

INQUIRY IN TEXAS HEARS MITCHELL

He Tells About Learning
of Democrats in Scandal

By MARTIN WALDRON

DALLAS, Oct. 3 — Former Attorney General John N. Mitchell, looking refreshed and somewhat thinner than he had been, testified at a hearing today that he knew major Texas Democrats were involved in the Sharpstown stock scandal in 1971, but said he had learned this from reading newspapers long after the investigation was under way.

A group of Texans are seeking to have Federal fraud charges against them dismissed, contending that the Nixon Administration ordered the original investigation in an attempt to discredit with Democratic part in Texas.

Mr. Mitchell, testifying briefly after spending a long day yesterday waiting in the witness room on the 15th floor of the Dallas Federal Courthouse, said that he had had two conferences with President Nixon about the investigation. He said both meetings had been concerned with the role of Will Wilson Jr., with Frank W. Sharp, the central figure in the \$100-million scandal.

Mr. Wilson had been Sharp's attorney before joining the Justice Department in 1969 as Assistant Attorney General in charge of the Criminal Division.

Wilson's 'Posture' Discussed

Mr. Mitchell said he met with the President in July and in October of 1971 about Mr. Wilson's "posture" after newspaper reports of Mr. Wilson's involvement with Sharp, and attacks on the floor of Congress by Representative Henry B. Gonzalez, a San Antonio Democrat, on the granting of immunity to Sharp by Federal officials.

At the October meeting, Mr. Mitchell said, it was agreed that Mr. Wilson should resign.

Sharp, a Houston real estate speculator, pleaded guilty to two minor fraud charges in June, 1971, and was given probation after agreeing to testify about his deals with Texas Democratic politicians.

Yesterday, former Attorney General Richard G. Kleindienst testified that he was misled into approving immunity for Sharp by the United States Attorney at Houston, Anthony J. P. Farris. Mr. Kleindienst testified that Mr. Farris had assured him that he had Sharp's proposal in writing, when he did not.

Mr. Kleindienst and Assistant Attorney General Henry E. Petersen both told Federal District Judge William M. Taylor Jr., that they were dissatisfied with the "quality" of Sharp's later testimony.

Petersen Opposed Immunity

Mr. Petersen said that he had always been opposed to immunity for Sharp.

Another of day's witnesses, L. Patrick Gray 3d, director of the Federal Bureau of Investigation, testified that he was ordered in August, 1971, to investigate the relationship between Mr. Wilson and Sharp. John W. Dean 3d, former special counsel to President Nixon, was also assigned to this investigation, Mr. Gray said.

Mr. Gray said that during an interview on Sept. 28, 1971, Mr. Wilson expressed "some enmity" toward Waggoner Carr, a former Texas Attorney General, who was the 1966 Democratic candidate for the Senate. Mr. Carr is one of the group asking that the criminal charges be dismissed.

However, Mr. Gray said that at the same Sept. 28 meeting, Mr. Wilson recommended against bringing multiple charges against Mr. Carr and the others.

"Wilson said there was no need in kicking a man when he is down," Mr. Gray testified, "that Mr. Carr had a large following in Texas and that this [the bringing of many charges] might hurt the President."

Mr. Wilson is reported to be on vacation in Europe and unavailable for comment.

In his testimony about the two meetings with the President about the Sharp case, Mr. Mitchell said he could not remember any details. Attorneys for the defendants questioned him closely about this and apparently will make an effort to get Judge Taylor to order President Nixon to release tape recordings of this meeting.

A similar request has been made to the judge for recordings made of a meeting in 1971 between the President and Senator John G. Tower, Republican of Texas. The judge has not yet ruled on this.