

Banker links Sharp, Mutscher

ABILENE, Tex. (AP) — The former president of Frank Sharp's bank testified Thursday the Houston promoter personally ordered \$220,000 in loans for House Speaker Gus Mutscher and two associates.

Speaking softly and almost casually, Joseph P. Novotny said they were nonsecured loans issued in July 1969 on the strength of the trio's financial statements.

He said certificates of stock which the defendants purchased with the loans later were received at the Sharpstown State Bank. He did not say the bank held the stock as collateral

against the loans.

And for the first time in the presence of the jury, the names of Gov. Preston Smith and former state Democratic Party Chairman Elmer Baum were listed among the political figures in the bank-stock deals.

Novotny was the final prosecution witness Thursday in the bribery-conspiracy trial of Mutscher, his aide Rush McGinty and state Rep. Tommy Shannon of Fort Worth.

The three are accused of conspiring in 1969 to accept a bribe from Sharp in return for their influence in propelling two banking bills through the legislature.

The state alleges the defendants obtained the loans from the Sharpstown bank to purchase stock in National Bankers Life Insurance Co. of Dallas.

Sharp controlled both the bank and the insurance company, and the deals enabled Mutscher and his colleagues to reap quick profits. The defense contends it was a routine business transaction.

Novotny testified that his loan authority at Sharpstown was fixed at \$10,000 and that any loan in excess of that had to have Sharp's personal approval.

An executive loan committee at the bank "actually had no function," Novotny testified.

Novotny spoke at great length of Sharp's free-wheeling business activities and said at one point, "Mr. Sharp may be ingenious in many areas but in banking he doesn't know the difference between an overdraft and a cashier."

Novotny, a stylish, a personable figure, is under federal indictment himself on charges of misapplication of bank funds and making a loan to a bank examiner.

District Court Judge J. Neil Daniel instructed the defense not to mention Novotny's indictments in front of the jury.

Novotny, testifying from

Sharpstown bank records, said Mutscher listed his net worth at \$331,700 when he applied for a \$130,000 loan.

McGinty set his net worth at \$272,000 and Shannon at \$123,939 in obtaining loans of \$46,000 each.

In all three cases, the net worth figures exceeded those which appeared in earlier testimony concerning the purchase of National Bankers Life stock.

Novotny testified the financial statements were defective in one critical area in that they contained no appraisals of real estate and other assets.

He said, however, the loans

conceivably would be good loans if the value of the assets could be established.

It was during a discussion between defense lawyer Frank Maloney of Austin and Novotny that Smith and Baum were first mentioned. Maloney listed them as "two added people" who sold 14,000 shares of NBL stock the same day as the three defendants.

"That's the loans to Preston Smith and Elmer Baum," Novotny replied.

His testimony showed that Smith and Baum sold a portion of their stock holdings on Sept. 11, 1969, two days after the controversial banking bills passed,

for a total of \$280,000.

Smith said previously he and Baum split a \$125,000 profit on their NBL investment.

The prosecutor Smith said earlier outside the presence of the jury that the evidence in this case will make it clear that Smith was a co-conspirator in this case.

A prosecution lawyer asked Novotny, "Did you ever have any instruction to hold the stock on collateral?"

"Not that I recall," Novotny replied.

The tall, thin banker testified the deposit-loan ratio kept the (See Mutscher, page 2)

The Battalion

Vol. 67 No. 92

College Station, Texas

Friday, March 10, 1972

845-2226

Partly cloudy, mild

Friday — Partly cloudy. Southerly winds 10-15 mph. High 73°, low 56°.

Saturday — Partly cloudy to cloudy. Southerly winds 15-20 mph. High 78°, low 58°.



CORPUS COMMANDANT Col. Thomas Parson's talks with Faye Spain, one of 60 members of the Houston Mothers Club who visited parts of the campus Thursday. The group, which could be seen riding around campus in a bus, were shown the university by members of the administration and students. (Photo by Mike Rice)

Nixon orders tighter security to block airline bomb hoaxes

By THE ASSOCIATED PRESS

President Nixon has ordered the nation's airlines, hit by a spate of bomb hoaxes, to implement tighter security controls in the tense aftermath of a \$2-million

extortion plot against Trans World Airlines.

The airlines already had reacted to the plot with taut security procedures and experienced numerous delays as a result. There were forced landings

and other delays because of bomb threats throughout the day.

Nixon ordered on Thursday "immediate steps by every carrier to prevent or deter weapons or explosives from being carried aboard its aircraft; to prevent or deter unauthorized access to its aircraft; to tighten its baggage checking procedures, and to improve the security of its cargo and baggage loading operations."

was sent to Atlanta, Ga., on Tuesday night but that no money was turned over to the extortionists.

On Thursday, bomb scares delayed flights of planes operated by Eastern, Western, American and Delta Airlines.

Arrivals at Kennedy Airport were from 20 minutes to 2½ hours late. At Chicago's O'Hare, departure delays averaged 15 minutes. At Columbus, Ohio, security measures caused flight delays of up to 30 minutes.

Agnew planning to visit several college campuses

WASHINGTON (AP) — Vice President Spiro T. Agnew announced Tuesday night he will visit several college campuses in the coming months to present American students with the Nixon administration's point of view and find out what is on the young people's mind.

The round of campus appearances, which will correspond with the heavy primary election schedule, will begin next Wednesday

when Agnew speaks at Drake University in Des Moines.

Agnew announced the plan to a gathering of approximately 1,400 Young Republicans who made a highly vocal show of support for the vice president.

"I expect to go with an open mind," Agnew said. "I won't come back with the same opinions I went with." He said he hopes his audiences give him a similarly open-minded reception.

At least two airborne planes had to land after bomb threats were received. On the ground, planes were searched repeatedly, and some were kept under guard in the glare of floodlights.

The discovery Tuesday of a bomb in the cockpit of a TWA plane in New York City plus the explosion the following morning that blew apart the cockpit of a TWA craft in Las Vegas spawned the hoaxes and spread anxiety among airline officials and passengers alike.

A spokesman for the Federal Aviation Agency said at least a dozen unfounded bomb threats had been made to airline offices and FAA facilities in Kansas City in two days.

Security took various forms.

In Cleveland, Ohio, off-duty policemen stood guard over parked jetliners that were floodlighted overnight. An increased number of city policemen were posted at the airport in Philadelphia. In Columbus, Ohio, only passengers were allowed beyond the terminal lobby.

Meanwhile, the International Air Transport Association warned airlines to be wary of a new extortion attempt.

Easterwood airport build-up includes new landing system

Improvements underway at Easterwood Field include resurfacing the main runway, installation of an instrument approach system and a new hanger, said Airport Manager Truett Smith.

The major project involves leveling and surfacing the main 5,150 foot north-south runway. This will include clearing land at the ends and the construction of an overrun escape area. This phase of the developments will cost about \$600,000.

The Federal Aeronautics Administration is installing an instrument landing and approach system built by a Denver firm. Part of the system will be equipment to electronically guide airplanes in bad weather. The other part is special lighting on the runways to make them more vis-

ible in bad weather.

Other construction includes a nine-inch thick cement parking area near the terminal for heavy aircraft use. The present parking and taxiing area near the hanger will also be converted from blacktop to cement. These will be completed in about 90 days, Smith said.

The new hanger will be built north of the present one. "The hanger will be used for storage and maintenance of the three university-owned aircraft at the field," commented Smith. The work is being done by Central Construction of Bryan.

"We presently have 70,000 to 80,000 take-offs and landings yearly, said Smith. "We expect the new, improved facilities to greatly increase this."

There was no confirmation of published reports that TWA was negotiating with an extortionist but had lost contact with him.

TWA officials denied a New York Police Department report that a plane carrying \$2 million

was sent to Atlanta, Ga., on Tuesday night but that no money was turned over to the extortionists.

On Thursday, bomb scares delayed flights of planes operated by Eastern, Western, American and Delta Airlines.

Irving and wife indicted for forging Hughes book

NEW YORK (AP) — Clifford Irving and his wife Edith were indicted by federal and county grand juries Thursday on charges of fabricating taped interviews, forging documents and engaging in other schemes in a plot to obtain \$750,000 for a bogus autobiography of billionaire Howard Hughes.

The indictments spelled out in minute detail how the Irvings and their researcher, Richard Siskind, carried out the alleged hoax which duped two major publishers.

Irving and Siskind are accused of taking turns playing Hughes in simulated interviews of the billionaire, recording their answers and later offering these

to McGraw Hill, Inc., as tapes of unprecedented conversations with the eccentric recluse.

The 24-page indictment charged the Irvings with mail fraud and conspiracy. It named Siskind as co-conspirator but not a defendant.

The county grand jury charged the Irvings and Siskind with grand larceny, conspiracy and possession of forged documents.

In addition, Irving and Siskind were charged with perjury — Irving for swearing he had met with Hughes in such places as California, Mexico and Florida and Siskind for saying in an affidavit he was present at such a meeting in California where Hughes gave him "an organically

grown prune."

Dist. Atty. Frank S. Hogan said the 25-count county indictment alleges the Irvings and Siskind thought they could "successfully defraud McGraw-Hill based upon their belief that Hughes was either deceased or not of sufficient mental or physical capacity to denounce the autobiography as a fake."

The three were arraigned on the federal charges before Judge John Cannella who set next Monday for pleading after Irving's lawyer, Maurice Nessen, asked for "an all-purpose adjournment."

Simon commends TV's information role

With a small amount of input television is able to command millions of man hours for the dissemination of information, said Dr. Herbert Simon Thursday.

Simon, speaking in the University Lecture Series, said television is the most spectacular information outlet for mankind. Referring to President Nixon's recent visit to China, he compared television viewing to traveling.

The one consolation to watching television to gather information is that it is inexpensive to man, he said.

Simon said the law of conservation of energy can not be compared with attempts to prove a law of the conservation of information.

"We have an information explosion because previous information has allowed us to expand our knowledge," he said. "Information began to explode with the invention of the printing press which resulted in the dispersion and diffusion of information."

Since no law of conservation of information exists, he said, there is one of attention. With only so much attention to go around, Simon said the ordinary human has only 16 hours in 24 to train attention on a particular purpose.

"We are learning to describe man and computers as information processors," Simon said. "Many human conditions are understandable if man is considered to have a dual role in processing information."

"Man's memory enables him to store and call up information. There is no evidence that the memory fills up, as we have discovered working with sophomore college students. Access to this memory presents a problem to many, but access can be predicted."

Simon said men and computers act as serial systems for processing information. They are serial systems because they can do only one thing at a time, except men can pulsate and breath while doing something else.

"Activities which regulate attention occur one at a time," he said. "Multiple things can happen at the approxi-

mate same time by time sharing. A dangerous example of this is talking while driving."

Simon then questioned the consequences of the explosion of information.

"The explosion doesn't have any consequences if the information can be ignored," he said. "On the other hand if we have to attend to the information increase, we do it because it's there or because it is essential for solving problems."

Historically, the best memory source has been the mind with its associative organization. Simon exemplified this by saying the telephone is the linking device in our system for 200 million minds to tap each other for stored information.

Simon listed four strategies for man to cope with limited attention, the first being to construct selected filters. These would be review articles and clipping services to transfer information relevant to a particular group of people he said.

Simon also said man should build information compressors to allow information to be stored, set priorities for attention distribution and be cautious about the way new information processors are brought into the world.

Through correct management of information dissemination, he said, the output from the source should be better than the original input of information. Universities are becoming more important in their relevance because credible information is being produced for intelligent decisions.

Simon said an example of mismanagement of processed information is the statement by Congress that it is impossible to stop pollution by autos by 1975 but health is important so "we'll pass the bill anyway."

Simon closed saying it is hypocrisy to believe there is too much information for man to take in. "If there was we would manage our time differently," he said.

Two vessels disappear; search underway in Gulf

CORPUS CHRISTI, TEX. (AP)—Nine Coast Guard and Air Force aircraft plus Coast Guard cutters raked the Gulf of Mexico Thursday for two missing vessels.

One missing ship is the 522-foot motor-tanker San Nicolas, which is being sought between the Yucatan Peninsula of Mexico and New Orleans, where she has been overdue since Monday night. The tanker was bringing a cargo of molasses from Brazil.

The second search, off the northwest coast of Florida, is for the 36-foot cabin cruiser Wahoo of Dunedin, Fla., which left Texacola Feb. 27 with one man aboard and was due at Dunedin March 5.

was sent to Atlanta, Ga., on Tuesday night but that no money was turned over to the extortionists.

On Thursday, bomb scares delayed flights of planes operated by Eastern, Western, American and Delta Airlines.

Arrivals at Kennedy Airport were from 20 minutes to 2½ hours late. At Chicago's O'Hare, departure delays averaged 15 minutes. At Columbus, Ohio, security measures caused flight delays of up to 30 minutes.

A spokesman for the Federal Aviation Agency said at least a dozen unfounded bomb threats had been made to airline offices and FAA facilities in Kansas City in two days.

Security took various forms.

In Cleveland, Ohio, off-duty policemen stood guard over parked jetliners that were floodlighted overnight. An increased number of city policemen were posted at the airport in Philadelphia. In Columbus, Ohio, only passengers were allowed beyond the terminal lobby.

Meanwhile, the International Air Transport Association warned airlines to be wary of a new extortion attempt.

New carpet color choices submitted to resident halls

Each floor of Corps and Sblisa area dormitories will choose from among gold, blue, green and ash brown for its hall and ramp carpet colors.

Resident halls have until March 18 to decide their colors. Students with a preference should contact their floor resident advisors or dorm representatives.

Carpeting will begin this summer and is due to be completed for the fall semester.

A student committee met Wednesday afternoon to select carpet colors. Members of the carpet selection committee appointed by Student Senate President John Sharp were Randy Ross, Randy Richards, Jim Gleason, Jim Wilson, Donald Corsale, Steve Miller, Joe Horlen, Terry Clark, Steve Wakefield and Jack Lopez representing Sblisa area halls. Jerry Elmer, Andy Brosh, Dan Newcome, Joe Aston and Jerry Camp-

bell represented Corps area housing.

Halls receiving carpeting will, in addition, have 52 water fountains installed, one for each hall floor or ramp. Shower and restroom glass in corridor type dormitories will be replaced with obscure glass.

This summer's work will include a complete rewiring of Law and Puryear Halls to provide power to meet current electrical convenience needs. A power extension to Duncan area halls will provide needed power for additional electrical conveniences such as more refrigerators and televisions. Additional electrical work for other deficient dormitories is scheduled to be completed in 1973.

Exterior doors in the Duncan area will be replaced and a cushion seal to reduce noise from outside activities will be added to room doors in 21 halls. Repair and refurbishing of several lounges and selected refurbishing are also included among this year's renovations.

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



Dr. Herbert Simon