

Watergate—Texas Style—Opens Today

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DALLAS—Texas will have its own version of the Watergate investigation, including a new legal battle to get President Nixon's taped White House conversations as evidence in U. S. District Court here today.

Former Attorney General John N. Mitchell, once Mr. Nixon's re-election campaign chief, former Attorney General Richard G. Kleindienst, former acting FBI Director L. Patrick Gray III, Justice Department Criminal Division chief Henry Petersen and a number of other Watergate figures have been subpoenaed.

The hearing begins Tuesday before U. S. District Court Judge W. M. Taylor on a motion by six Texas defendants in a securities fraud case to have charges against them dismissed.

The defendants, including former Texas Attorney General Waggoner Carr, who served from 1962 to 1966, and John Osorio, a state insurance commissioner in 1957-58, are trying to prove that Mr. Nixon's campaign organization used a 1971 stock and banking fraud investigation as a political weapon.

Carr, Osorio and four former business associates are charged with nine counts of mail fraud, stock fraud and filing false reports with the Se-

curities and Exchange Commission. Last spring, Carr and Osorio were acquitted after being tried in federal court on 12 counts of mail and wire fraud.

Carr, who was considering a Senate race in 1972, and Osorio allege that the Justice Department allowed principal figures in the scandal to go free in exchange for testimony that would embarrass top Texas Democrats.

Government attorneys say that the charges are groundless and that the defendants are only attempting to "ride the coattails" of the Watergate scandal.

Defendants in the proceedings allege that the Nixon reelection committee engineered an investigative and prosecution scheme designed to discredit Democrats and help assure 1972 reelection victories in Texas for President Nixon and U.S. Sen. John Tower.

Osorio, joined by the other defendants, filed a motion asking that Judge Taylor order Mr. Nixon or his "authorized representative" to appear before the court and produce tapes of conversations between the President, Mitchell and Tower about the Texas investigation.

Carr filed a separate subpoena for Mr. Nixon or his "authorized representative" to appear and bring the tapes. The conversations in question

are alleged to have taken place at the White House on July 29, 1971.

U.S. attorneys are fighting the efforts to get the Nixon tapes, and Judge Taylor is expected to make a ruling soon after the hearings begin.

Defense attorneys have already gained access to private White House and Justice Department files on the Texas investigation, which focused on a land development, insurance and banking empire built by Houston financier Frank W. Sharp.

The investigation showed that Sharp was a close friend of several high state officials, all Democrats, and had ar-

ranged profitable stock transactions for them through his companies.

Although Sharp was a central figure in the case, he was allowed by the Justice Department to plead guilty to a single banking law violation, for which he received probation, in exchange for his testimony against others.

Kleindienst, then deputy to Attorney General Mitchell, personally approved the Sharp immunity.

Except for public depositions in which Sharp told of business dealings with state officials, his testimony proved of little value to prosecutors.