

# Dallas Jury Hears Kleindienst

10/3/72  
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Special to The Washington Post

DALLAS, Oct. 2—Former Attorney General Richard Kleindienst testified in federal court here today that he ordered the removal of a U.S. attorney from his role in directing a 1971 stock fraud investigation in Texas but denied the decision had political implications.

Kleindienst, who resigned as attorney general last April during a Justice Department shake-up as a result of the Watergate investigation, also testified he asked Anne Armstrong, then national GOP committee woman from Texas and now a presidential adviser, to help keep Texas Republican leaders from interfering in the case.

Kleindienst is one of several former high officials in the Nixon Administration subpoenaed to testify in a hearing in which six defendants in a stock fraud case are seeking dismissal of the charges that they contend are politically motivated.

Another witness, Assistant Attorney General Henry Petersen, chief of the Justice Department's criminal division, testified that because so many Texas political figures were involved, "you could not remove that investigation from politics if you had been Houdini."

However he concurred with Kleindienst that while the case was very touchy there was no political motivation behind the investigation or prosecution.

Petersen said his predecessor, Will Wilson, resigned (in October, 1971,) after the Federal Deposit Insurance Corporation questioned his role in the Texas case.

Wilson, before joining the

Justice Department in 1969, had been attorney for Houston financier Frank W. Sharp, principal figure in the Texas stock fraud case.

Defendants in the current stock and mail fraud case, including Waggoner Carr, who was Texas attorney general from 1962 to 1966 and who is a long-time Wilson political foe, allege they were indicted to embarrass the Texas Democratic Party and help assure 1972 victories in Texas for President Nixon and Sen. John Tower.

Tower, subpoenaed as a witness, did not appear here today after the U.S. Senate passed a courtesy resolution requiring him to remain in the Senate during its sessions.

Kleindienst testified today that he personally granted Sharp immunity in the case on a recommendation by U.S. Attorney Anthony J.P. Farris, who told him Sharp could provide information that could result in a number of other indictments. Sharp also agreed to plead guilty to two felony federal violations, for which he ultimately received a pro-rated prison sentence.

Kleindienst said it was the first immunity grant he made and that he did so only because Wilson had removed himself from the case since he had previously represented Sharp.

Kleindienst said he had earlier turned down the immunity request, telling Farris it would be granted only if Sharp made a sworn written statement about what testimony he would be granted only if Sharp made a sworn written statement. Kleindienst said he received a call from Farris, in June, 1971, saying Sharp had met the conditions.

Kleindienst said he told Farris to grant the immunity, then subsequently learned that Sharp had not made a written statement as he had ordered.

Kleindienst said he then ordered Farris to Washington and removed him from the case, sending a career Washington attorney, Charles Ruff, to replace him.

Kleindienst also gave sketchy testimony that he became "very disturbed" at one point after learning that Texas Republican Chairman

George Willeford had contacted someone in the Justice Department concerning the investigation.

Kleindienst said he telephoned Anne Armstrong and requested her to "contact Republican officials in Texas and tell them not to have any contact with any Justice Department representative about any Justice Department matter in Texas."

Other principal figures waiting to testify Wednesday are former Attorney General John Mitchell and former acting FBI Director L. Patrick Gray.