sharp said.

The rent increase, which was passed last November by the board, and therefore legal, is based on a "zero profit" basis, Sharp said. "Any money taken from rent increases will be spent on the apartments," he added.

"President Williams has offered to make interest free loans to any students having trouble paying the rent for university owned apartments," Sharp said.

The favorable vote was 43 for and 18 against.

The senate also amended the senate constitution dealing with apportionment of senators.

The changes will affect the number of senators apportioned to five colleges. The proposal asked for one more senator to be added to the College of Agriculture, four more to Engineering, two more to Science, and one more to Pre Veterinary Medicine.

The only college to lose senators would be Education, which would drop from six senators to three.

The reason for the reapportionment is to maintain a balanced senator to student ratio throughout all the colleges.

The new senators, which would be named this year, are to be appointed by the senate president and approved of the two-thirds of the Student Senate.

Education would maintain its six senators for the remainder of the year.

Final approval of the amendment must come from a student referendum.

The colleges of Science and Pre Veterinary Medicine and Agriculture will each receive at-large senators. Engineering will receive one senior, one junior, one sophomore, and one at-large senator.

Tree dedicated Thursday to A&M's past president

Dedication ceremonies were held Thursday on the lawn of the A&M president's home for a tree planted in memory of Gen. Earl Rudder by the executive board of the A&M Women's Social Club.

The observance included brief remarks by Tom D. Cherry, the university's vice president for business affairs, following introduction by Mrs. Everett Glazener.

Mrs. Glazener was Social Club president when the organization's board took the action to honor the man who served as A&M president more than a decade prior to his death March

23, 1970.

"This tree stands on the ground loved by Earl Rudder," observed Cherry, speaking in behalf of President Jack K. Williams, "and so it shall live here for generations as a reminder of the vision, strength and courageous dedication of James Earl Rudder . . . who set his institution on a course of excellence and ordained that it shall be among the great universities of the world."

Cherry told the Social Club representatives it was "most appropriate that you have selected a Live Oak Tree, for it is symbolic of the strength and courage of James Earl Rudder."

No serious injuries

Edith brings heavy destruction

NEW ORLEANS (AP) — Hurricane Edith ripped across Louisiana Thursday, scattering tornadoes in her path and causing widespread damage but apparently no serious injuries.

The Red Cross reported 15,000 persons rode out the storm in 80 public shelters set up in inland cities and towns between Lake Charles and Morgan City, about 100 miles away.

Her overland passage toward Mississippi slowly drained the violence from her winds, which were up to 100 miles per hour when she raged ashore from the Gulf of Mexico about 20 miles east of Cameron, La.

Twisters struck at numerous points along Louisiana's broad storm lane, including one that did extensive damage to two Baton Rouge parochial schools where classes were in session.

A teacher at St. Thomas More Catholic School in Baton Rouge said seven pupils were hit by flying glass.

Civil Defense spokesmen said Edith's damage, though widespread, apparently was relatively minor. There were no reports of serious injuries.

Rains ranging up to five inches caused temporary street floods in several Louisiana cities, including New Orleans, and posed the prospect of more serious flood problems later.

The National Weather Service said that at 6:00 p.m. EDT the storm's center was located in central Mississippi, about 85 miles southwest of Meridian. Maximum sustained winds were estimated at 55 m.p.h. in squalls near the center.

The service predicted heavy rains in the path of Edith as she

moved across central Mississippi into central and north Alabama and north Georgia.

The weather service cautioned that Edith would pose a serious threat of flooding during a 24-hour period over the Appalachian region from western Pennsylvania southward, including eastern Ohio.

Besides those weathering the storm in the public shelters in 10 parishes (counties), thousands more who fled inland stayed at hotels and motels or with friends and relatives.

In southwestern Louisiana, families who had spent the night in shelters in cities 20 to 30 miles inland were headed back to their

coastal-area homes to inspect the damage.

In most cases, it was less than had been feared.

Civil Defense officials at Cameron, where Hurricane Audrey's high tides drowned 390 people in 1957, said about the only problem was disruption in electric power and telephone service.

A&M formally designated Sea Grant College today

A new commitment is added to the scope of A&M with its formal designation today as one of the first four Sea Grant Colleges in the nation.

"Designation of Texas A&M as one of four national Sea Grant Colleges is a challenge and an honor—for both the state and the university," declared Gov. Preston Smith. "Wise development of Texas' vast marine resources will serve the interest of all Texans, and the Sea Grant College represents a major step toward that goal."

A&M President Jack K. Williams and Sea Grant Program Director John C. Calhoun Jr. are in Washington, D. C., today for formal acceptance of the honor. Secretary of Commerce Maurice Stans presided at the ceremonies.

"Directions for leadership in the Gulf of Mexico and Southeastern United States marine resources research have been opened today," President Williams noted.

A&M shares the Sea Grant College status with three other marine-oriented universities—Oregon State, Washington and Rhode Island.

A luncheon following the cere-

monies was hosted by Robert White, head of the National Oceanic and Atmospheric Administration (NOAA). Sea Grant operations are under the auspices of NOAA within the U. S. Department of Commerce.

"Strong programs have been initiated by Texas A&M in the areas of applied research, education and training, and advisory and information services in marine affairs," Secretary Stans said.

Recognition of the university as the state's leading institution in marine affairs comes little more than three years since A&M was named one of the first six universities in the nation to receive institutional support under the

Sea Grant Program and College Act, the first marine resource program ever devised by Congress.

The act, designed by Sen. Claiborne Pell, Rhode Island, and Rep. Paul Rogers, Florida, came about when Dr. Athelstan Spilhaus, world known oceanographer, noted similarities between marine science and the land grant program.

General reasoning was that if an educational program of research, extension and training was the stimulus to make this the most advanced agricultural nation in the world, a similar program might work in stimulating the economic advance of marine resources.

Press seminar here Tuesday

"The Selling of the Pentagon," CBS-TV's controversial documentary about the inner workings of the U. S. military establishment, will be anatomized Sept. 21 at A&M in the first of a two-part Freedom of the Press Seminar.

CBS' news programming director William A. Leonard II will

appear for the Great Issues presentation.

Preparation for the 8 p.m. Memorial Student Center Ballroom talk includes three-times-daily showing of the 75-minute CBS Reports film.

Banking is a pleasure at First Bank & Trust.



THE BLACK AWARENESS COMMITTEE is sponsoring a photography show in the Memorial Student Center depicting black society in the United States. The photographs, done by Fisk University, are on display in the exhibition case near the Post Office. (Photo by Hayden Whitsett)



THREE THINGS ARE BEING SEEN MORE OFTEN on campus his year and those are women, bicycles, and knap sacks, not necessarily in that order. Aggies never would have believed a year ago that one of the pedestrian problems on campus would be dodging girls whizzing by on bicycles. (Photo by Joe Matthews)