

Houston men subpoenaed by defense in Mutscher trial

HOUSTON (AP) — Five Houston men, including Mayor Louie Welch, were subpoenaed Tuesday by the defense in the Abilene bribery conspiracy trial of House Speaker Gus Mutscher and two associates.

Others subpoenaed were golfer Doug Sanders; Dr. W. H. Hinton, president of Houston Baptist College; Dr. Charles L. Allen, pastor of the Houston First Methodist Church; and George

Weston Conrad, an employe of General Motors' Buick Division in Houston.

All five have figured in news reports involving the National Bankers Life Insurance Co. stock scandal and the collapse of the Sharpstown State Bank in Houston.

Frank W. Sharp, Houston financier, controlled both the insurance company and the bank and was granted immunity from fur-

ther prosecution after entering a guilty plea to federal charges involving the bank.

Welch has acknowledged losing money in NBL stock. Securities and Exchange Commission depositions have listed NBL stock transactions by Sanders and Hinton. Conrad said he was persuaded to invest in NBL stock by Sharp.

Welch, informed he had been subpoenaed, said, "I'm at a loss

to explain why."

Welch said he borrowed \$235,000 in early 1970 to purchase 10,000 shares of NBL stock. The note was later transferred to the now defunct Sharpstown State Bank. The note was still outstanding at the time of the bank's collapse.

Welch said at the time he had bought the NBL stock at Sharp's request because he considered it to be a good investment. The

stock fraud disclosures left him holding worthless NBL stock and seriously in debt, the mayor said.

Allen, pastor of the church Sharp attended, had borrowed about \$25,000 from the Sharpstown Bank, according to the Securities and Exchange Commission records. The purpose of the loan was not disclosed.

Sanders, a former golf pro at Sharpstown Country Club, was

an investor in NBL stock and realized a profit from the investments. He has been sued by the Federal Deposit Insurance Corp., which took over the Sharpstown Bank last year, for an outstanding loan of \$170,000 from the bank.

Hinton owned stock in the Sharpstown Bank when it went into receivership and NBL when it was placed in conservatorship following the government's stock

fraud allegations.

Conrad said he was persuaded by sharp to invest in NBL and subsequently lost \$20,000.

Records filed by the Securities and Exchange Commission in Dallas showed Hinton owned 9,900 shares of the bank's stock as of Nov. 1, 1969, which he reported he bought for \$231,770 and which was then valued at \$495,000.

Hinton also listed 2,214 shares of the insurance company's stock, stock which he said he bought at \$24,354 or \$11 a share and which then was valued at \$66,420 or \$30 a share. Dates of these transactions were not listed.

The FDIC suit against Sanders alleges he borrowed the money Aug. 24, 1970, promising to pay 9½ per cent interest until maturity and 10 per cent thereafter and to pay the full amount within 90 days. The FDIC said the loan matured on Nov. 22, 1970, but Sanders had not made any repayment.

Welch, 52, is serving an unprecedented fifth consecutive term as mayor of Houston. He was born in Lockney, Tex., and is a graduate of Slaton High School and Abilene Christian College.

Welch is to become president of the U. S. Conference of Mayors in May and become president of the National League of Cities next year.

Allen was appointed pastor of the First Methodist Church in 1961, having served 12 years as pastor of the First Methodist Church in Atlanta, Ga. He has preached in churches and spoken to large conventions throughout the nation and is the author of several books in the religious field.

Hinton assumed duties as president of Houston Baptist College in 1962. He came to the new Houston school from Texarkana College where he was president for two years.

Prior to entering the college administration field, Hinton served as the administrator in the Olney Public Schools. Other professional experience includes a position as an instructor at Howard Payne College, a teacher in San Angelo High School, and principal of Lakeview High School in San Angelo.

Report says SS Fogg sank within minutes

GALVESTON, Tex. (AP) — The tanker V. A. Fogg sank within 2½ to 3½ minutes after it was wrecked by an explosion, according to a study of instruments recovered from the sunken vessel, it was related Tuesday.

Evidence of the rapid sinking of the tanker was introduced at the resumption Tuesday of a Coast Guard hearing into the loss of the 572-foot vessel.

Thirty-nine men died when the Fogg exploded and sank 50 miles off shore Feb. 1.

A letter from Texas Nautical Repair Co. President Leslie J. Swift Jr., read at the hearing, said that his experts had examined two chronometers and a clock recovered from the floor of the Gulf of Mexico. A chronometer is a very accurate timepiece.

The letter stated that the clock stopped at 3:45 p.m. "due to a violent physical shock."

The chronometers, Swift wrote, stopped at 3:47.5 p.m. The chronometers were stopped when they were immersed in water, Swift's letter said.

"There was a two and a half minutes' difference between the clock and the chronometers, the clock stopped from sudden impact and the chronometers from being submerged in water," the letter stated.

"The clock was most likely running slightly fast which leads one to believe the SS V. A. Fogg could have sunk in 2½ to 3½ minutes," the letter stated.

An expert in the operation of tankers, who asked not to be named, said in an interview at a recess it is "almost impossible" for anyone to get off a vessel that sank that fast after an explosion.

The only witness heard during the morning session Tuesday was Donald W. Motes, a former chief engineer on the Fogg.

Motes described the operation of an automatic engine firing (oil burning) system and said that it worked much better than the manually operated system which it replaced.

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