

The Battalion

Cloudy,
may
rain

SATURDAY — Partly cloudy,
afternoon thundershowers, wind
south 15 to 20 m.p.h. High 91,
low 72.

KICKOFF — Wind South 10 to
12 m.p.h. 78°, humidity 75%.

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Eight men indicted in Sharp bank case

HOUSTON (AP) — A federal grand jury investigating the collapse of a state bank controlled by Texas promoter Frank W. Sharp indicted eight men Wednesday, including four former bank examiners.

One indicted is Ted Bristol, a former Federal Deposit Insurance Corp. bank examiner for whom Asst. U. S. Atty. Gen. Will R. Wilson acknowledged he purchased stock at Sharp's request.

Bristol, now living in Dallas was indicted on a charge of accepting a \$10,000 loan from Sharp in 1969.

Federal statutes forbid bank examiners and assistant bank examiners from receiving loans or gratuities from banks that are covered by FDIC protection.

The Sharpstown State Bank was the main jewel in Sharp's financial empire.

The bank closed nine days after a U. S. Securities and Exchange Commission investigation showed Sharp had been making loans to key state government officials, including Gov. Preston Smith and Texas House Speaker Gus F. Mutscher.

The state officials used the money to buy stock in National Bankers Life, also controlled by Sharp. They made large, quick profits from the stock. Since the filing of an SEC civil injunction

suit Jan. 18 in Dallas, National Bankers Life also has been placed in state conservatorship.

The Wednesday indictments also charge three former bank examiners with accepting illegal loans from the Sharpstown bank, the same sort of charge as that against Bristol. Four other men, three of whom are former officials of the bank, were charged with misapplication of bank funds, making false bank entries and making illegal loans to bank examiners.

John T. Knight, a former FDIC examiner from Houston, was indicted on a charge of accepting four loans totaling more than \$27,000.

The former state bank examiners indicted are Welton Adler of Laredo and John B. Hooper of Houston. Adler is charged with accepting four illegal loans totaling \$6,417. Hooper is charged with accepting two loans totaling more than \$6,000 from the bank and from Sharp.

Others named in the four indictments were Charles L. Henke, a Houston real estate man, and Douglas N. Lane, Carl Lundquist, and Herman Nelms, all former vice presidents of the defunct Sharpstown bank. Lane was also head of Doug N. Lane Enterprises, Inc., which two of the indictments allege was used in mak-

ing unsecured and fraudulent loans from the bank.

Bristol, who was named individually in one indictment, allegedly received \$10,000 on Feb. 28, 1968 from Sharp through the Oak Forest Investment Co., another Sharp controlled Houston firm.

Wilson acknowledged in statements last month that he arranged purchase of stock in the insurance company for Bristol in February 1968.

The federal attorney said he was making the explanation to counter "insinuations that I am or have been involved in illegal activities."

Lundquist, Lane and Henke are charged together in one indictment with manipulating loans from the bank.

The indictment alleges they made fraudulent loans, made loans to fictitious persons, used fraudulently obtained signatures to get loans for persons who were unaware they were being so used, and made false bank entries. Lane and Henke also were charged with making loans using their wives' maiden names.

Another indictment named Nelms, Lane and Hooper in connection with allegedly illegal loans to Hooper. Nelms and Lane are charged with loaning Hooper \$3,812.88 from the bank. Hooper

is charged with accepting that loan, plus one for \$57,000 from Sharp through the Oak Forest Investment Co.

The fourth indictment names Lane, Nelms, Knight, Adler and Henke.

The indictment alleges the bank officers were warned when an examination of bank records was planned, and then moved records of the loans or marked them as paid. After the examination, the true bill alleges, the loans were moved back into the bank, and those which had been stamped "paid" were stamped "cancelled in error."

The fourth indictment also alleges bank loans were made to Knight and Adler, who were then bank examiners, and that loans were made to Doug N. Lane Enterprises, Inc., without collateral. The bill also alleges "stand-in" borrowers were used to obtain loan money from the bank, and that some loans were made without showing the true borrowers or the true purposes of the loan.

U. S. District Court Judge Woodrow Seals set \$5,000 personal recognizance bonds for each defendant.

Bristol, according to his wife, had no comment on the grand jury's action.



ANOTHER PARKING LOT takes shape between the YMCA and the Coke building, removing the north end of Main Drive. This action, plus the removal of several trees between the Coke building and the Meteorology building, has drawn criticism from students concerned about the environment and who gets to park in those spaces. (Photo by Hayden Whitsett)

Barnes advocates liberal stand on state drug laws

By DEBI BLACKMON
Staff Writer

"I don't believe a young person should be sent to the penitentiary the first time he is caught with a marijuana cigarette," Lt. Gov. Ben Barnes, said at a Political Forum's Noon Series presentation Wednesday.

"I still stand on that statement which I made in 1969," Barnes said, "although it has gotten me the most adverse comments and a considerable amount of mail."

Barnes spent almost an hour explaining the development of the drug problem in Texas and what the state legislative and executive branches are trying to do to retard it now.

"Federal government actions have tossed the drug abuse problem to the state and local level, and this is one battle we will

Student Senate now compiling club directory

A new concept of a Club Directory, which will include information pertinent to perspective club members, is now being compiled by the Student Senate for next semester.

"Due to the turnover in the organizational personnel and particularly sponsors and club presidents," says Barb Sears, recording secretary for the Student Senate, "I am having a pretty hard time right now trying gathering the information I need. I am having a time with the hometown clubs especially."

The directory will include club requirements and fees, presidents and sponsors and their phone and addresses, and other facts concerning every organized club on campus. It will be a form of guide to the students interested in joining a particular club.

The Club Directory will be made available to the student body free of charge by the Student Senate.

Clubs who have not filled out a questionnaire form are asked to contact the Student Senate office in the MSC.

Banking is a pleasure at First Bank & Trust.

have to fight a great deal by ourselves," Barnes said.

Barnes explained that Texas' drug laws were slightly behind because, before 1967, the state legislature "wouldn't even admit that anyone in the state of Texas used drugs." It wasn't until 1969 that laws for drug control were brought before the house.

Part of the difficulty, he believes, is that of the \$234 per person spent for state services in Texas, only seven cents currently goes for enforcement, treatment, and drug education.

Barnes took a strong stand on his views of Texas' policy toward the current drug problem.

"We are trying not to criminalize a whole generation of young people," Barnes said, "we are promoting legislation to cripple the pushers—they belong under the jailhouse."

Barnes advocates a new liberalized drug law that would allow the first offense of possession of marijuana to be lowered to a misdemeanor status, while the second offense would stay a felony offense. Barnes continued that it wouldn't lessen the seriousness of the crime, but give the defendants with no other criminal records a second chance.

"A misdemeanor is grave

enough, with the publicity it gets," Barnes reasoned. "If we arrest every student that has come in contact with marijuana, there would be not enough room in Huntsville or Gainesville to put them."

"I advocate making the first offense a misdemeanor, leaving the consequences of individual cases to the judge's discretion," Barnes said. "What I will work for is legislation that will prove tougher and tougher on the pushers."

Although Barnes admitted that laws concerned with marijuana should become more liberalized, he stressed that the laws on hard drugs should be tightened.

"I am not for legalizing marijuana."

"It is politically impossible to legalize marijuana on a federal level in any state right now because no one is even close to finding out what the real facts concerning the drug's effects on the body are," Barnes said.

When asked whether he believed if smoking marijuana was any worse than drinking alcohol, Barnes replied, "I don't know if two martinis are any more damaging than marijuana, but just because one harmful drug is legal is no reason for legalizing another one."

Memorial scholarship fund arranged for A&M students

A Nelle White and Charles Henderson Seawell Memorial Scholarship Fund has been set up at A&M through a gift of 1,000 shares of McCormick and Co. stock.

Mrs. Belle Patterson Elam and Mrs. Elizabeth Elam Roth of Houston presented the stock, valued at \$70,000 at the time of the gift, to A&M.

President Jack Williams said permanently endowed fellowships for graduate students in business are being established in honor of the late parents and grandparents, respectively, of the donors in line with their wishes.

"Texas A&M welcomes this splendid fellowship fund and agrees to administer it as the donors desire," the president said.

The university's board of directors acknowledged the gift with a resolution.

Fellowship awards to graduate students working toward the master's in business administration will be derived through income from capital investment of the memorial fund, explained Dorsey E. McCrory, development director.

Awards will be designated Nelle White and Charles Henderson Seawell Memorial Fellowships in Business. Recipients will be selected by the Faculty Scholarship Committee upon recommendation by Business Administration Dean John E. Pearson.

McCrory noted that Mrs. Elam's and Mrs. Roth's gift comes at a fortuitous time, when the College of Business Administration

Reality soon Senate starting credit union

By JOHN CURYLO

A student credit union at A&M will be a reality in a short while, John Sharp, Student Senate President, said after contacting the Federal Credit Union.

The student organization would be the second in Texas and only the third in the entire country. Other credit unions are in operation at St. Mary's University in San Antonio and Michigan State University in Lansing.

Sharp explained that there were two purposes for establishing a credit union. The first is to provide low-interest loans to students. The other motive is to create jobs for students, since the staff of the credit union would be composed of students, once it

is set up.

Sam Shippen, a graduate student here, was recommended to Sharp early in the summer as a possible source of help in getting the student credit union started. Shippen was responsible for setting up the credit union at St. Mary's.

"We worked on the idea of our credit union," Sharp explained. "With his help we made arrangements and contacted Buff Parrot, who is affiliated with the Federal Credit Union in Dallas. Parrot recommended that we join a tri-county credit union, but we told him that our goal was to have a student credit union. Once it is established, we will expand to faculty and staff."

Group of three cadets chosen to lead A&M Fish Drill Team

Mark Roberts of Fort Hood, Robert Ripley of San Antonio and David Skinner of Houston have been chosen to guide A&M's 1971-72 Fish Drill Team toward a fifth straight national championship.

Roberts was selected commander from 64 cadets comprising this year's team. Ripley is executive officer and guidon bearer. Skinner is right guide.

"You have a big job to do," commented Col. Thomas R. Parsons, commandant. "We expect you to give it your best and bring back national championship No. 5."

The Fish Drill Team, reformed each school year with all-new marching members, will make its first public appearance Nov. 6 at the Cadet Corps march-in to the Texas A&M-SMU football game, announced J. Malon Southerland, chief sponsor.

First competition will be the Dec. 4 University of Houston meet.

Senior advisor Louis Ullrich of San Antonio said the 64-cadet team has been divided into three units for practice. "These are smaller than what the upperclass advisors usually work with, but easier to handle," he said.

Roberts, an electrical engineering major and Company C-2 cadet, marched with the Killeen High School drill team in junior invitational drill meets hosted in 1970 and 1971 by A&M. He was executive officer of the Killeen team. Roberts is attending A&M on Army ROTC scholarship.

Ripley, also an Army ROTC cadet, majors in building construction and is in Company G-1 in the corps. He was a four-year member of the Central Catholic High School drill team, of which he was squad leader.

Skinner attended Clear Creek High School. A business administration major, he is an Air Force ROTC cadet and Squadron 8 member.

Correction

The Battalion erroneously reported the names of the Welfare Committee chairman of the Student Senate and the president of Alpha Phi Omega. Chairman of the welfare committee is Randy Ross. President of Alpha Phi Omega is Dale Foster.

University National Bank
"On the side of Texas A&M."
—Adv.

Present plans are for Parrot to come to A&M to explain the entire concept of credit unions to the Student Senate and to finalize plans for the A&M credit union. After that, the Senate will apply to Washington, D.C., for a charter. This whole process should take about two weeks.

"President (Jack) Williams has been receptive to the idea," Sharp said. "I've talked with him about it, and he's definitely in favor of it."

There is a legal question involved, in that it may be against state law to run the credit union on campus. This is not a problem at St. Mary's, because the school is not on state property.

"We're not at all worried about this," Sharp explained. "If we can't have it on campus, we've arranged to operate it from one of the local banks."

To join the credit union, a student would have to pay an initial fee of about \$5 for membership. With this, the student would be eligible to borrow money.

"To regulate the size of loans, we intend to have a committee of members to decide on each loan," Sharp said. "Then when we expand to include faculty and staff membership, they will have members on this committee."

Sharp pointed out that the Michigan State credit union, now in its second year, had \$100,000 more than it was entitled to loan out only six months after it was set up. The credit union at St. Mary's took two months to establish. It has been in operation for 15 months.

He added that the credit union went hand-in-hand with the policy of looking out for the students' financial welfare. This included having the rent on married stu-

dents' housing lowered after the wage-price freeze.

"Repealing the increase was done on the state level through the Office of Economic Opportunity," Sharp explained, "but I firmly believe that it was the result of pressure exerted by student governments in actions similar to our Senate resolution recommending the lower rent on the university-owned apartments."

Psychologist starts lecture series tonight

Clark Moustakas, noted author-psychologist of the Merrill-Palmer Institute in Detroit, will speak at the Contemporary Arts Committee's first fall lecture tonight at 8 in the Memorial Student Center ballroom.

Moustakas is author of "Creativity and Conformity," "Loneliness," and "Individuality and Encounter." His books are concerned with principles involved in humanizing learning, encouraging individuality and self awareness, and the prospect of enriching curriculums with art and the creative process.

"I am happy being alone; being with others — person to person or in real groups; I enjoy walking, playing, singing, dancing, meditating, running in forests and along sea shores; rock-setting, gazing at the moon; and reading what I want to read in my own time and place," Moustakas said.

The format of Moustakas' program, "Loneliness versus Being Alone," is to be informal.

Crosby group here in Basement show

Chris Crosby and his five-man band will perform tonight and Friday night in the Memorial Student Center Basement.

Crosby and his band have their own style country folk-blues music and perform a lot of their own material.

Crosby and the group have performed on the Merv Griffin and Johnny Carson shows. Currently

they are on a concert and coffee house tour of the country.

Prices for the 8 p.m. to midnight performances will be 50 cents tonight and 75 cents on Friday.

Appearing Saturday night after the football game will be Mike and Barbara, a folk music duo. The price for this performance will be 50 cents.