

No 9331.113^a315



Pts. 5-8

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**INVESTIGATION OF IMPROPER ACTIVITIES IN THE
LABOR OR MANAGEMENT FIELD**

HEARINGS
BEFORE THE
SELECT COMMITTEE
ON IMPROPER ACTIVITIES IN THE
LABOR OR MANAGEMENT FIELD
EIGHTY-FIFTH CONGRESS
FIRST SESSION
PURSUANT TO SENATE RESOLUTION 74, 85TH CONGRESS

—————
MARCH 26 AND 27, 1957
—————

PART 5
—————

Printed for the use of the Select Committee on Improper Activities in the
Labor or Management Field



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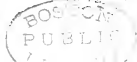
MARCH 26 AND 27, 1957

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Labor or Management Field



UNITED STATES
GOVERNMENT PRINTING OFFICE
WASHINGTON : 1957



SELECT COMMITTEE ON IMPROPER ACTIVITIES IN THE LABOR OR
MANAGEMENT FIELD

JOHN L. McCLELLAN, Arkansas, *Chairman*

IRVING M. IVES, New York, *Vice Chairman*

JOHN F. KENNEDY, Massachusetts

SAM J. ERVIN, JR., North Carolina

PAT McNAMARA, Michigan

JOSEPH R. McCARTHY, Wisconsin

KARL E. MUNDT, South Dakota

BARRY GOLDWATER, Arizona

ROBERT F. KENNEDY, *Chief Counsel*

RUTH YOUNG WATT, *Chief Clerk*

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INVESTIGATION OF IMPROPER ACTIVITIES IN THE LABOR OR MANAGEMENT FIELD

TUESDAY, MARCH 26, 1957

UNITED STATES SENATE,
SELECT COMMITTEE ON IMPROPER ACTIVITIES
IN THE LABOR OR MANAGEMENT FIELD.

Washington, D. C.

The select committee met at 10 a. m., pursuant to Senate Resolution 74, agreed to January 30, 1957, in the caucus room, Senate Office Building, Senator John L. McClellan (chairman of the select committee) presiding.

Present: Senator John L. McClellan, Democrat, Arkansas; Senator John F. Kennedy, Democrat, Massachusetts; Senator Irving M. Ives, Republican, New York; Senator Sam J. Ervin, Jr., Democrat, North Carolina; Senator Pat McNamara, Democrat, Michigan; Senator Joseph R. McCarthy, Republican, Wisconsin; Senator Karl E. Mundt, Republican, South Dakota; Senator Barry Goldwater, Republican, Arizona.

Also present: Robert F. Kennedy, chief counsel of the select committee; Jerome Adlerman, assistant counsel; Alphonse F. Calabrese, investigator; Carmine Bellino, accountant consultant; Ruth Young Watt, chief clerk.

(Members present at the convening of the session: The chairman, Senators Ives, Ervin, McNamara, Kennedy, and Mundt.

The CHAIRMAN. The Chair wishes to announce to the audience that you are here as guests of the committee. You are welcome but we ask each of you to give us your full cooperation by helping us keep order so that these proceedings may continue, when they start, uninterrupted.

The Chair feels that it is appropriate that he should make a brief opening statement for the record before the witness who is scheduled to testify today is called to the witness stand.

In the course of an investigation regarding operations of labor unions and their relationship with governmental agencies, conducted by the Senate Government Operations Permanent Subcommittee on Investigations during the latter part of last year and the early part of January of this year and prior to the establishment of this select committee, information was discovered clearly indicating the misuse of union funds by Mr. Beck, International President of the Brotherhood of Teamsters, Chauffeurs, Warehousemen and Helpers of America.

As chairman of that subcommittee I so advised Mr. Beck by letter, January 5, 1957, and invited him to be present at the hearings that subcommittee had scheduled for January 15, 1957, for the purpose of giving him an opportunity to answer such charges and derogatory testimony as might be testified at that time.

Thereafter, on January 17, Mr. Beck wired me :

In compliance with doctor's instructions, I am unable to accept your invitation to appear in Washington before your subcommittee Friday, January 18.

Subsequently, this select committee was created on January 30, 1957, by Senate Resolution 74, of the 85th Congress, and communications have taken place between Mr. Beck and myself as chairman of the select committee since that date.

In the course of that correspondence, I, as chairman of this select committee, advised Mr. Beck by letter on February 16, 1957, that :

It is expected that your testimony will be desired by the committee. As you know information has already been developed reflecting upon your personal financial operations as related to union activities.

In that letter, I also advised Mr. Beck that :

It is anticipated that further information of that nature will be developed by the committee during hearings at an early date.

and suggested—

This, no doubt, is of interest to you and the select committee will be very glad to have you attend the hearings.

I, therefore, requested that in the meantime :

I request that you instruct your attorney, or executive assistant to make available to the committee all of your personal financial records from 1950 to date.

And I advised him that :

The information they will provide is essential to a thorough and proper examination into an investigation of the issues involved.

A subsequent exchange of telegrams between Mr. Beck and the chairman have already been placed in this record, culminating in his agreeing to appear before this committee today and have present his financial records that the committee has requested.

This hearing today was scheduled primarily to allow Mr. Beck to turn over to the committee certain of his personal financial books and records. I think it fair and proper to say that during the past 10 days, evidence was developed before this committee supplemented by additional information that the committee has, that clearly indicates that from the years 1949 through the first 3 months of 1953, Mr. Beck took more than \$320,000 from the teamsters union treasury in Seattle.

From the information now before this committee that money so taken by Mr. Beck was neither a gift nor a loan to him from the union. That and other evidence already before this committee showing the loose and irresponsible management of union funds by high union officials has caused this committee, the rank and file of union members and the public at large, to have a deep concern.

It is something in which this committee under its mandate and responsibility has a direct interest and an official duty to reveal the facts, to get the truth about such practices and to recommend to the Senate remedial legislation to prevent such occurrences in the future.

It is almost trite to say that it is most disturbing to have information in this record indicating that the president of the International Brotherhood of Teamsters, Chauffeurs, Warehousemen, and Helpers of America, the largest and most powerful union in our country, may have misappropriated over \$320,000 of union funds.

Therefore, the urgent necessity for this committee to receive the financial books and records of Mr. Beck, that he has been requested to produce and also to have him appear as a witness and explain to this committee and to the people of the United States all of the facts surrounding his taking of this money from the union's treasury is most apparent.

I regard this testimony as indispensable if the committee is to establish a complete and truthful record. We are, therefore, glad to give Mr. Beck this opportunity to appear and we invite his whole-hearted and enthusiastic cooperation to the end that the truth may be established.

Does any other member of the committee wish to make any comment before we proceed to take testimony?

Senator IVES. I simply want to state that I concur absolutely in what you had to say. I think we all feel the same way about it.

The CHAIRMAN. Thank you very much, Senator Ives.

Are there any other comments before we proceed?

Senator ERVIN. I just concur and adopt what Senator Ives said, which expresses my views on this subject, and what the chairman has said.

The CHAIRMAN. If there is nothing further, the witness, Mr. Beck, will come around. You are present and you will stand and be sworn.

You do solemnly swear that the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. BECK. I do.

The CHAIRMAN. Be seated.

TESTIMONY OF DAVE BECK, ACCOMPANIED BY HIS COUNSELS, ARTHUR D. CONDON, DAVID FOSS, AND KENNETH SHORT

The CHAIRMAN. Will you state your name, your place of residence and your business or occupation for the record?

Mr. BECK. My name is Dave Beck and my residence is 16749 Shore Drive, Seattle, Wash., and my office address is 25 Louisiana Avenue, Washington, D. C., and I am president of the International Brotherhood of Teamsters, Chauffeurs, Warehousemen and Helpers of America.

The CHAIRMAN. Mr. Beck, under the rules of the committee, a witness appearing has the right to have counsel present to advise him regarding his legal rights. Have you counsel present today?

Mr. BECK. Part of my counsel is present. Chief counsel Senator Duff is not present. Mr. Condon, associated with him, is present, and Mr. David Foss, associated with Senator Duff is present.

The CHAIRMAN. Mr. Condon and Mr. Foss?

Mr. BECK. And Mr. Kenneth Short who has the records with him is also present.

The CHAIRMAN. Counsel for Mr. Beck will state their name and their places of residence and give their office location please.

Mr. CONDON. My name is Arthur Condon, my home is in Annapolis, Md. and my office is 1000 Vermont Avenue, Washington, D. C.

Mr. FOSS. My name is David Foss and I live at 2800 Quebec Street, Washington, D. C., and this is my office in Washington.

The CHAIRMAN. Thank you very much, gentlemen.

Mr. Beck, yesterday the Chair received a communication from you which I interpreted as one that you desired to read at the opening of the hearings today, under rule 7 of the committee rules. Is that correct?

Mr. BECK. That is correct. I would like to have my counsel read it, if there is no objection from the chairman.

The CHAIRMAN. Let me see now. You are the witness.

Mr. BECK. That is right.

The CHAIRMAN. You signed it?

Mr. BECK. That is right.

The CHAIRMAN. I suggest you read it.

Mr. BECK. I will be glad to read it.

Mr. CONDON. Could we have the original?

The CHAIRMAN. I have the original.

Mr. BECK. This communication is under date of March 25, 1957, addressed to the Honorable John L. McClellan, chairman of the Senate Select Committee on Improper Activities in the Labor or Management Field, Washington, D. C.

In accordance with rule 7 of the rules of procedure of your committee, the following statement is filed herewith:

Pursuant to Senate Resolutions 74 and 88, 85th Congress, 1st session, your committee has required my appearance today together with my personal records. I have appeared, and I have with me the records which the committee has demanded.

A purpose of this committee under the resolution establishing it is to "conduct an investigation and study of the extent to which criminal or other improper practices or activities are, or have been engaged in in the field of labor-management relations, or in groups or organizations of employees."

Insofar as this purpose seeks to establish, determine, or adjudicate "criminal practices or activities" the functions of this committee to such end constitute a usurpation of executive and judicial prerogatives not bestowed upon the Congress, the Senate, or this committee under the Constitution and hence, are in violation of articles I, II, and III of the Constitution. Consequently this objection to the committee's lack of jurisdiction is fully reserved.

In view of nationwide newspaper, radio, and television accounts of the proceedings before this committee and the testimony in connection therewith, and further in view of proposed criminal actions against me of which I have been advised are arising out of alleged violations and further in view of other asserted or implied violations of Federal and State laws, I intend to assert all privileges as to anything I might say, and I have a determination not to waive or imply the waiver of any protection and privileges afforded me by the Constitution and the Bill of Rights as to any question which may be propounded to me or to the production of my records.

Respectfully submitted,

DAVE BECK,
25 Louisiana Avenue, Washington, D. C.

The CHAIRMAN. Thank you very much, Mr. Beck. The original should be returned for the committee's files. Here is a mimeographed copy of it which counsel may use.

Mr. Beck, does that conclude your prepared statement and opening statement?

Mr. BECK. Yes, Senator. Mr. Chairman, I would say it would.

The CHAIRMAN. Then it becomes, as I interpret this statement, the duty of the Chair to rule on the question you raise as to the jurisdiction of this committee.

I interpret the third paragraph of your letter to me, which you have just read, as challenging the jurisdiction of this committee to interrogate you regarding the subject matter under inquiry.

Is the Chair's interpretation correct according to your intent and purpose?

(The witness conferred with his counsel.)

Mr. BECK. Yes; I do challenge the jurisdiction.

The CHAIRMAN. Then it becomes the duty of the Chair to rule upon it, subject to his ruling which may be appealed by any member of the committee to the vote of the committee, and if no appeal is taken the Chair will appeal it himself to the committee for their approval or disapproval of his ruling.

The Chair overrules the challenge to the committee's jurisdiction. There is no doubt in the Chair's mind that this committee under the resolution of the Senate establishing it has had delegated to it by the United States Senate as an arm of that body a duty to conduct the character of investigation that the committee is now in course of conducting, and that duty and the responsibility under the mandate of that resolution that is vested in this committee charges the committee with the duty of interrogating this witness about the matters that are involved in these hearings, and particularly those matters that the Chair referred to in his opening statement.

As to the contention that it violates articles I, II, and III of the Constitution, the Chair would remind those who are interested that section 8 of article I of the Constitution provides—

The Congress shall have power to lay and collect taxes, duties, imposts, and excises, to pay the debts and provide for the common defense and general welfare of the United States; but all duties, imposts, and excises shall be uniform throughout the United States.

Under that paragraph 1 of section 8, which the Chair has just read, the Congress is charged with the duty of enacting laws that will protect the common defense and general welfare of this country.

Since the Congress has enacted laws legalizing and authorizing certain organizations of laboring people, and since those laws were within the jurisdiction and within the authority of the Congress to enact, it is the continuing duty of Congress to constantly review those laws, to ascertain how they operate, how they are administered and the results achieved therefrom, and, where necessary or where advisable, to amend, change, modify, or repeal such laws.

I would also call attention to the third paragraph of section 8 of the Constitution which says that the Congress shall have power to regulate commerce with foreign nations and among the several States, and with the Indian tribes.

I need not refer to other sections of the Constitution to sustain the position that the Chair has taken in overruling this challenge. I think practically all of our labor laws are based upon the commerce clause of the Constitution.

Certainly if we have the authority to legislate in any area, the Congress has the authority, and any legally constituted committee of the Congress has the authority, to investigate in any area in which it has a duty and responsibility to legislate.

That is the ruling of the Chair, gentlemen of the committee.

Senator MUNDT. So that we can know exactly where we are at the very beginning of this hearing, I would like to move that the ruling of the Chair be sustained.

Senator KENNEDY. Second the motion.

Senator GOLDWATER. Second the motion.

The CHAIRMAN. The motion has been heard that the ruling of the Chair be sustained. It has been duly seconded.

Is there any discussion?

Senator IVES. I would like to make a comment in that connection, Mr. Chairman. In your discussions of the Constitution and what is intended by the Constitution, and what is intended by the Senate setting up this committee, I think that I should point out that among our duties is to ascertain whether there has been any law violations as well as these other things that you have mentioned. I do not think that you mentioned law violation. That is just as important as all of the rest of these things. There is no point in our enacting legislation in the Congress if it is going to be disregarded and if it is not going to be observed and that is what we have got to find out and we have to find out what the causes are.

There is no question in my mind but what the Senate intended us to have this power in setting up this committee. If the Senate has the power the committee has the power, so you are challenging the Senate itself, and you are challenging the Congress itself in the challenge you make. You are challenging, moreover, the whole Government of the United States.

Senator KENNEDY. I was just going to say four members of this select committee are members of the Labor Committee which has direct jurisdiction over amending any laws which may be necessary involving the rights of labor. For that purpose, they were placed on the select committee and, therefore, I do not think that there is any question that the select committee has the right to interrogate Mr. Beck.

Mr. CONDON. Mr. Chairman—

The CHAIRMAN. Just one moment, until this motion is disposed of. Is there any further discussion, gentlemen?

You have heard the motion, and those favoring the motion say "Aye," opposed "No."

The motion is unanimously adopted, and the Chair is sustained.

Mr. Counsel?

Mr. CONDON. Mr. Chairman, Mr. Beck's status at the moment is in the nature of a volunteer, as I know you will appreciate.

The CHAIRMAN. It was by agreement, yes, sir, and that is correct.

May I ask Mr. Beck this question, if you are prepared. Do you have your records present, Mr. Beck, your financial records that you agreed to bring? Do you have them present?

Mr. BECK. Yes, my records are here in the room.

The CHAIRMAN. All of the records that you agreed to bring in the exchange of telegrams between you and the chairman?

Mr. BECK. All of the records that I agreed to bring, yes.

The CHAIRMAN. They are present with you here in the room?

Mr. BECK. Yes, they are, Mr. Chairman.

The CHAIRMAN. Are you now prepared to deliver them to the committee and make them available to the committee for examination and inspection?

(The witness conferred with his counsel.)

Mr. CONDON. Mr. Chairman, may I say this comes back to the point I raised.

The CHAIRMAN. Let the witness do the testifying and he can say whether he is prepared or not prepared.

Mr. BECK. No, Mr. Chairman, I am not prepared to release the records.

The CHAIRMAN. You are unwilling to do so?

Mr. BECK. I am not prepared to release them.

The CHAIRMAN. You are unwilling to do so upon request?

Mr. BECK. I am not prepared to release them, Mr. Chairman.

The CHAIRMAN. All right.

Now, Mr. Counsel, do you want to say something?

Mr. CONDON. I suggest, Mr. Chairman, it would be appropriate to have a subpoena served at this point.

The CHAIRMAN. The Chair has already prepared for such eventual-ity, and had already signed the original subpoena before you spoke, and I am now in the process of signing the copy.

Mr. CONDON. Thank you, sir.

The CHAIRMAN. Mrs. Watt, as clerk of the committee, you will promptly serve the subpoena on the witness, Dave Beck.

(Subpoena was served by Mrs. Watt.)

The CHAIRMAN. You will deliver to me the original, with your return thereto, and place your return on it later.

Mr. Beck, this subpoena I shall direct be printed in the record at this point. It is directed to Dave Beck, of 16749 Shore Drive NE., Seattle, Wash., and it directs—and I will just read it and it can be printed in the record.

UNITED STATES OF AMERICA.

Congress of the United States.

To DAVE BECK, 16749 Shore Drive NE., Seattle, Wash., Greeting:

Pursuant to lawful authority, you are hereby commanded to appear before the Senate Select Committee on Improper Activities in the Labor or Management Field of the Senate of the United States, on forthwith _____, 1957, at _____ o'clock __ m., at their committee room, room 101 Senate Office Building, Washington, D. C., then and there to testify what you may know relative to the subject matters under consideration by said committee.

And produce duces tecum all of your personal and financial books and records maintained by you and by others on your behalf for the years 1949 through 1955, pertaining to any loans or advances from the International Brotherhood of Teamsters or any unit thereof, and all of your personal financial books and records maintained by you and by others on your behalf for the years 1949 through 1955 pertaining to any financial transactions that you have had with companies, corporations, or individuals having contracts or financial dealings with the International Brotherhood of Teamsters or any unit thereof.

Hereof fail not, as you will answer your default under the pains and penalties in such cases made and provided.

To _____ to serve and return.

Given under my hand, by order of the committee, this 25th day of March, in the year of our Lord one thousand nine hundred and fifty-seven.

(Signed) JOHN L. McCLELLAN,

*Chairman, Senate Select Committee on Improper Activities
in the Labor or Management Field.*

Mr. Beck, since this subpoena calls for you to produce your records in room 101 of the Senate Office Building, The Chair will declare that the committee is now in open session in Room 318 of the Senate Office Building, and as I understood your testimony a moment ago you say that you do have those records present here in the room.

Is that correct?

Mr. BECK. That is correct.

The CHAIRMAN. You are then ordered to turn those records over to the committee.

(The witness conferred with his counsel.)

Mr. BECK. I must decline to do so because this committee lacks jurisdiction or authority under articles I, II, and III of the Constitution and, further, because my rights and privileges granted by the Constitution as supplemented by the fourth and fifth amendments are violated.

The CHAIRMAN. The Chair overrules your contention that this committee has no jurisdiction. On the basis of your refusal on that basis, the Chair now orders and directs you to deliver those records to the committee.

(The witness consulted with his counsel.)

Mr. BECK. I decline on the same grounds as stated before.

The CHAIRMAN. As I understood your further statement, you decline on the grounds of the fourth and fifth amendments to the Constitution.

Mr. BECK. That is correct.

Senator MUNDT. Could we have the photographers sit down so we can know what is going on in the committee room?

The CHAIRMAN. I believe we can. I think that that can be promptly arranged.

Senator MUNDT. Thank you.

The CHAIRMAN. I understood you to decline on the grounds of the fourth and fifth amendments.

Mr. BECK. I decline on the basis of the statement that I previously—

The CHAIRMAN. On the grounds of the fourth amendment?

Mr. BECK. I shall repeat it again so that there is no possibility of error in the record.

The CHAIRMAN. All right.

Mr. BECK. I must decline to answer the question because this committee lacks jurisdiction or authority under articles I, II, and III of the Constitution. Further, because my rights and privileges granted by the Constitution as supplemented by the fourth and fifth amendments are violated.

The CHAIRMAN. The Chair overrules your objection on the ground of the fourth amendment to the Constitution. If you want to take the fifth amendment, then the Chair will ask you this question: Do you honestly and truthfully believe that if you made those records that you have of your own present here today in response to the arrangement that has been made between you and the Chair and the committee, that you now have present here today in response to the subpoena just served upon you—do you honestly believe the contents of those records would reflect information that might possibly tend to incriminate you?

Mr. BECK. I desire, Mr. Chairman, to read again—

The CHAIRMAN. I do not care what you read. I want you to answer this question.

Mr. BECK. I will answer the question by this language.

The CHAIRMAN. The Chair wants to know if you honestly believe that the submission of your records to this committee might tend to incriminate you if the information therein should be revealed to this committee.

(The witness consulted with his counsel.)

Mr. BECK. Yes, I think very definitely so.

The CHAIRMAN. You think it would.

Mr. BECK. I think so, yes, sir, in line with my previous statement to the committee.

The CHAIRMAN. All right. Do I understand then, or are we to understand from the statement that you have read that you will decline to answer any questions on the same grounds, decline to answer any questions regarding your transactions with the union that you represent and that you head as general president?

(The witness consulted with his counsel.)

Mr. BECK. Yes, in line with my previous statement to the committee.

The CHAIRMAN. Do you honestly believe that if you answered truthfully under oath, questions that this committee might ask you regarding your transactions with the union that you represent, that a truthful answer thereto might tend to incriminate you?

(The witness consulted with his counsel.)

Mr. BECK. The answer is that it might.

The CHAIRMAN. Yes, sir. All right, Mr. Counsel, you may proceed to interrogate the witness regarding his transactions with the International Brotherhood of Teamsters, Warehousemen, and Helpers, and Chauffeurs, and any unit thereof.

Senator Kennedy has a question.

Senator KENNEDY. Mr. Beck, are you a member of the AFL-CIO executive council?

Mr. BECK. Yes, Senator Kennedy.

Senator KENNEDY. Did you sign the AFL-CIO executive council code issued in January of 1957?

Mr. BECK. I can't answer whether I did or did not.

Senator KENNEDY. In the code it is stated that it is the policy of the AFL-CIO that if a trade-union official decides to invoke the fifth amendment for his personal protection, and to avoid scrutiny by proper legislative committees, law-enforcement agencies, or other public bodies into alleged corruption on his part, he has no right to continue to hold office in his union.

As you have invoked the fifth amendment and in view of the fact that you are a member of the executive council, do you plan to resign your office in your union?

Mr. BECK. Will you give me that date again?

Senator KENNEDY. January 1957.

Mr. BECK. No, I did not sign that, to the best of my knowledge and, in fact, I opposed it in the executive council.

Senator KENNEDY. Did you plan to resign your office in your union because of invoking the fifth amendment?

Mr. BECK. I certainly do not.

Senator KENNEDY. Do you plan to resign from the AFL-CIO?

Mr. BECK. I certainly do not ever intend to resign when I am exercising a constitutional right.

Senator KENNEDY. In other words, you are not bound by the executive council code?

Mr. BECK. I certainly am not. I am only bound by the international law of the Teamsters International union.

Senator KENNEDY. And not by the AFL-CIO which is suggested in its code?

Mr. BECK. Very definitely not.

Senator KENNEDY. That all members and all officers of unions who invoke the fifth amendment should resign from their union and, therefore, you do not agree with the code?

Mr. BECK. I certainly do not agree with the code and I opposed the code because in my personal judgment, it is a violation of the constitutional rights of the citizens and I am unalterably opposed to any violation of any rights of the citizens which in my judgment far transcends the rights of labor or any other group.

Senator KENNEDY. Thank you, Mr. Beck.

The CHAIRMAN. Mr. Beck, you are president of the International Union, are you not, of the Brotherhood of Teamsters, Warehousemen, and Chauffeurs, and Helpers, and so forth?

(The witness consulted with his counsel.)

Mr. BECK. Would you repeat that?

The CHAIRMAN. Mr. Beck, are you presently the president of the International Brotherhood of Teamsters, Chauffeurs, Warehousemen, and Helpers?

Mr. BECK. Yes, Senator, I am.

The CHAIRMAN. How long have you been president of this International?

Mr. BECK. Since December 1, of 1952.

The CHAIRMAN. What official position did you hold in the teamsters union prior to that time?

Mr. BECK. Executive vice president of the Teamsters International Union.

The CHAIRMAN. What position did you hold with the Western Conference of Teamsters?

(The witness consulted with his counsel.)

Mr. BECK. I held the honorary position, I would say, of president of the Western Conference of Teamsters and I say "honorary" because I was not on the payroll of the Western Conference of Teamsters but exclusively on the payroll of the International Brotherhood of Teamsters, as executive vice president.

The CHAIRMAN. What was your position with the Western Conference of Teamsters?

Mr. BECK. President of the Western Conference of Teamsters.

The CHAIRMAN. You were president?

Mr. BECK. Yes, sir.

The CHAIRMAN. Whether you drew a salary or not, that was an official position?

Mr. BECK. Yes, sir.

The CHAIRMAN. An official position that you occupied and accepted full responsibility for the performance of its duties?

Mr. BECK. I was the president of the Western Conference of Teamsters.

The CHAIRMAN. Mr. Beck, I believe you have just stated a moment ago that you regarded your privilege the fifth amendment as a right that transcended any rules, code of ethics, or any other law or obligation that you might have to the union, is that correct?

That is the union that you represent?

Mr. BECK. I don't think that I used that exact language, and I prefer that you read from the record exactly the language.

The CHAIRMAN. Will you state it again?

Mr. BECK. What is the question, please?

The CHAIRMAN. I believe you stated and, if necessary, I will go back to the record, I believe you stated that you regarded in substance, at least that you regarded your rights and privileges under the fifth amendment as transcending any duty or obligation that you owe to your union. Is that correct?

Mr. BECK. In substance, I think it is correct, but I think what I said was that I felt that any of the constitutional rights of the citizenry transcended the rights of labor organizations or any other type of organization.

The CHAIRMAN. All right, now, Mr. Beck—

Mr. BECK. All of its amendments, the Bill of Rights in its entirety and the entire Constitution.

The CHAIRMAN. I am very glad to get your views.

Mr. BECK. I am very glad to give them, Senator.

The CHAIRMAN. Do you know that the position that this right of using the fifth amendment so as to preclude your having to disclose knowledge and information you have about transactions you have had with your union in which evidence has been developed that you have misappropriated and misused funds of that union—do you regard your privileges under the fifth amendment as transcending your duty and obligations to the laboringmen of this country who belong to your union?

Mr. BECK. I would like to—

(The witness consulted with his counsel.)

Mr. BECK. I would like to say, at this time in answer to your question—

(The witness consulted with his counsel.)

Mr. BECK. That—

(The witness consulted with his counsel.)

Mr. BECK. I would like to answer the question this way: That there are legal rights involved in answering this question and that I very definitely am answering, and in taking advantage of any of the amendments, I am doing so upon the 100 percent unanimous advice of my chief counsel, Senator Duff, and associate counsel identified with him.

The CHAIRMAN. Well, the Chair certainly would not reflect upon your counsel. We regard them as very able and competent, no doubt.

Mr. BECK. We agree on one place.

The CHAIRMAN. No doubt they feel that it would be best for you to take the fifth amendment, if they have so advised.

Mr. BECK. I am carrying out the advice of Senator Duff, my counsel.

The CHAIRMAN. But what I want to find out, and I think there are about 1,300,000 or 1,500,000 teamster union members in this country who would like to know whether you regard the fifth amendment as a protection device to yourself and transcending the duty and obligation that you owe to them and the responsibility that they have honored you with in the highest position of trust you now hold in their union.

Mr. CONDON. Mr. Chairman, I feel that Mr. Beck has expressed his views on the subject that you have dealt with and I submit that your question is entirely irrelevant to the proceedings.

The CHAIRMAN. Well, I do not think many people in America will agree with that conclusion. I think that we are entitled to know in this inquiry. When one invokes the fifth amendment, it has always been my position that it is a privilege. But he has no duty to invoke it.

Some people are in positions of trust and honor and obligation where, in my judgment, the duty and obligation they owe to those who have placed them in that position of trust, certainly transcends the right of invoking the fifth amendment.

I just want to get his views about it. I want to give him this opportunity to tell his union members and tell the country, the people who are interested in this proceeding, and its objectives, whether he so regards it.

The Chair repeats the question, Mr. Beck, and you will answer it.

(The witness consulted with his counsel.)

Mr. BECK. What was the last statement, please?

The CHAIRMAN. The Chair repeats the question and you are directed to answer it.

Mr. BECK. I must decline to answer the question because this committee lacks jurisdiction or authority under articles I, II, and III of the Constitution, further because my rights and privileges granted by the Constitution as supplemented by the fourth and fifth amendments are violated. And further, because the question is not relevant or pertinent to the investigation.

The CHAIRMAN. Are there any questions by other members of the committee along the line that the Chair has been interrogating the witness?

Senator MUNDT. I have one. I wonder if we could get down to specifics on which you are an authority and on which you can answer.

I have heard you described here this morning as the president of the largest single labor union in America, is that correct?

Mr. BECK. That is correct, yes, sir.

Senator MUNDT. In that office, and speaking now as to a matter of policy, do you believe that the members of your union are entitled to a full disclosure on the part of their national officials of the use which these officials have made of the dues paid by the members?

(The witness consulted with his counsel.)

Mr. BECK. I would answer that, Senator, this way: That the members are entitled very definitely to my compliance with their international constitution under which they elected me general president, but I do not think that the members themselves, at least by an overwhelming majority, desire that in electing me president of the International Brotherhood of Teamsters that they impose upon me any violation of my constitutional rights as a citizen.

Senator MUNDT. Mr. Chairman, may I have my question read again and I think Mr. Beck did not quite understand it.

Mr. BECK. I think I understand it, but I will be glad to listen to it again.

(Whereupon, the pending question was read by the reporter.)

Mr. BECK. I very definitely do and I think that our constitution of the International Brotherhood of Teamsters provides the method for

which any member can proceed under that constitution and I repeat that I do not think that in electing me president of the International Brotherhood of Teamsters that the membership ever intended that they should impose upon my rights or violate my rights or ask anyone else to violate my rights as a citizen of the United States in conformity with the Constitution of the United States and the Bill of Rights.

The CHAIRMAN. Could I ask a question there?

Senator MUNDT. I want to follow up with one question. Since we are agreed, then, and certainly I share your conviction that the men who pay the dues should be entitled to know from their International and high officials, how they spend the money and use the money which is paid by dues, am I correct in assuming that you will answer any question asked you by this committee with direct regard to the manner in which you have used the money paid by the dues-paying members of your union?

Mr. BECK. I will answer your question that I will comply 100 per cent with any procedure taken by any member of the International Brotherhood of Teamsters in conformity with the constitution of the International Brotherhood of Teamsters.

But I will not waive any of the constitutional rights that my chief counsel, Senator Duff, and his associates advised me to follow as constitutionally my prerogative in defending my rights as a citizen of the United States.

Senator MUNDT. I yield to the chairman. I have another question, but you had a question you would like to ask there.

The CHAIRMAN. I just wanted to again try to determine and let the union members know what your attitude is. Do you think when they elected you president that they intended and were willing for you to invoke the fifth amendment to keep from telling about money you take of their treasury?

(The witness consulted with his counsel.)

Mr. BECK. I repeat to you, Senator, that the constitution of the International Brotherhood of Teamsters definitely and positively provides the machinery for any member of the international union who feels aggrieved, to proceed upon the subject matter as it relates to the general president or any other officer of the International Brotherhood of Teamsters.

I further repeat that in my opinion, it is not the intention or the desire of any member of the International Brotherhood of Teamsters to impose upon me any violation of my rights as a citizen of the United States which I previously stated to you is much more important than any labor organization or any other group.

The CHAIRMAN. Let me say this to you: If the constitution of the international union to which you constantly refer permits, condones, and approves of the conduct that you are displaying here today, it certainly is a ragged document and it ought to be discarded. That is my view about it.

Mr. BECK. Well, Mr. Senator, I would like to reply to that this way: I don't like accusations to be made—

The CHAIRMAN. Accusations have been made.

Mr. BECK (continuing). Unless they are facts.

The CHAIRMAN. They are here and you are refusing to answer them.

Mr. BECK. I am stating to you that if there is any member of the teamsters international union that feels aggrieved, there is constitutional procedure within the constitution of the International Brotherhood of Teamsters to proceed under in any alleged violation by myself as general president.

But I do not grant to any member of the teamsters international union or no one else in the United States of America the right to impose upon my citizenship rights as has been defined to me and advised to me to follow by chief counsel, Senator Duff and his associate counsel.

Senator MUNDT. Continuing my question, Mr. Beck, since you have agreed with me that the men who pay the dues of your union are entitled to know from their general officers what disposition and use has been made of the money that they pay as dues, and since you have referred in your statement to the fact that you have some, I think you said, income-tax trouble or income-tax problems, is it safe to assume that you will then, answer any questions propounded to you by the committee—

Mr. BECK. Which committee?

Senator MUNDT. This committee. That you will answer any questions propounded to you by this committee with regard to the use that you have made of the dues paid by your members provided those questions do not impinge upon your income-tax problems on which you have taken the fifth amendment?

(The witness consulted with his counsel.)

Mr. BECK. Senator, in my personal opinion, your question is far too general because it could involve political contributions and it could involve maybe other things, and I am following the advice of my chief counsel, Senator Duff, and his associates.

The CHAIRMAN. Senator Ervin.

Senator ERVIN. Mr. Beck, do you not believe that the members of the teamsters are entitled to have as a president, a man who will conduct his affairs as president of such union in such a manner that when he is called upon to account for his handling of union funds, he will not feel compelled either on his own volition or on the advice of counsel, to hide behind the fifth amendment to keep from giving an accounting?

Mr. BECK. I will be very happy to answer your question this way: First, let me say that I am not hiding behind anything. I am exercising in my opinion on advice of my counsel, Senator Duff and his associates, my legal rights as they asked me to expound it to you here, and furthermore, I have repeatedly stated that the International Brotherhood of Teamsters have a constitution with machinery provided to its membership to proceed under its provisions and I stand ready and willing to follow out the mandates of that constitution to the letter.

But I do not waive, by virtue of that, the right to exercise my obligations and duties and responsibilities conferred upon me by the Constitution of the United States and the Bill of Rights.

Senator ERVIN. Now, I have listened with interest to your statement and now I will put my question in substance to you another time, and ask you to give an answer:

Do you not think that the members of the teamsters union are entitled to have their president so conduct his affairs and their affairs

as their president, that he will be able to make a fearless and a truthful disclosure of his financial transactions with their funds?

MR. BECK. I certainly to believe that and the machinery of the International Brotherhood of Teamsters, Chauffeurs, Warehousemen, and Helpers, through its constitution very definitely guarantees that to each and every member.

But it does not nor has any member the right to violate any of my constitutional rights or procedure recommended to me to be taken by my counsel, chief counsel, Senator Duff and his associates.

SENATOR ERVIN. You place the sole responsibility for your pleading the fifth amendment on Senator Duff and your other counsel?

MR. BECK. I would like to answer your question this way: If I go up to the hospital and hire a doctor, I intend to follow his advice. When I hired Senator Duff, I intend to follow his advice.

SENATOR ERVIN. I think that you concur in my inference then, that Senator Duff and your other counsel gave you very wise advice when they told you to invoke the fifth amendment, after they had been informed by you of your transactions of union affairs; is that not so? Do you not think that they gave you wise advice?

MR. BECK. I would make this statement to you, Senator, with all courtesy and deference, that I don't think Senator Duff by the wildest stretch of his imagination would ever transcend any of the laws or ethics of the bar association or of the United States Government to give me advice that is in contradiction to the sound principles of good American citizenship.

SENATOR ERVIN. I agree with you. I have the highest opinion of Senator Duff and I have no reason for not entertaining the highest opinion of your other counsel and I was just asking you if you did not agree with my inference that they gave you wise advice in advising you to invoke the fifth amendment, after you had disclosed to them your transactions as president of the international teamsters union.

MR. BECK. Now, in all fairness, Senator, let me say this: You have no information in your possession upon which you predicate your statement of what Senator Duff and I have discussed.

When you, in the slightest degree, impugn any of the motives that actuate me in following out the advice of my chief counsel, Senator Duff, you must necessarily impugn the Senator himself, who gave me the advice.

SENATOR ERVIN. Oh, no, I do not.

MR. BECK. I am only following his advice.

SENATOR ERVIN. Mr. Beck, I do not impugn the motives of Senator Duff or your other counsel. I have the highest opinion of Senator Duff, as a citizen, as a lawyer, and as a former public official. Having been a lawyer myself, I assume your counsel gave you good advice. I never did advise any of my clients to plead the privileges against self-incrimination unless I thought that if they made a revelation of their conduct, that the revelation of their conduct would tend to show that they had committed a criminal offense.

I say that, and I add this: I think it is a duty of a lawyer to advise his client to plead the fifth amendment or the privilege against self-incrimination when he thinks that if his client makes an honest and truthful revelation of his conduct, that such conduct might tend to show that he has committed some criminal offense.

I approve of such conduct and advice on the part of counsel and I praise it.

(The witness consulted with his counsel.)

Mr. BECK. I would be very glad—

Senator ERVIN. But I will say this, Mr. Beck: I do not give my full approval to a witness emulating the example of Adam and trying to blame his conduct on somebody else. As you will recall, when Adam was called to account for eating the forbidden fruit, he placed the blame on the woman, "whom Thou gavest me."

You attempt to shift the responsibility for pleading the fifth amendment from yourself to your very fine counsel.

Mr. BECK. No. Let me answer that this way, and then I think I have had all I want to say upon the question that you are asking.

In my personal opinion if Senator Duff, my chief counsel, committed any overt act in advising me that is in contradiction to good sound citizenship, it is the duty of the American Bar Association to remove Senator Duff. I am only following his advice.

Senator ERVIN. Well, Mr. Beck, in order that you might not try to shift to me an implied accusation that I have reflected in any way upon Senator Duff or any of your other counsel, I would like to say that I do not know any man I consider to be a finer American citizen than Senator Duff.

Mr. BECK. Well, let's agree on this, Senator, and I have the highest regard for you personally, also, because I have no reason to believe otherwise, let's don't put Senator Duff on trial here. I am only carrying out his advice.

Senator ERVIN. I did not put him on trial. I merely marveled at the fact that when you were asked questions you emulated the example of our first father Adam and tried to shift the responsibility for your predicament or, rather, for your pleading the fifth amendment, upon some other person.

Mr. BECK. Senator, if I am pleading the fifth amendment, I want to emphasize it over and over again, I am only doing it on the advice of my chief counsel, Senator Duff, who occupies or did occupy a position of honor in the United States Government comparable to what you now occupy.

Senator ERVIN. And I would like to say that I think Senator Duff is a fine man and a fine lawyer, and I am certain that he gave the very best advice possible to his client when he advised you to plead the fifth amendment.

The CHAIRMAN. Senator Goldwater?

Mr. BECK. Well, we could go on indefinitely. I don't intend to go any further. I think I have emphasized that what I am doing is carrying out the advice of my chief counsel, Senator Duff, and his associates.

The CHAIRMAN. Let us have order.

Senator Goldwater?

Senator GOLDWATER. Mr. Beck, to change the subject, you referred to the constitution and bylaws of your international. You referred to other laws. You have referred to the Federal Constitution. You are aware of the Taft-Hartley Act, I am sure, and section 9 that requires reporting by labor unions. Has the international complied with that section of the Taft-Hartley, and are those reports available in the Labor Department?

Mr. BECK. The International Brotherhood of Teamsters, have they complied?

Senator GOLDWATER. Yes.

Mr. BECK. To the best of my knowledge, they have, though that does not, of course, come under my department.

Senator GOLDWATER. You would have to sign that report, would you not?

Mr. BECK. It is possible, Senator that I may have to sign it. If so, then it is a matter of just routine and perhaps has even been signed on the machine that carries my signature and office. Honestly, I do not know.

Senator GOLDWATER. You do not know?

Mr. BECK. No; I do not, Senator.

Senator GOLDWATER. I have one other question. When you pay your chief counsel, Senator Duff, are you going to pay him with union funds or with the funds of Dave Beck?

Mr. BECK. I assure you, Senator, he will be paid with the funds of Dave Beck. No one else.

Senator GOLDWATER. That is all.

Mr. BECK. I am well able to pay him, and I shall do so.

Senator GOLDWATER. We have an idea that you are well able to pay them, but I just wanted to make sure.

Mr. BECK. I want you to know also, Senator, that when I tell you I will pay him, very definitely I will pay him.

The CHAIRMAN. Senator Mundt?

Senator MUNDT. You have referred several times, Mr. Beck, to the fact that the constitution of the international provides methods by which an aggrieved member of your union can bring about full disclosure of the use of funds made by his general officers. Can you refer us to the paragraph or the section of your constitution that you have been alluding to?

Mr. BECK. Well, sitting here this morning, and not knowing verbatim the constitution, I certainly cannot do that. But I would be very glad to go into the constitution and submit to you those sections which substantiate the position I have just taken.

Senator MUNDT. The reason I mention this is that we have a copy of the constitution here, and I thought if you had in mind the section or the area, we could perhaps find it ourselves.

Mr. BECK. It is my personal opinion that the subject of the investigation is much too important for me to rely upon memory of the constitution, and I certainly would refer it to our legal counsel to cite those sections to you, wherein the constitution of the International Brotherhood of Teamsters gives a member the procedure to follow and the right, in any instance where he feels aggrieved by the conduct of any of the officers of the International Brotherhood of Teamsters.

Senator MUNDT. I have had a great volume of correspondence from members of your union, Mr. Beck, who consider themselves aggrieved. They have suggested that we try now to find out from you in these hearings what use you have made of these funds and what explanation you have of the charges which have been ventilated during the course of these hearings. Do you think this affords a splendid forum in which you can provide that information for the members who may be aggrieved?

Mr. BECK. I cannot agree with the latter part of your question for the reason that I think the constitution of the International Brotherhood of Teamsters is the first procedure that should be followed by any member, just the same as the constitution of the Elks Lodge or the Masonic Order, the Knights of Columbus, or anyone else should be followed by the member first, and I do not under any conditions agree with you that I should give testimony in here when my chief counsel, Senator Duff and his associates, advise me contrary.

The CHAIRMAN. I have just 1 or 2 other questions, and then I will ask the committee members to indulge us and cooperate with us to the end that counsel may ask some questions regarding specific matters that have been testified to before the committee.

If I understand you correctly, Mr. Beck, you appear at least to be taking the position that the constitution of the International Brotherhood of Teamsters supersedes the Constitution of the United States, of the laws of this land, of the Congress and of your Government. You are denying it the duty and the right to inquire into your transactions with the affairs of that union on the basis, you say, that the union's constitution itself provides the right and the way, and that therefore it is none of Congress' business, it is none of your Government's business, whether you may have misappropriated funds of that union; it is none of your Government's business whether laws need to be enacted to prevent the recurrence of such transactions. Is that the position that you take, and is that the inference or implication you want to give and the inference to be taken from your testimony?

Mr. BECK. I would desire to answer your question this way, and I am just as anxious as you are to get this into the record, Senator. In my personal opinion, I have never made the statement nor never will in my lifetime—I served this Government in war, and I have served this Government in many honorable capacities, not as exalted as your own; I have headed up many other organizations, such as the Elks, which is a great national organization, and an American one that no one can question—I have never made the statement and I definitely insist upon writing into the record a complete understanding that I do not in the slightest degree question the sovereignty or the power or the authority of any agency of Government. I have simply made this statement, that the constitution of the International Brotherhood of Teamsters provides machinery, not today or tomorrow or yesterday, but for years, for any member who feels aggrieved to bring the necessary charges against any officer of the International Brotherhood of Teamsters.

What I have stated relative to the Congress and this committee and its investigation, I have stated in that instance there are many issues involved, and that I have explicitly followed the advice of my chief counsel, Senator Duff, and his associates, when I take the positions that I am taking here. If I have any bad advice, then you must charge it against my chief counsel, Senator Duff, and his associates.

The CHAIRMAN. We are not charging anything against Senator Duff. You are responsible for the challenge which you have made to the committee; to its jurisdiction. You have made that challenge. You say you do not challenge your Government. I just wonder if your spirit of patriotism—and you say you served your country in time

of war—if the love for your country would not compel you to try to cooperate with this committee and give it the truth.

Mr. BECK. Senator, I would be glad to answer that. I do not give either you or I the sole right of American citizenship in its highest responsibility. There are millions of American citizens just as good as either you or I. But I do say to you that when questions are involved spreading over a wide area, where my family and many others are involved, I seek legal counsel. I tried to find honorable legal counsel, and I think I secured it, and I think when I get that kind of counsel, the same as a doctor, I should follow the advice. I say to you again that I am following explicitly the advice of Senator Duff and his associates.

The CHAIRMAN. Well, I believe the record reflects that, that you have said it a number of times. I wanted to see if your spirit of patriotism did not nudge you just a little to cooperate with this committee and give it the facts, whatever is within your knowledge.

Mr. BECK. Senator, my spirit of patriotism is second neither to you or anyone else in the United States of America, and I have demonstrated it by actual war service and other records. But that don't give you the right, in my opinion, simply because you are chairman of this committee—and I have the greatest respect, admiration, and desire to be most courteous to you and your associates—that does not give you, in my rights, and I want to write it into the record, the right in the slightest degree to impugn upon my motives or deprive me in the slightest degree of my constitutional rights as advised to me by Senator Duff and his associates, even though you may disagree with either Mr. Duff or myself.

The CHAIRMAN. May I say to you, Mr. Beck, if anybody is impugning your motives, you are doing it yourself.

Mr. BECK. You are doing it, Senator; not me. The record certainly will clearly show that. You are impugning that I have some ulterior motive. I have no ulterior motive. I am only asking you to accept the legal rights that I enjoy under the Constitution as defined to me and advised to me by Senator Duff and his associates.

The CHAIRMAN. The public will judge that.

Mr. BECK. They certainly will. That is why I am anxious to write into the record some of my thoughts on it.

Senator McNAMARA. You make a great point of representing as president of this great international union, the membership of your organization. I want to call your attention to the fact, before I ask you the question, that you represent more than just the people of your international here today in the eyes of the public. You are a high-ranking member of organized labor. You are an international president of a great union. In effect, you represent today the 15 million members, in round numbers, of the organized labor movement.

When you answer these questions or refuse to answer these questions you are not only reflecting on yourself and your organization, but you are also reflecting on approximately 15 million Americans. I think you have a tremendous weight on your shoulders. I want to sympathize with you because of that situation.

However, this committee is charged by the United States Senate to make a study. Obviously, the ends are twofold: to recommend to the Department of Justice actions where we find illegal acts have been

committed; second, and perhaps the most important duty, is to recommend legislation to correct improper activities in the field of management and labor. Certainly you are placing the 15 million Americans in some jeopardy when you are inviting, by your conduct in the past, legislation that will curb all of these members. I do not think you want to take this duty lightly.

Are you inviting control of nonprofit organizations by your acts in the past and your acts today? I will ask you that question.

Mr. BECK. I will be very glad to answer that question. I am not taking lightly in the slightest degree any of my duties, nor am I assuming to speak for international organizations that I am not a member of or an officer of. Nor do I in the slightest degree accept your statement of any alleged guilt or not guilt. I say to you that the last people in the United States, in my opinion, that should in the slightest degree attempt to infringe upon the constitutional rights of any of its citizens is the Senate officers, or the Members of the United States Senate.

That is one of the reasons I am very happy that I have as a counsel a former United States Senator. And I am only carrying out his advice. In my opinion, in this democratic Government of ours, through the machinery of its courts and through the machinery of its other judicial agencies, and through all of the machinery of its various component parts, justice will always be determined. But I think it can be determined through the judicial processes that permit cross-examination, the filing of charges, the right to face the accusers, and all of the other things that in my personal opinion, and apparently shared by Senator Duff and his associates, I do not have an opportunity to do in this hearing.

So I prefer, on the advice of Senator Duff and his associates, to stay strictly in conformity with this United States Constitution and its Bill of Rights, and proceed through its machinery, through the various agencies of Government, in order that, in the judicial atmosphere of such procedure, the final determination of the accuracy of these alleged statements—and I impress again they are all alleged—shall be determined.

Senator McNAMARA. Mr. Chairman, I would like to ask the witness the question that I think is most important.

Since you have made public statements that imply use of funds of the union for your own personal gain—and have you not made such statements publicly on television?

(The witness conferred with his counsel.)

Mr. CONDON. Senator McNamara, would you repeat that part of your question toward the end where you actually asked the question?

Senator McNAMARA. Have you not publicly stated that you have used large sums of the moneys of the teamsters' union for your own personal gain?

(The witness conferred with his counsel.)

Mr. BECK. In my opinion, the question as you put it is a tricky question and is not in concert with exactly what I said on the television, and I stand on what I said on the television, and in any judicial court, through the avenues of judicial procedure, with the right of cross-examination, and with the rights of charges to be filed and the rights to meet my accusers, acting on the advice of Senator Duff and his associates, I will answer them and prove them correct.

Senator McNAMARA. I want to say to you, sir, that I am not trying to trick you into anything. I want to say to you further that I am not a bit impressed by the fact that your counsel is ex-Senator Duff. I would like to ask you this question—

The CHAIRMAN. Let the Chair say to the audience: You are here as our guests, you are welcome, but let us refrain from applause. Sometimes we have to smile a little and laugh a little. I can appreciate that. But let us refrain from applause of approval or disapproval, so that this proceeding may be carried on orderly and properly.

All right.

Senator McNAMARA. Mr. Chairman?

Mr. BECK. I would like first, if I can, Senator McNamara, to say to you that if you thought for one second that I was charging you deliberately with asking me a tricky question, I apologize.

In my opinion, however, the question as it pertains to me in trying to answer very easily could be that in my judgment. But there was no deliberate intention. I assure you.

Senator McNAMARA. I certainly accept your apology, and I appreciate it, because I am not a tricky person.

Mr. BECK. I understand that. I think I know—I don't know you personally, but I know much of you and all of it is good.

Senator McNAMARA. Now will you answer my question that I have asked a couple of times? Do you not realize that your conduct in the past, which you have publicly stated, is inviting legislation at the Federal level beyond any now existing—

Mr. BECK. Do you want me to answer that?

Senator McNAMARA. No; I am not through with it—to become effective in the field of nonprofit organizations, labor unions particularly, because of these kinds of activities? Are you not inviting further legislation that probably will be at least distasteful to the large majority of the 15 million members of organized labor?

Mr. BECK. I would be very glad to answer this question this way. I have too much respect, and far too much deep inborn conscious approval, of the great institution of the United States Senate to feel that for one instance they would take advantage in the slightest degree of anything to impose upon labor or nonprofit organizations anything based upon other than factual data developed after exhaustive hearings and after every opportunity for every person to be heard through the avenues of constitutional procedure and judicial procedure.

In my personal opinion, labor is not always right by a long way, but that goes for the doctors and everyone else. I have full confidence that after all of the emotion is out of the way, and the hysteria of it, that this committee and the United States Senate will decide in the finals upon only those things which have been developed as factual.

Now, if there are any transgressions by labor or any other group in the interest of American Government as a whole, then we should have additional legislation, and I personally do not object to it. But I personally will support it. And I think there is much legislation that I would support in many fields associated with labor. But I do not feel that anything I do here in carrying out my constitutional procedure or asking for my civil rights or my other rights to go through the judicial processes under the Constitution of the United States in any degree should be any reason for anyone, no matter what office they occupy, to use that as an avenue of alleged violation of anything that

would result in the inauguration of laws contradictory to labor or to nonprofit or profit organizations.

Senator McNAMARA. That is all.

The CHAIRMAN. Senator Ives?

Senator IVES. Mr. Beck, you have a union shop, do you not, in the teamsters, what amounts to a union shop? I suppose it might be called a closed shop, except that that is illegal at the present time. (The witness conferred with his counsel.)

Mr. BECK. Do you mean in my own office as general president? What is the intent of the question?

Senator IVES. I mean your international labor organization, composed of union locals, where they have a union shop. In other words, anybody to be a teamster has to belong to the teamsters union; does he not?

Mr. BECK. He certainly has to belong to the teamsters union if he is a member of the teamsters, the same as you would have to belong to the bar association; yes.

Senator IVES. He has to be a member of the teamsters union, does he not, to function as a teamster?

Mr. BECK. No; he can function as a teamster without being a member of the teamsters union.

Senator IVES. Try to get away from it anywhere.

Mr. BECK. Again I want to state right now while we are getting underway, I don't appreciate that kind of a statement, because there may be sarcasm or something else in it. It certainly is not a factual statement. He does not have to belong to the teamsters. We do the best we can to organize him, but he don't have to belong.

Senator IVES. Let me tell you something about that. I come from New York, I come from upstate New York, and a lot of my upstate constituents try to ship something into New York City by buses and trucks, particularly trucks, and they cannot get through to New York City unless they join the teamsters there when they arrive. I am not arguing against joining the teamsters, but I am telling you they are forced to do it, physically forced to do it, and it is one of the chief issues in New York State where labor is concerned at the present time.

Mr. BECK. Can I answer your statement this way—

Senator IVES. Yes; you can.

Mr. BECK. That I can name you if you will give me a little time to do it, not one but thousands of doctors in the United States that can't practice in hospitals in the United States if they don't belong to the medical association and pay their dues in it. I can name you thousands and thousands of attorneys that can't practice law in the courts of the United States unless they pay their dues to the bar association.

Senator IVES. May I point out one thing?

Mr. BECK. We don't have that advantage in the teamsters.

Senator IVES. May I point out one thing in that connection? Two wrongs do not make a right.

Mr. BECK. No, but there should be an investigation of both of the others, if the investigation is based on that allegation.

Senator IVES. But this committee is not in that field, I would point out.

Mr. BECK. I don't think they will be, either.

Senator IVES. In that connection, how do you make your contracts, in connection with the employers?

(The witness conferred with his counsel.)

Mr. BECK. Senator, are you asking me if the contracts between the organizations and the employers are at a local or a national level?

Senator IVES. Well, I do not care whether they are local, national, or international. It does not make any difference to me.

Mr. BECK. They are made on a local level.

Senator IVES. I suppose they represent the members of the union?

Mr. BECK. On a local level, yes, sir.

Senator IVES. On a local level.

Mr. BECK. Yes, sir.

Senator IVES. You are protected, are you not, by the Taft-Hartley Act in those contracts? Is that correct?

Mr. BECK. I certainly will not agree to that, that we are protected by the Taft-Hartley Act.

Senator IVES. You do not want to operate under the Taft-Hartley Act?

Mr. BECK. I would prefer for the Taft-Hartley Act to be taken off the statute books, but apparently the majority don't agree with me, at least in the Senate and the House. I am only giving you my personal opinion. I would like to see the Taft-Hartley Act off the statute books, and I think the overwhelming percentage of the labor movement would take the same position on that.

Senator IVES. Are you sure about that? No such testimony has ever been given before any committee of which I have been a member.

Mr. BECK. You can always be sure of death and taxes, but I am sure the majority would, overwhelming.

Senator IVES. Do you mean the individual members or the labor leaders themselves?

Mr. BECK. Both.

Senator IVES. And this: Why is it that in the two national conventions, political conventions, last summer, the heads of the labor organizations in this country, the top heads, showed up and at least one of them wanted the Taft-Hartley Act greatly amended? Mr. Schnitzler, your own secretary-treasurer of the American Federation of Labor-CIO at the present time, said they did not want the Taft-Hartley Act repealed, that they wanted it overhauled. Why is it that they want to amend it?

Mr. BECK. Just a minute, Senator. You are a practical fellow and I hope I am. I say to you that there are politics inside labor the same as there is in the United States Senate or anywhere else. In the merger or in the machinery of the CIO versus the A. F. of L., and in the physical makeup of the building trades and others, it very definitely became a political advantage to certain phases of labor to take advantage of certain features of the Taft-Hartley Act for their own particular personal advantage at some particular time. But it would take me 2 hours to go into that, or longer.

I say to you that in my personal judgment, if you sent out a ballot throughout the executive officers of the American labor movement, it would be overwhelmingly, 90 percent overwhelmingly, in favor of the wiping off of the statute books of the Taft-Hartley law.

If you did the same thing of the general membership, if you could get a secret ballot, it is my personal judgment, just judgment, that the same rule would follow, maybe not as great a percentage, however.

Senator IVES. Would you be in favor of having the open shop?

Mr. BECK. Would I what?

Senator IVES. Are you trying to tell me you are in favor of the open shop?

Mr. BECK. I certainly am not in favor of the open shop.

Senator IVES. If you wipe all of these things out, you are going to come to the open shop. That may be the upshot of what you do here today.

Mr. BECK. Senator Ives, let me say this to you—

Senator IVES. I am not in favor of the open shop.

Mr. BECK. You have a very splendid record as far as labor envisions your record. I agree with you on it. I certainly endorse it a hundred percent, on the whole. But, it is my personal opinion that in exercising my constitutional rights there is no reason for the Senate, the House, or anyone else, to impose upon labor or anyone else, punitive action, simply because I elect and my associates and Chief Counsel Duff ask me to do it. Why should that impune my motives or why should that impune the United States Senate?

Senator IVES. I am not impugning your motives. I wish you would think this thing through, though.

Mr. BECK. I am thinking it through.

Senator IVES. I do not think you have thought it through. You are the head of a great labor organization, the greatest labor organization in the United States. As the head of that, you enjoy certain rights, you have certain privileges. But I do not think your privileges go as far as invoking the fifth amendment. You think that through sometime. I do not think you have really thought it through.

Mr. BECK. Senator, let me say this to you. In all fairness, and with the utmost courtesy, and with full acceptance of the tremendous responsibility and the great honor you have in serving in the United States Senate, I think that you know that I haven't come to the position I am in by overnight decisions or judgment. I think that I have associated with me counsel of the highest degree of intelligence and integrity. Certainly he don't make snap decisions. It has only been after mature deliberation and thinking and conferences with all of its ramifications involved, that my chief counsel, Senator Duff, has recommended to me to do exactly what I am doing today.

The CHAIRMAN. All right. Let us move on to something else.

The Chair wishes to observe that, if the witness will cooperate and help the Senate and Congress get some information it needs, then it can give more intelligent and judicious consideration to any change in laws that may be needed. We are hopeful now that you will start cooperating with the committee to that end.

Mr. Counsel, will you proceed to interrogate the witness?

Mr. BECK. Mr. Chairman, just a moment now, because I want the record very carefully to show my position as well as your own.

The CHAIRMAN. You have done more talking than I have, so I expect it shows it.

Mr. BECK. I have done more talking than you have because you are only one up there and there are 6 or 7 of you asking me questions. I have to do more talking.

The CHAIRMAN. Go ahead for a moment.

Mr. BECK. I do want to get into the record that I haven't done or said a single thing this morning except insist upon that I be per-

mitted to follow the advice of my chief counsel, Senator Duff, and exercise my constitutional rights. That is all.

The CHAIRMAN. You said that about 100 times.

Mr. BECK. I may say it 200 times more before we are finished.

The CHAIRMAN. You may get the opportunity.

Mr. BECK. Thank you.

Mr. KENNEDY. We have information and it has been developed this past week, that Mr. Dave Beck took large sums of money from the teamsters union in Seattle, Wash., and used them for his own personal benefit. I would like at this time to question Mr. Beck about some of those funds.

The CHAIRMAN. Counsel may proceed.

Mr. KENNEDY. During the year 1946, Mr. Dave Beck took \$31,000 from the Joint Council Building Association to pay off a loan that he had from a bank.

(The witness conferred with his counsel.)

Mr. KENNEDY. Mr. Beck, did you do that?

(The witness conferred with his counsel.)

Mr. BECK. In regards to the allegation, I must decline to answer the question because this committee lacks jurisdiction or authority under articles I, II, and III of the Constitution; further, because my rights and privileges granted by the Constitution as expressed by the fourth and fifth amendments are violated.

The CHAIRMAN. Do you honestly believe, Mr. Beck, that if you answered that question truthfully, a truthful answer under oath might tend to incriminate you?

Mr. BECK. It might; and I emphasize "might."

The CHAIRMAN. It really might.

Mr. KENNEDY. Mr. Chairman, we have information that in the same year, 1946, Mr. Dave Beck took directly from the Western Conference of Teamsters \$5,000 to pay off loans that he had made from a bank, making a total in 1946 of \$36,000 that he took from various teamster organizations to pay off his personal loan from banks.

Mr. Beck, did you take \$36,000 out of the teamster union funds to pay off various of your loans in 1946?

Mr. BECK. In answer to what is simply an alleged situation, I must decline to answer the question because this committee lacks jurisdiction or authority under articles I, II, and III of the Constitution; further, because my rights and privileges granted by the Constitution as supplemented by the fourth and fifth amendments are violated.

Senator ERVIN. Mr. Chairman, I raise the point that the witness does not bring himself within the purview of the right to invoke the fifth amendment because he says he is just answering a mere allegation, and unless a truthful answer on his part would disclose some fact which either in itself or in combination with other facts might tend to show that he had received money from the teamsters illegally, then he has no right to invoke the fifth amendment, and he has not laid a sufficient factual predicate for pleading the fifth amendment in answer to that last question.

Mr. BECK. I stated definitely that it might, and I emphasized "it might."

The CHAIRMAN. The Chair is of the opinion that a witness who invokes the fifth amendment must state that if he answered the ques-

tion truthfully and honestly that he honestly believes that such a truthful answer under oath might tend to incriminate him, the Chair will not grant the privilege or recognize the privilege except and unless a witness will testify under his oath that he believes a truthful answer would incriminate him or might tend to incriminate him.

These questions do not violate, and I want the record clear on that, the questions being asked do not violate your rights under the fifth amendment. You can only exercise that right. There is no violation of your rights in asking you the question, and your statement that it violates your rights is inaccurate and is not correct.

Mr. BECK. I said it might violate my rights. It might violate my rights. I have emphasized that.

The CHAIRMAN. The Chair will order you to answer these questions.

Mr. KENNEDY. Have you, since the year 1946, taken approximately \$36,000 from the union funds in Seattle to pay your own personal loans to banks?

(The witness conferred with his counsel.)

Mr. BECK. I must decline to answer the question because this committee lacks jurisdiction or authority under articles I, II, and III of the Constitution; further, because my rights and privileges granted by the Constitution as supplemented by the fourth and fifth amendments are violated. It might.

The CHAIRMAN. The Chair rules that that is not a sufficient answer with respect to the fifth amendment. That does not invoke the fifth amendment. You charge that the asking of the question violates your rights under the fifth amendment.

Mr. BECK. I said it might.

The CHAIRMAN. The question does not violate your right under the fifth amendment. The right under the fifth amendment remains inviolate. You can only invoke that right, and you must either invoke it or the Chair will order you to answer these questions.

(The witness conferred with his counsel.)

Mr. CONDON. What is the question, Senator?

The CHAIRMAN. Read the question.

(The reporter read from his notes as requested.)

Mr. BECK. I must decline to answer the question because this committee lacks jurisdiction or authority under articles I, II, and III of the Constitution; further, because my rights and privileges granted by the Constitution as supplemented by the fourth and fifth amendments are violated.

The CHAIRMAN. The Chair overrules your objection to answering the question on the grounds of it violating the Constitution and that this committee has no jurisdiction. The Chair, therefore, in view of the statement you made that your rights are violated by the question under the fifth amendment, overrules that challenge that your rights are violated, and orders and directs you to answer the question. The committee is violating no right of yours under the fifth amendment in asking the question.

(The witness conferred with his counsel.)

The CHAIRMAN. You are ordered and directed to answer the question.

(The witness conferred with his counsel.)

Mr. BECK. I must decline to answer the question because this committee lacks jurisdiction or authority under articles I, II, and III of

the Constitution; further, because my rights and privileges granted by the Constitution as supplemented by the fourth and fifth amendments are violated.

Senator ERVIN. Mr. Chairman.

The CHAIRMAN. The Chair rules that that does not invoke the fifth amendment. It only makes an accusation against this committee. Therefore, the order and the direction to the witness to answer the question stands.

Senator ERVIN. Mr. Chairman, I was just going to suggest that the Chair make it clear to Mr. Beck that questions do not violate anyone's rights under the fifth amendment, and that nobody has any right to invoke the fifth amendment, unless his answers to questions might tend to incriminate him.

The CHAIRMAN. The Chair feels that the witness has retained very able counsel to advise him, and the Chair does not feel compelled to maybe contravene the advice which has been given to him by his counsel. Therefore, we will proceed to ask the questions, and where the proper invocation of the fifth amendment is not made, the Chair will order and direct the witness to answer.

Proceed, Mr. Counsel.

(At this point, Senator McCarthy entered the hearing room.)

Mr. KENNEDY. Mr. Chairman, we have information indicating that from the year 1949 Mr. Dave Beck took from the union funds some \$4,812.39 and deposited it in his own bank account.

The CHAIRMAN. Ask the witness whether he did it.

Mr. KENNEDY. Mr. Beck, did you take some \$4,812.39 from the Western Conference of Teamsters in the year 1949 and deposit it in your own bank account?

(The witness conferred with his counsel.)

Mr. BECK. I must decline to answer the question because this committee lacks jurisdiction or authority under articles I, II, and III of the Constitution; further, because my rights and privileges granted by the Constitution as supplemented by the fourth and fifth amendments are violated.

The CHAIRMAN. The Chair overrules the objection to the question on the grounds that there is no jurisdiction in this committee and that its actions are in violation of the Constitution. The Chair holds that the answer given, the further answer given, by the witness, charging the asking of the question violates his rights under the fifth amendment, is not a proper invocation of that right and, therefore, the Chair orders and directs you to answer the question.

(The witness conferred with his counsel.)

The CHAIRMAN. Let us have order.

Is the witness ready to answer?

Mr. BECK. As soon as my counsel here can agree with me.

The CHAIRMAN. Get him to agree with you and let us go ahead.

(The witness conferred with his counsel.)

Senator MCCARTHY. Mr. Chairman, while the witness certainly has a right to confer with counsel, I do not believe counsel has a right to write out the answer and hand it to the witness.

The CHAIRMAN. If it is invoking a legal right, I think counsel would have a right to instruct him as to a legal question. I do not think the counsel should write out answers to questions of fact.

Mr. BECK. It is strictly a legal matter. I know nothing about it.

The CHAIRMAN. If it is invoking a legal right, I think counsel has a right to write it.

Mr. BECK. It is strictly legal, Mr. Chairman.

Thank you.

(The witness conferred with his counsel.)

Mr. BECK. I must decline to answer the question because this committee lacks jurisdiction or authority under articles I, II, and III of the Constitution; further, because under my rights and privileges granted by the Constitution as supplemented by the fourth and fifth amendments, I need not answer, and this is also my answer to previous questions which I answered with this language.

The CHAIRMAN. The Chair holds that does not invoke the fifth amendment. Therefore, you are ordered and directed to answer these questions. If that is going to be your answer to each one, the order stands to each one of these questions that you answer that way that you are ordered and directed to answer.

Proceed, Mr. Counsel.

Mr. KENNEDY. Mr. Chairman, we have information that approximately \$196,516.49 was taken from union funds in Seattle to pay Mr. John Lindsay for work that was done on Mr. Beck's home and on homes that were on Mr. Beck's property.

The CHAIRMAN. What is that amount?

Mr. KENNEDY. \$196,516.49 from 1949 through 1953.

Mr. Chairman, out of that amount, \$136,805.65 was taken from Joint Council 28 Building Association; \$59,710.84 was taken directly from the Western Conference of Teamsters. Mr. Beck signed all these checks.

The CHAIRMAN. Mr. Beck, the Chair will ask you whether there was a total of \$196,516.49 taken out of union funds to pay for the building of your house and other houses on your property.

(The witness conferred with his counsel.)

Mr. BECK. I must decline to answer the question, because this committee lacks jurisdiction or authority under articles I, II, and III of the Constitution; further, because under rights and privileges granted by the Constitution as supplemented by the fourth and fifth amendments, I need not answer.

The CHAIRMAN. You are ordered and directed to answer the question.

Mr. BECK. My answer is the same as I just read into the record.

The CHAIRMAN. The order of the Chair will continue.

Mr. KENNEDY. Mr. Chairman, we have information that from the year 1949 to 1953—

The CHAIRMAN. Let me ask the witness: Do you want to comment on any of this, this \$136,805 and some cents—he got out of what council?

Mr. KENNEDY. Joint Council 28 Building Association.

The CHAIRMAN. Would you like to comment on that and clear it up for us?

Mr. BECK. I have answered the question. I do not desire to change it in the slightest degree.

The CHAIRMAN. You do not want to comment?

Mr. BECK. Only as I have answered the question.

The CHAIRMAN. I see.

Proceed.

Mr. KENNEDY. You signed the checks, did you not, for the Joint Council 28 Building Association?

Mr. BECK. I have answered the question, and that is all the answer I have to it at this time.

The CHAIRMAN. This is another question. Did you sign the checks for this money?

Mr. BECK. I give the same answer. I will read it again if you want me to.

I must decline to answer the question because this committee lacks jurisdiction or authority under article I, II, and III of the Constitution; further, because under rights and privileges granted by the Constitution as supplemented by the fourth and fifth amendments, I need not answer.

Senator McCARTHY. Mr. Chairman, could I ask a question?

The CHAIRMAN. Senator McCarthy.

Senator McCARTHY. Mr. Beck, do you honestly believe that it would tend to incriminate you if you answered this question?

(The witness conferred with his counsel.)

Mr. BECK. Yes, it might, Senator McCarthy; it might.

Senator McCARTHY. You know that if you are innocent of any wrongdoing, then you could answer very simply "yes" or "no." It is only if you are guilty of wrongdoing that you might incriminate yourself? You realize that, do you not?

Mr. BECK. I answer this question by the language that I have just read into the record and upon the advice of my counsel, Senator Duff.

Senator MUNDT. Senator Duff is not here.

Senator McCARTHY. I have heard this Duff routine all morning and I am getting a bit sick of it. Duff is a defeated Senator who has not practiced law for some 25 or 35 years. This committee is not bound by any advice of Duff. I ask you the question. You are the man who is on the stand and not Duff. Do you feel that if you were to give a truthful answer to counsel's question about the \$196,000, that that would tend to incriminate you?

(The witness conferred with his counsel.)

Mr. BECK. It might tend to incriminate me. It might.

The CHAIRMAN. All right, Mr. Counsel, proceed.

Mr. KENNEDY. Mr. Chairman, we have information that from the year 1949 to 1953, Mr. Beck took \$85,119.92 from union funds in Seattle to pay his own personal bills.

The CHAIRMAN. Ask Mr. Beck whether he took the money.

Mr. KENNEDY. Mr. Beck, did you take some \$85,119.92 from union funds from the year 1949 to 1953 to pay your own personal bills?

Mr. BECK. I must decline to answer the question because this committee lacks jurisdiction or authority under articles I, II, and III of the Constitution. Further, because under rights and privileges granted by the Constitution as supplemented by the fourth and fifth amendments, I need not answer.

The CHAIRMAN. The Chair overrules the objections made specifically with respect to this committee not having jurisdiction under the Constitution and also with respect to the statement that the witness need not answer.

It is his duty to answer unless he specifically invokes the privilege of not being required to give testimony against himself.

Therefore, the Chair orders and directs you to answer the question.

(The witness conferred with this counsel.)

Mr. BECK. May I answer his—

(The witness confers with his counsel.)

Mr. CONDON. Just a moment, please.

(The witness conferred with his counsel.)

Mr. BECK. In answer to the last question, I decline to answer because I refuse to give testimony against myself, and invoke the fifth amendment.

(The witness conferred with his counsel.)

Mr. KENNEDY. Mr. Chairman, there is information and we will be able to present some of it this afternoon, I hope, which indicates that the checks for this \$85,000 were signed by Mr. Dave Beck.

The CHAIRMAN. All right. We obviously cannot conclude this morning. The Senate is now in session and our members need to be on the floor in a little while.

Therefore, the committee will stand in recess until 2 o'clock this afternoon, at which time the witness will return to the witness stand.

(Present at the taking of the recess were Senators McClellan, Ives, Kennedy, Ervin, McNamara, McCarthy, Mundt, and Goldwater.)

(Whereupon, at 12:05 p. m., the committee recessed, to reconvene at 2 p. m., the same day.)

AFTERNOON SESSION

(The hearing resumed at 2 p. m., Senator John L. McClellan, chairman, presiding.)

The CHAIRMAN. The committee will be in order.

(Present at the convening of the session were Senators McClellan, Ives, McCarthy, Mundt and Goldwater.)

The CHAIRMAN. The Chair will again remind the spectators present that you are guests of the committee. You will refrain from applauding, either your approval or disapproval.

We ask your full cooperation in order that we may keep order, in order that the proceedings may go along in an orderly way.

Mr. Counsel, are you ready to proceed?

Mr. KENNEDY. Yes, Mr. Chairman.

TESTIMONY OF DAVE DECK, ACCOMPANIED BY HIS COUNSEL,

ARTHUR D. CONDON, DAVID FOSS, AND KENNETH SHORT—

Resumed

Mr. KENNEDY. I was discussing with you this morning about the \$85,119.92 which was the money taken from various union treasuries to pay some of your personal bills. Do you want to make any comment on that?

(The witness consulted with his counsel.)

Mr. BECK. I must decline to answer the question, because this committee lacks jurisdiction or authority under articles I, II, and III of the Constitution. Further I decline to answer because I refuse to give testimony against myself and invoke the fourth and fifth amend-

ments and further because the question is not relevant or pertinent to the investigation.

Senator McCARTHY. Could I ask a question there?

The CHAIRMAN. The Chair overrules the objection on the ground of lack of jurisdiction of this committee and on the grounds that the question is not relevant or material to the subject matter of the inquiry.

Senator McCARTHY. Could I ask a question there, Mr. Chairman?

The CHAIRMAN. Senator McCarthy.

Senator McCARTHY. Is there any tribunal before which you would give that information?

(The witness consulted with his counsel.)

Senator McCARTHY. That is the alleged misappropriation of tens of thousands of dollars. Is there any tribunal at all, a grand jury or a court?

Mr. BECK. Senator McCarthy, I must decline to answer that question for the same reason that I just gave you. I will read it again if you desire me to do so.

Senator McCARTHY. You need not read it again. In other words, you refuse to tell us whether or not there is any tribunal in the country before which you would give an accounting of this alleged misappropriation of laboring men's money?

(The witness consulted with his counsel.)

Mr. BECK. The answer that I gave you, Senator McCarthy, on advice of my counsel, is the answer I give you now.

Senator McCARTHY. Mr. Beck, do you not think that the laboring man who works rather hard for his money, some of them with large families, are entitled to know what happens to the money that they pay into the union coffers?

That is whether it is stolen, misappropriated, and what happens to it. Are they not entitled to that information?

(The witness consulted with his counsel.)

Mr. BECK. Yes, I very definitely think they are entitled to know that and under our constitution I think that there is ways and means they definitely can determine it, with the rights of appeal in the courts, where you have cross-examination of witnesses and the rights to face your accusers and rules of evidence to apply and under those conditions, I think very definitely they can.

Senator McCARTHY. Then under your constitution, would you answer the question that counsel has just propounded to you?

Mr. BECK. Senator McCarthy, I will answer this way: That I am a layman and I am not an attorney. I am answering your questions in order to positively and definitely protect myself under the fifth amendment as to my legal and constitutional rights.

Senator McCARTHY. Mr. Beck, you have just told me that the laboring man was entitled to know where his money went. I think we both agree on that.

Mr. BECK. I answered your question fully on that.

Senator McCARTHY. I ask you now if there is any tribunal either set up by labor or otherwise before which you would appear and answer what happened to the \$85,119.92.

Mr. KENNEDY. For his personal use, other than the amount I mentioned this morning, Senator McCarthy.

Mr. CONDON. Senator McCarthy, I believe the way you phrased the question makes it irrelevant.

Senator McCARTHY. I would rather hear from the witness. I think it is very relevant for a workingman to know where his money goes and I want to know whether Mr. Beck would, before any tribunal, a labor investigating tribunal, congressional committee, grand jury or court—is there any place where you would tell how that money was spent and who misappropriated it?

Mr. BECK. Senator McCarthy, I have answered it. I have told you that I am a layman and I am not a legal luminary, and I am following advice of my counsel and I am going to protect my constitutional and legal rights. Certainly, in this great Government of ours under its judicial structure there is most certainly all of the facilities in the world to see that Dave Beck or any other individual that may be charged in the commission of an overt act by any of our members or any overt act of Government through its judicial processes, can be brought to the point of testifying in connection therewith and to do it in a judicial atmosphere with the right of cross-examination and the right to face his accusers, and the right of testimony to be given under the rules of evidence in a court.

Now, my answer to you is that I have completely answered.

Senator McCARTHY. May I say that you say a judicial atmosphere.

Mr. BECK. That is right.

Senator McCARTHY. Do you object to the atmosphere here? You have not been abused, and you just have been asked questions, civil questions, is that right?

Mr. BECK. Senator McCarthy, I certainly have not been abused up to now and I have the greatest respect and admiration for the committee and the United States Senate. I emphasize to you that I am a layman and I am not a legal luminary and I am carrying out the advice of counsel and I am carrying it out to protect my legal rights and constitutional rights.

It is just the same as if I hired a doctor, I would carry out his recommendations to me.

Senator McCARTHY. I do not want to argue this point, Mr. Beck, with you indefinitely and take up the time of the committee, but you said that the working man was entitled to know where his money went. Now, you have been accused of having misappropriated a vast amount of money. I just ask you the simple question: Is there any body before which you would appear and give this evidence? You are now before the United States Senate. The Senate voted unanimously to bring in individuals who were accused of misconduct. You thumb your nose at the Senate, and I wonder if there is any other body before which you would appear and give that information.

Mr. BECK. Senator McCarthy, let me correct you right now, that I am not thumbing my nose at this committee, regardless of the statement you make. I am anxious to cooperate with this committee, and there can be differences of opinion between you and I. You are entitled to yours as a citizen; I am entitled to mine. I contend that under our judicial system, in the commission of any alleged overt act there is the machinery within the Constitution that can determine and adjudicate these questions with justice to all, and in a judicial atmosphere to do it where you have the opportunity to face your accuser, where rules of evidence in the court apply, where an oppor-

tunity is given to your counsel for cross-examination, and it is in that atmosphere that I preferably prefer to do it.

In the meantime I am emphasizing you are an attorney and most of the committee are attorneys and I am a layman. I am on advice of my counsel exercising constitutional rights to protect me as a citizen and to see to it that I do have an opportunity to answer and it is for that reason that I am invoking the fifth amendment, to do it in a court of law under the rights of cross-examination facing the accuser and the rights of testimony and et cetera.

Senator McCARTHY. You talk about facing your accuser, Mr. Beck. Your accusers are your own books and your own bookkeeping. That is your accuser. Your own bookkeeping shows that you misappropriated vast amounts of money which belongs to the laboring man.

Now, is there any other accuser that you want besides your own books?

Mr. BECK. Well, Senator McCarthy, I am delighted to go on indefinitely with you on this debate, if you desire. Now, you are simply alleging that. You have no proof of it other than you allege it. The proof of it will come, perhaps, some day in a court of law under the procedure I have outlined of witnesses—

The CHAIRMAN. Mr. Beck, we do have proof. These are not idle accusations. We have sworn testimony. Do you want to refute it or do you want to continue to take the fifth amendment?

Mr. BECK. I am going to continue to take the fifth amendment.

The CHAIRMAN. You may do that.

Mr. BECK. And to refute it when the proper time comes in a court of law, under the procedure that I outlined of cross-examination rights by my attorney, the right to face my accusers, and the rules of evidence to apply.

The CHAIRMAN. Will you submit to cross-examination by your own attorney right now, and answer the question?

Mr. BECK. I will ask my attorney on that. That is a legal question.

The CHAIRMAN. Ask him if he will ask you these questions on cross-examination and see whether you will answer them or not.

Mr. BECK. My chief counsel, as you well know, is not even here today.

The CHAIRMAN. I believe that is right.

Mr. BECK. Perhaps that is why you asked the question.

The CHAIRMAN. You have counsel present.

Senator McCARTHY. Mr. Chairman, could I ask where his chief counsel is.

Mr. BECK. I do not have chief counsel here, as you well know.

The CHAIRMAN. You have counsel here of your own choosing.

Mr. BECK. I prefer in a question of that kind, whether it be here or in a court, or anywhere else, if that question arises that my chief counsel have an opportunity to be with me and to determine that question. I will take it up with him and ask him and answer you that question after he so advises.

The CHAIRMAN. Take it up with him now. Send him a wire.

Mr. BECK. He is not here, as you well know.

The CHAIRMAN. Send him a wire and ask him if it will be all right for you to submit to cross-examination by your own attorney.

Mr. BECK. I will be very glad to do that just as quickly as I can locate him and do it.

Senator McCARTHY. Where is your chief counsel?

Mr. BECK. Right here in Washington.

Senator McCARTHY. I have heard him mentioned so often. Where is he and why is he not here?

Mr. CONDON. Those questions are certainly irrelevant.

Senator McCARTHY. That is very relevant, and he has been relying upon his chief counsel in refusing to answer.

I asked him the simple question: "Where is your chief counsel?"

Mr. CONDON. Senator McCarthy, I think about this time——

Senator McCARTHY. I will not hear from counsel. I will hear from the witness.

Mr. CONDON. Please be polite enough for me to finish my sentence. I think you have observed Mr. Beck is not a man to be intimidated here.

The CHAIRMAN. Just a moment. The Chair is trying to get attention here to preserve order.

Senator McCARTHY. Could I ask a question there?

The CHAIRMAN. Just a moment. Senator, ask your question and then, if counsel wishes to address the Chair, the Chair will hear him briefly.

Senator McCARTHY. Could I ask counsel, not counsel but the witness, this question, and if you think that you are being intimidated, tell me. Where is your chief counsel that you have been referring to all morning?

The CHAIRMAN. Now, just a moment. Do you have any objection to him answering where his chief counsel is, if he knows?

Mr. CONDON. No, sir.

The CHAIRMAN. Answer the question.

Mr. BECK. First, I want to say, Senator McCarthy, that, as far as I am personally concerned, I have not been intimidated here, and I am not a bit fearful of being intimidated, either. I think that the committee is made up of gentlemen and I hope I conduct myself as such. I am not worried about intimidation in the slightest degree. Senator Duff is here in the city of Washington.

Senator McCARTHY. Why is he not here with you?

Mr. BECK. Perhaps you had better ask that of Senator Duff, because I don't know.

Senator McCARTHY. I have to ask that of you.

Mr. BECK. I am telling you I don't know.

Senator McCARTHY. Mr. Beck, you say that you want to consult your chief counsel before you answer certain questions?

Mr. BECK. Senator McCarthy, you asked me a question and I said I don't know why Senator Duff is not here.

Senator McCARTHY. Wait until I finish. I will promise not to interrupt you, if you don't interrupt me.

Mr. BECK. We will agree on that right now. That is a deal.

The CHAIRMAN. Now let me suggest to all of you that we are here on a serious matter. If you will each observe the rules and let the questioner, the counsel, or any Senator conclude his questions, then the Chair will try to see that the witness has an opportunity to answer. We can proceed more orderly if we will all just hold our patience a moment and proceed that way.

Senator McCARTHY. I am sure the Chair hasn't accused me of losing my patience. I have been trying to ask questions and to get answers. My question is very simple.

The CHAIRMAN. The Chair sometimes loses his when he can't get answers, but I try to restrain myself. Let us do the best we can.

Senator McCARTHY. My question is this: You have been referring to the former Senator Duff as your chief counsel, and you say that you can't answer certain questions until you have consulted him. You say he is here in the city of Washington. This is a very important case, not only to you but to the country as a whole. I would like to know why your chief counsel is not here, and why he is not sitting beside you so that he can advise you.

Mr. BECK. And I think that I have told you at least three different times that I do not know.

Senator McCARTHY. Did you not ask him to be here.

Mr. BECK. No, sir; I did not ask him to be here.

Senator McCARTHY. You employed him?

Mr. BECK. I certainly did employ him.

Senator McCARTHY. And was the understanding that he would be here?

Mr. BECK. I think, with men of the character and integrity of Senator Duff, if he was supposed to be here he would be here.

The CHAIRMAN. Senator Duff, is, then, not supposed to be here. We have settled that, have we not?

Mr. BECK. At least Senator Duff elected not to be here, for reasons of his own, whatever they are.

Senator McCARTHY. As I said this morning, I am getting awfully sick of bandying about the name of Duff as an authority for not answering questions. I have no feeling one way or the other toward Duff. He was defeated when he ran for the Senate and he has not practiced law, as far as I know, for 25 or 30 years. I, for one, am not impressed at all when you say, "I won't answer because Duff isn't here at my side." You should in a case of this importance have a lawyer in whom you have confidence, and I just wonder, don't you have confidence in the young man sitting beside you, that he can advise you?

Mr. BECK. I would answer your question this way, that regardless of the fact that you emphasize, and why you do it, I don't know, that Senator Duff hasn't practiced law for 25 years, I don't know whether he has or not. I know that I have great confidence in Senator Duff and if anybody stands to lose by any inability that he may possess, it will be Dave Beck.

Now, I am satisfied with Senator Duff, and I think he is eminently qualified, and I am going to follow his advice to the letter. If you disagree with me on it, Senator McCarthy, you have a right to your opinion, and I have a right to mine.

Senator McCARTHY. Do you plan on having your chief counsel here with you tomorrow, for example, if we are back here?

Mr. BECK. I do not know.

Senator McCARTHY. You do not know?

Mr. BECK. I do not know.

Senator McCARTHY. Do you intend to ask him to be here?

Mr. BECK. I do not know whether I shall ask him to be here or not. I will undoubtedly discuss with him the fact that you have raised that question.

Senator McCARTHY. And will you ask him whether or not you should answer the questions which you have refused to answer?

Mr. BECK. In my personal opinion, I will not answer the questions that I have refused to answer under any other status than the way I am answering.

Senator McCARTHY. I say, will you ask Duff whether you should answer the questions or not?

Mr. BECK. I will carry out just exactly the advice that the Senator gives me, and my associate counsel.

Senator McCARTHY. Will you ask him whether you should answer those questions?

Mr. BECK. I will do just exactly as I have told you. I will consult on the subject matter with my attorneys, as I have in the past, and follow out his advice to the letter.

Senator McCARTHY. Will you ask him whether or not you should answer the questions you have refused to answer?

Mr. CONDON. Mr. Chairman.

The CHAIRMAN. Yes.

Mr. CONDON. Mr. Beck has answered that question a number of times, and the answers may not suit the Senator who asked them.

The CHAIRMAN. I do not think he has answered the question. I think he has given an answer. Mr. Beck, will you state, or are you willing to state, or do you want to take the fifth amendment and decline to state, whether you will ask your chief counsel if you should answer the questions that you have today refused to answer? It is just as simple as that. Will you ask him or not?

Mr. BECK. I have stated that the subject matter has been gone over entirely with the Senator; I have his advice and I am proceeding to follow it out, and I shall continue to do so.

The CHAIRMAN. That does not answer the question. The question is, Will you ask Senator Duff whether you should answer the questions that you have refused to answer today?

Mr. BECK. It is my personal opinion that there is nothing further to ask Senator Duff in that regard.

The CHAIRMAN. Then why don't you say that?

Mr. BECK. I have no objections to bring up, as I told Senator McCarthy a few minutes ago, I would bring that subject matter to the attention of Senator Duff.

The CHAIRMAN. Why don't you answer it and just say "No," you don't intend to, and that will end it.

Mr. BECK. That is not the proper answer, and so I am not going to make that answer.

The CHAIRMAN. Then you haven't answered the question then.

Mr. BECK. You mean to say the only proper answer is "No"?

The CHAIRMAN. No.

Mr. BECK. That is what you just said.

The CHAIRMAN. Well, say "Yes" then.

Mr. BECK. I won't say either.

Senator McCARTHY. Mr. Beck, I am going to ask the chairman to order you to answer that question unless you take the fifth amendment on it. It is a simple question, and it is, will you ask this counsel you

have been referring to, Mr. Duff, whether you should answer the questions that you have refused to answer today. You can answer that "Yes" or "No." If you refuse I am going to ask the Chair if he will order you to answer that question.

Mr. CONDON. Mr. Chairman.

The CHAIRMAN. Mr. Counsel.

Mr. CONDON. I recognize the question is a comparatively minor one, but at the same time it is irrelevant, I insist, and I move it be stricken.

The CHAIRMAN. Well, the Chair realizes that it is not a question of any great importance. It does not go directly to the merits of the things at issue here. But the witness has taken the position that he will not answer certain questions until he can consult with his chief counsel. The Chair will have to rule that the question in that light is proper.

(Witness consulted with his counsel.)

The CHAIRMAN. The committee is undertaking to get information that it thinks this witness has, has personal knowledge of, and certain questions are asked him and he takes the fifth amendment, and he makes other objections to answering the question.

Therefore, on that basis, he has stated he would not answer one question until he can consult with his chief counsel, or one or more questions. So therefore I think it is quite proper for him to advise the committee whether he will consult with his chief counsel or not with respect to answering those questions, so that the committee can determine the good faith of the witness in interposing the objection or the alibi or the reason why he doesn't want to answer the question.

I think it is quite proper for him to answer.

Mr. BECK. I certainly don't want to delay the time of the committee in the slightest degree and I am perfectly willing to take up with Senator Duff all of the questions that you have asked me, and ask him if he wants me to answer them in any different way than I have answered them.

Will that be satisfactory to you?

The CHAIRMAN. Thank you very much. That is the most cooperation you have given us so far.

Mr. BECK. We can agree on that. I have tried very much to be cooperative.

The CHAIRMAN. I think that answers the Senator's question.

Senator McCARTHY. It does. And, Mr. Chairman, the reason I asked the question is because the witness has been citing all morning both the Constitution and Duff as his reasons for not answering.

The CHAIRMAN. That is the reason the Chair held that he should answer it.

Mr. BECK. Senator McCarthy, you could not have any personal disagreement with Senator Duff, have you?

The CHAIRMAN. Just a moment. Senator Mundt, you had a question?

Senator McCARTHY. I have no personal disagreement with him.

Mr. BECK. That's fine. Good.

Senator MUNDT. Before you got into the present line of questions and answers with Senator McCarthy, he was asking you about your position in a question very similar to the one I asked you this morning, as to whether or not you felt that the dues-paying members had a

right to know what was being done with their dues by their top union officials.

Now, if I paraphrase your answer improperly, you correct me, but I think that you answered him as you answered me, by saying you felt that the dues-paying members had a perfect right to know what was being done with their dues by their top officials, but that the constitution of your international organization provided them with the means whereby a member who felt he was aggrieved could call upon you to make full disclosure.

Am I correct in that summation of your answer?

Mr. BECK. One hundred percent correct, with the added status that if they are not satisfied with the machinery that is provided in their International constitution of the teamsters, they have the right then to go into the courts of the land and proceed through them clear up to the United States Supreme Court, of course.

Senator MUNDT. That is correct, and I remember that addition that you made.

So I will ask you this question: Do the bylaws or does the constitution of the International set up a fund that Mr. John C. Truckdriver can utilize in the employment of a lawyer to go to the very considerable expense of taking a case of that kind into court or bringing it up before the International board?

Mr. BECK. I would answer that question this way: That in my personal opinion many of the courts of the land do not give the individual citizens that protection either, and I don't get that protection. You ask me this morning if I would pay my counsel, and I said I certainly would from my own money. To that degree, there may be some contention, but if he was confronted with coming into any court he would be confronted with the same thing. Although he could come into our International convention and set forth the reasons and the convention could of course carry his expenses or the general executive board.

Senator MUNDT. It is a pretty expensive process, of course, with the individual teamster or the truckdriver to take a case of this kind into court. Because after all, he is involved just to the extent of his own personal dues. If it cost him a great deal of money, I wondered if perhaps there was a fund set aside in your organization whereby an individual who thought he was aggrieved could employ a lawyer to take it before the proper tribunal.

I understand that your answer is in the negative.

Mr. BECK. My answer definitely is in the negative, but I emphasize my answer, also, by the fact that no such machinery is available to individual citizens either when they go into the courts. It is just one of those unfortunate things, I suppose.

Senator MUNDT. I realize that you answered the question this morning, and you said you were paying out of your personal funds your attorneys in this particular case.

Mr. BECK. Yes, sir.

Senator MUNDT. Now let me ask this question: Is it possible for John C. Truckdriver, who pays the due and belongs to the union, to borrow money without paying interest from the funds of the union in order to engage an attorney for that purpose?

Mr. BECK. I want to answer you very truthfully, that I do not know the answer to that. Undoubtedly, in many, many unions, he could take that matter to the floor of his organization, and it certainly would be within the province of letting him to do if the majority agreed to it.

Senator MUNDT. Let me ask the question within the purview of your own personal knowledge.

Is it possible for John C. Truckdriver to borrow money without paying interest from the international organization for the purpose of engaging a counsel?

Mr. BECK. In my opinion, under our constitution, it is not from the international, but from the local unions it is.

Senator MUNDT. Now may I ask you whether it is possible for general officers of the international union to borrow money without paying interest for personal purposes?

(Witness consulted with his counsel.)

Mr. BECK. My counsel advises me, and in accordance with that advice I must decline to answer the question because this committee lacks jurisdiction or authority under articles I, II, and III of the Constitution; further, I decline to answer because I refuse to give testimony against myself, and invoke the fourth and fifth amendments; and further, because the question is not relevant or pertinent to the investigation.

The CHAIRMAN. The Chair overrules all of the objections, and without objection from the committee the Chair will order and direct the witness to answer the question.

Mr. BECK. I can read it again, or read this into the record.

The CHAIRMAN. You are ordered to answer, and you need not read that again. You can just say you decline to answer, or read it if you like.

Mr. BECK. I prefer to read it for the record.

The CHAIRMAN. All right.

Mr. BECK. I must decline to answer the question because this committee lacks jurisdiction or authority under articles I, II, and III of the Constitution; and further, I decline to answer because I refuse to give testimony against myself, and invoke the fourth and fifth amendments; and further, because the question is not relevant or pertinent to the investigation.

The CHAIRMAN. The Chair has already overruled all of those objections, and the order still stands that you are ordered and directed by the committee to answer. Until you do give a responsive answer, that order remains in effect.

Senator MUNDT. I would like to point out to the committee and to Mr. Beck himself that he cannot possibly plead self-incrimination to the question that I asked, because it did not refer to Dave Beck, and it simply asked whether or not general officers of the teamsters union were given a privilege which was denied to the dues-paying members, namely, to borrow money for personal purposes without paying interest. There could not be any incrimination by saying, "Yes," and there could not be any incrimination involved by saying "No." and so I submit that you are making a capricious use of the fifth amendment if you rely on that in response to my question.

(Witness consulted with his counsel.)

The CHAIRMAN. The Chair has ruled accordingly, and let us proceed.

Senator MUNDT. I would like to see whether Mr. Beck in reconsideration might want to answer that question.

Mr. BECK. Of course you are making a statement, and not a question now.

Senator MUNDT. I will ask the same question over then, with the statement as a background. I ask you whether or not the general officers of the international organization can borrow money for personal purposes from the union funds without paying interest.

(Witness consulted with his counsel.)

Senator MUNDT. I use the word "officers" plural, and not singular.

Mr. BECK. I will have to answer you on advice of my counsel, with the language that I just gave you, and I will read it again so the record is clear on it.

I must decline to answer the question because this committee lacks jurisdiction or authority under articles I, II, and III of the Constitution; and further I decline to answer because I refuse to give testimony against myself, and invoke the fourth and fifth amendments; and further because the question is not relevant or pertinent to the investigation.

Senator MUNDT. It looks to me as if you are reaching out to try to bring yourself into some area of self-incrimination because I never mentioned your name, and I talked about general officers. I don't see how in the world you can rely on the fifth amendment when I ask you a question about union policy. I am simply trying to establish whether or not under your jurisdiction as international president, there are rights and privileges to borrow union funds without paying interest which are denied to the union members who contribute the funds.

Mr. BECK. Senator, let me say—just a minute—let me answer you this way—that I am following advice of my counsel and I am a layman, and I am not a legal man.

Senator MUNDT. I am a layman, and I am not a legal man either, so we ought to get along all right and we ought to understand each other.

Mr. BECK. As far as I am concerned, I intend to follow out the legal advice given me by counsel. If I err on my part on that, it will only be because my counsel errs.

Senator MUNDT. As one layman to another, just as in discussing this on television or radio which is comprised primarily of laymen, let me say that I cannot understand why in the world unless there is some reason of guilt on your part you would not answer a simple question about union policy such as I have propounded to you. I was not trying to involve you in any way. I was talking about general officers of the teamsters organization which you head.

Mr. BECK. Let me answer you again, Senator, that you may be entirely correct, and I do not know. I emphasize to you that I am following the advice of legal counsel, the same as if I heard a doctor and I intend to do it, because I do not know where such questions may lead or anything else. I follow the advice of counsel, and that is what I intend to do.

The CHAIRMAN. All right, maybe we can go on to some of the other pertinent items.

Mr. KENNEDY. Mr. Beck, you say that you are paying your own attorney, is that correct?

Mr. BECK. That is correct.

Mr. KENNEDY. Tell me this. If you are paying your own attorney now, were you paying your own attorney in 1952, 1951, and 1950?

Mr. BECK. I must decline to answer the question, because this committee lacks jurisdiction or authority under articles I, II, and III of the Constitution; further, I decline to answer because I refuse to give testimony against myself, and invoke the fourth and fifth amendments; and further because the question is not relevant or pertinent to the investigation.

Mr. KENNEDY. Tell me this: Is there any provision in your constitution, Mr. Beck, that permits the general president to have his gardener paid by union funds?

Mr. BECK. I must decline to answer the question, because this committee lacks jurisdiction or authority under articles I, II, and III of the Constitution; further I decline to answer because I refuse to give testimony against myself, and invoke the fourth and fifth amendments; and further because the question is not relevant or pertinent to the investigation.

The CHAIRMAN. The Chair will rule again. The objections based upon, and the refusal based upon, the jurisdiction of this committee are overruled. This committee does have jurisdiction. It will pursue that jurisdiction. As to the witness taking the fifth amendment, of course that is a privilege, but it is not a duty.

Mr. CONDON. Mr. Chairman?

The CHAIRMAN. Yes, sir.

Mr. CONDON. Would it be possible to conserve time, that when you have a series of questions such as you are engaged in now, that Mr. Beck, when he answers with the same answer that he gave previously, could say "I decline on the grounds stated in the previous answer"?

The CHAIRMAN. Well, there might be some question about it. I would certainly like to expedite it. It looks like we are here for a pretty long session. We are going to keep the record straight as far as we can.

Senator McCARTHY. I would think, Mr. Chairman, in order to save time, if he makes it clear that he is refusing on the grounds that he recited previously, that would save time and would cover the situation.

The CHAIRMAN. The Chair will be governed as we proceed. I think it is unnecessary for me to say again, I have said it and it continues throughout, any challenge of this committee's jurisdiction to inquire into your transactions with your union, or any other personal transaction that might in any way be related to your position as head of the teamsters union, as general president of that international organization, comes within the jurisdiction of this committee, and the Chair so rules now and will rule each time that question is raised.

(At this point Senator Ervin entered the hearing room.)

The CHAIRMAN. The record may stand that that is overruled. That objection is denied now and continuously hereafter.

Proceed.

Mr. BECK. Mr. Chairman, I would just like to say—

The CHAIRMAN. That position, that ruling, has been approved, the Chair may say, by unanimous vote of the committee present this morning. Let us get down into some of these other things and see if we can get any information.

Mr. KENNEDY. Just on the question of use of union funds, I was wondering if, for instance, the union paid for any of your rugs for your home, approximately \$1,500 or \$2,000 worth of rugs for your home.

Mr. BECK. I must decline to answer the question, because the committee lacks jurisdiction or authority under article I, II, and III of the Constitution; further, I decline to answer because I refuse to give testimony against myself and invoke the fourth and fifth amendments; and further because the question is not relevant or pertinent to the investigation.

Mr. KENNEDY. How about Sulka ties and shirts, Mr. Beck?

Mr. BECK. I must decline to answer the question, because this committee lacks jurisdiction or authority under articles I, II, and III of the Constitution; further, I decline to answer because I refuse to give testimony against myself and invoke the fourth and fifth amendments; and, further, because the question is not relevant or pertinent to the investigation.

Mr. KENNEDY. What about union funds to buy a \$14 custom-made tie for you?

Mr. BECK. I would like to ask the chairman one question here. Personally I have arranged that I can be here for the next 2 weeks, and I am perfectly willing to stay here and read these answers without any abbreviation of any kind or character. I am perfectly willing to do that.

I would like the Chair to determine whether or not I should answer in any shorter form in order to please the desires of the committee. But, personally, I am ready to read the full outline that I have here each and every time, or I am ready to abbreviate it, either one.

The CHAIRMAN. The Chair will say that no one is very happy to have to do this. If we could get the truth, I am sure the witness realizes that, we would not have to be here too long. So I am sorry if there may be some inconvenience of the witness and to this committee.

Mr. BECK. None at all, not to this witness.

The CHAIRMAN. But we have a duty to perform and we are going to pursue it.

At different times you may read the answer. You may also simply say you invoke the fifth amendment. But the Chair will ask you each time you do whether you honestly believe that a truthful answer might tend to incriminate you, because I do not think you have a right to invoke the fifth amendment unless you state under your oath that you honestly believe that if you answered truthfully, such answer might tend to incriminate you.

Mr. BECK. Well, for the record, Senator, you may be certain that I am exercising the fifth amendment because my counsel advises me that it is absolutely essential, and I do invoke it after that upon my own agreement that it is necessary.

The CHAIRMAN. That it is necessary for what?

Mr. BECK. In order to protect my rights, my legal and constitutional rights.

The CHAIRMAN. You may invoke it just because you want to invoke it, and that is your right to do so. But the Chair is ruling that you have no right to invoke it, no legal right to invoke it and have it recognized, unless you can state under your oath that you honestly believe that a truthful answer, if given, might tend to incriminate you.

Mr. BECK. I certainly do that, and I will read it right into the record, that there is that possibility, and I emphasize that it might.

The CHAIRMAN. All right.

Now can we proceed?

Senator McNAMARA. Mr. Chairman?

The CHAIRMAN. Senator McNamara.

Senator McCARTHY. Mr. Chairman, before you leave that subject, I do think we could save a lot of time—

Senator McNAMARA. Mr. Chairman, do I have the floor?

The CHAIRMAN. The Chair has recognized Senator McNamara.

Will you yield to the Senator from Wisconsin?

Senator McNAMARA. I will be glad to yield.

Senator McCARTHY. I was going to suggest that the Chair, instead of going through this long rigamarole all the time, it would be proper for him to say "I refuse to answer for the reasons previously stated." We all know what the reasons were. He has read that.

The CHAIRMAN. I have said that. That is the same as the order of the Chair.

Senator McNAMARA. If I had any idea why I was yielding, I would have refused to yield. I do not think that the committee should decide how the witness should answer in any manner, either in limiting him or abbreviating his answers. I think he should be fully responsible for his own answers without passing on the responsibility in any manner to the committee. I hope you will hold him responsible for his answers in his own manner.

The CHAIRMAN. That is what the Chair has been trying to do.

Senator ERVIN. I want to say, Mr. Chairman, that I concur wholly in the observation of Senator McNamara. I think the witness should make his own answers, whether they are long or whether they are short.

Mr. BECK. It is perfectly satisfactory to me. That is why I brought it up.

The CHAIRMAN. Senator Goldwater?

Senator GOLDWATER. I have a few questions here that I think possibly you can answer.

You were referring this morning to your constitution of the international brotherhood. On page 21, section 9, of article 6 of that constitution, it says:

The general president shall employ an expert public accountant to audit the books of the general secretary-treasurer on the 1st of April, July, October, and January.

Has that been done?

Mr. BECK. To the best of my knowledge, it has, Senator.

Senator GOLDWATER. You are the president?

Another part of this constitution says, in section C of article 6:

The general president shall devote his entire time to the service of the international brotherhood.

Would you not think you would know if an audit had been made on the 1st of April, July, October, and January?

Mr. BECK. Senator, let us be fair, now. I said to the best of my knowledge it has been done. There is a possibility that it might occur 3 or 4 days before or after 1 of those dates you read.

Senator GOLDWATER. We recognize that.

Mr. BECK. That is right. With that understanding, it is my definite opinion; yes, that it has been done.

Senator GOLDWATER. Further in this—and I am trying to supply the record with some sections of this constitution that will give us some basis to judge your remarks—on page 22, section 2, of article 7, it calls for the general secretary-treasurer being bonded. Has that been done?

Mr. BECK. To the best of my knowledge it has been done.

Senator GOLDWATER. Well, there again, that is one of your duties, to know that. Has the secretary-treasurer been bonded?

Mr. BECK. Well, I certainly want to answer truthfully. I can only answer truthfully by saying to the best of my knowledge it has been done, but I wouldn't swear that it has been done. Therefore, I would have to answer the way I did.

Senator GOLDWATER. A little bit further, section 4 of article 7 reads in part as follows:

The general secretary-treasurer shall publish a financial statement and furnish the secretary-treasurer of each local union with a copy of same together with a statement of an expert accountant showing the total amount of receipts and disbursements with the cash balance on hand.

Has that been done?

Mr. BECK. I am quite certain it has been done. To the best of my knowledge; yes. With the same reservation, that it may be delayed, or something.

Senator GOLDWATER. Then Senator Mundt's John Q. Truck Driver could go to his local and find out the financial condition of the international?

Mr. BECK. Very definitely. He could not only do that, but it is published in the monthly magazine, so it goes right into his home. He don't have to go to his secretary-treasurer.

Senator GOLDWATER. That was an interesting point. I noticed it was not sent to each union member, it was sent only to the local.

Mr. BECK. No.

Senator GOLDWATER. It is sent to the union member at his request?

Mr. BECK. Yes. Our circulation to the union membership, I think, right now is in excess of 1,300,000 monthly. It goes right into his home.

The CHAIRMAN. Mr. Beck, would that financial statement reflect loans that you secured or any moneys that you might have taken out of the treasury?

(The witness conferred with his counsel.)

Mr. BECK. I don't think I have to use that.

You are asking now about what the Senators have been questioning me on as it pertains to the international union.

The CHAIRMAN. Yes.

Mr. CONDON. Wait a minute. You better repeat the question, Senator.

The CHAIRMAN. This publication that you said that carries this information as to financial reports showing the financial status of the international union, showing its receipts and its disbursements, would such a statement reflect loans made to you or loans made to other officers of the union, or money that they may have taken out of the treasury of the union?

Mr. BECK. Of the international union you are asking now?

The CHAIRMAN. Yes.

Mr. BECK. It most certainly would.

The CHAIRMAN. They would reflect it?

Mr. BECK. Yes.

The CHAIRMAN. How about the Western Conference of Teamsters?

Mr. BECK. The statement issued by the international union relative to the funds and properties of the international union, is confined to the international union and does not encompass either local unions, joint councils, trade divisions, or conferences.

The CHAIRMAN. Is there any way that an individual member could find out whether you had a loan from the joint council 28?

(The witness conferred with his counsel.)

Mr. CONDON. I am sorry, Senator, but would you repeat the question again?

The CHAIRMAN. I believe the witness understands what I mean.

Would there be any publication, any report, that would reflect to the individual member of the union a loan that you or other general officers might receive from joint council No. 28?

(The witness conferred with his counsel.)

Mr. BECK. I decline to answer on the grounds stated in my last answer.

The CHAIRMAN. The Chair overrules that answer, overrules your objection, and orders you, with the consent of the committee, to answer the question.

(The witness conferred with his counsel.)

Mr. BECK. I must decline to answer the question because this committee lacks jurisdiction or authority under articles I, II, and III of the Constitution; further I decline to answer because I refuse to give testimony against myself and invoke the fourth and fifth amendments; and further because the question is not relevant or pertinent to the investigation.

The CHAIRMAN. The Chair orders and directs you to answer the question, without objection from other members of the committee, and then I will proceed to the next question.

(No response.)

The CHAIRMAN. If you took money out of the union treasury while you were president of the western conference, if you took money out of the western conference treasury or out of joint council 28 without making any record of it as a loan, if you just took it out for your own use and benefit, would there be any record or financial report that would so inform the members who had paid the money into the treasury?

(The witness conferred with his counsel.)

Mr. BECK. I must decline to answer the question because this committee lacks jurisdiction or authority under articles I, II, and III of

the Constitution; further I decline to answer because I refuse to give testimony against myself, and invoke the fourth and fifth amendments; and further because the question is not relevant or pertinent to the investigation.

The CHAIRMAN. You are ordered and directed to answer the question.

(No response.)

The CHAIRMAN. Then the Chair asks you, do you think it is not relevant to unionism for the members to know whether the officers are filching the treasury? Do you think that is not relevant? Do you honestly believe that, and you are testifying to that under oath?

(The witness conferred with his counsel.)

Mr. CONDON. That isn't what he said, Mr. Chairman.

The CHAIRMAN. I asked him. He can answer what I asked him.

Do you honestly believe that, sir, that it is not relevant?

(The witness conferred with his counsel.)

Mr. BECK. I must decline to answer the question because this committee lacks jurisdiction or authority under articles I, II, and III of the Constitution; further I decline to answer because I refuse to give testimony against myself, and invoke the fourth and fifth amendments; and further because the question is not relevant or pertinent to the investigation.

The CHAIRMAN. All of which is overruled by the Chair. You are ordered and directed to answer the question.

(No response.)

The CHAIRMAN. Senator Goldwater, do you have anything?

Senator GOLDWATER. Mr. Beck, to get back to the constitution for just a moment, are you a trustee?

Mr. BECK. No; I am not a trustee.

Senator GOLDWATER. You are not a trustee.

It says in section 1 of article 8, that the trustees shall audit the books of the general secretary-treasurer on the first of April and October each year and report their findings immediately to the general president, and the general president shall, in turn, report to the general executive board. Have the trustees reported the condition of the books to you?

Mr. BECK. Yes; they have, Senator.

Senator GOLDWATER. Would their findings reflect in any way moneys that you might have borrowed or removed from the international treasury?

(The witness conferred with his counsel.)

Mr. BECK. I must decline to answer the question because this committee lacks jurisdiction or authority under articles I, II, and III of the Constitution; further I decline to answer because I refuse to give testimony against myself, and invoke the fourth and fifth amendments; and further because the question is not relevant or pertinent to the investigation.

The CHAIRMAN. The Chair overrules the objections and orders the witness to answer the questions, without objection from the members of the committee.

(No response.)

Senator GOLDWATER. Mr. Beck, I have one more question.

I think it was Sunday before this last one that you appeared on a television show. I believe it originated in Seattle.

Mr. BECK. Last Sunday, at Tacoma.

Senator GOLDWATER. During the course of that show—I did not see it, unfortunately—I understand that during the course of it you reported that you had paid back to the union treasury an amount of money, I forget what the amount was. It seems to me that it was \$300,000. I might be wrong. It was between three and four hundred thousand dollars, I am informed. You went further to state that you had paid no interest on this money. You told tens of millions of people all over this country about that money.

Can you not tell this committee here what fund that came from?
(The witness conferred with his counsel.)

Mr. BECK. Of course, Senator, what I said on television is a matter of record, but in direct answer to your question, in order for the record, I must decline to answer the question because this committee lacks jurisdiction or authority under articles I, II, and III of the Constitution; further I decline to answer because I refuse to give testimony against myself and invoke the fourth and fifth amendments; and further because the question is not relevant or pertinent to the investigation.

The CHAIRMAN. The Chair orders and directs you to answer the question, without objection from the committee.

(No response.)

Senator GOLDWATER. Now, Mr. Beck, that is a rather unusual position for a mature, intelligent man to take, who has admitted to the people of the United States over television, and subsequently through the newspapers, that he has returned some money to his union in the amount of between three and four hundred thousand dollars, on which he had paid no interest. It is no secret. There are millions of people in this country that would like to know how you go about getting money at no interest. There are millions of people in the union movement who would like to know if there are possibly others who are enjoying this same nontax money, tax-free money, and interest-free money.

Can you not tell us and complete an answer that you started to give the American people just a few days ago? Where did you get that money?

(The witness conferred with his counsel.)

(At this point, Senator Kennedy entered the hearing room.)

Senator GOLDWATER. John Q. Truck Driver might want to open up a hot dog stand. He might not want to drive a truck all his life. I think he would like to know from the boss where the money tree is so he can go and tap it, you see.

Mr. BECK. I must decline to answer the question because this committee lacks jurisdiction or authority under articles I, II, and III of the Constitution; further I decline to answer because I refuse to give testimony against myself and invoke the fourth and fifth amendments; and, further because the question is not relevant or pertinent to the investigation.

Senator McNAMARA. Mr. Chairman?

Senator McCARTHY. Mr. Chairman?

The CHAIRMAN. Senator McNamara requested the floor first, and then the Chair will yield to Senator McCarthy next.

Senator McNAMARA. Mr. Chairman, since there has been considerable discussion about the moneys used for personal purposes, and the

manner in which it was announced at the time, I have obtained a transcript of the program Face the Nation on the CBS Television Network, March 17, 1957. Referring to page 11, I would like to ask the witness some questions about this.

The CHAIRMAN. Page what?

Senator McNAMARA. Page 11.

The CHAIRMAN. All right.

Senator McNAMARA. Mr. Novins is asking the question and he says:

I would like to ask you, sir, have you ever borrowed any money from the teamsters union?

Mr. BECK. I most certainly have borrowed a great deal of money from the teamsters union, and also from banks and insurance companies.

Mr. NOVINS. How much money have you borrowed from the teamsters?

Mr. BECK. I would estimate I have borrowed over the last 10 years from the teamsters organization maybe three or four hundred thousand dollars, every cent of which has been repaid long before this committee ever went into effect.

Mr. NOVINS. This is in addition to the money that you borrowed elsewhere, you say, from insurance companies?

Mr. BECK. Yes. I borrowed hundreds and hundreds of thousands of dollars more than that from banks and insurance companies.

Mr. MADIGAN. Did you pay any interest to the union for the money you borrowed?

Mr. BECK. In the union I paid no interest for the reason that the—I went and received the unanimous approval of the board for the money, and the money was all in commercial banks not drawing interest, so they elected that there was to be no interest paid, but personally, if they should change their opinion on it, I wouldn't object for 1 second.

I would like to ask the witness, since he made this statement publicly on a nationwide broadcast, were these true answers or were they not?
(The witness conferred with his counsel.)

Mr. BECK. The broadcast, of course, speaks for itself. Relative to a question, I must decline to answer the question because this committee lacks jurisdiction or authority under articles I, II, and III of the Constitution; further I decline to answer because I refuse to give testimony against myself, and invoke the fourth and fifth amendments; and further because the question is not relevant or pertinent to the investigation.

The CHAIRMAN. The Chair overrules that and orders you to answer the question.

(No response.)

The CHAIRMAN. Did I understand you to say that the broadcast is correct, what you said?

(The witness conferred with his counsel.)

Mr. BECK. I don't know that. I said the broadcast speaks for itself.

The CHAIRMAN. Did you make that statement on the broadcast?

Mr. BECK. I say the broadcast speaks for itself.

The CHAIRMAN. You will not admit you made it or deny that you made it?

Mr. BECK. I say the broadcast speaks for itself.

The CHAIRMAN. Are you taking the position that you want to broadcast that to the American people over television and radio, and then a week later, 8 or 9 days later, come here before this committee and take the fifth amendment on it? Is that the position? Is that the awkward position or situation that you want to place yourself in?

Mr. BECK. I say the broadcast speaks for itself.

Senator McCARTHY. May I ask a question?

The CHAIRMAN. Just a moment, Senator McCarthy.

I asked that question to see the sincerity of this witness, who goes out and makes a statement on a television broadcast to millions of people and a week or 10 days later when he is asked to verify it here under oath he declines to do so on the grounds that it might incriminate him.

Proceed, Senator McCarthy.

Senator McCARTHY. Do you, Mr. Beck, want to honestly tell us that if you were to answer Senator McNamara's question whether or not you made that statement over the air, that merely affirming or denying whether you made it might tend to incriminate you?

(The witness conferred with his counsel.)

Mr. BECK. I have stated, Senator McCarthy, that the broadcast speaks for itself. But in answering your question, and in order to protect my constitutional and legal rights, I must decline to answer the question because this committee lacks jurisdiction or authority under articles I, II, and III of the Constitution; further, I decline to answer because I refuse to give testimony against myself and invoke the fourth and fifth amendments; and further because the question is not relevant or pertinent to the investigation.

Senator McCARTHY. I have just one simple question. Do you think if you answered Senator McNamara's question as to whether or not you made that statement, whether the statement was true or not, that such an answer might tend to incriminate you?

(The witness conferred with his counsel.)

Mr. BECK. I repeat to you that the broadcast speaks for itself. But in answer to the question, and in order to maintain my constitutional and legal rights, I must decline to answer the question because this committee lacks jurisdiction or authority under articles I, II, and III of the Constitution; further I decline to answer because I refuse to give testimony against myself and invoke the fourth and fifth amendments; and further because the question is not relevant or pertinent to the investigation.

The CHAIRMAN. The Chair wishes to rule that the question is relevant, that this committee does have jurisdiction; and unless you can truthfully say under oath that you honestly believe answering the question might tend to incriminate you, then, in my judgment, you stand in contempt of this committee, unless you can state under your oath—

Mr. BECK. I state under my oath that it might. I emphasize, it might.

The CHAIRMAN. Do you state under your oath that you honestly believe that it might?

Mr. BECK. That it might. Might. I emphasize might; yes.

Senator McCARTHY. Mr. Beck?

Mr. BECK. Yes, Senator.

Senator McCARTHY. You made a broadcast and you told the people of the country certain things. Senator McNamara merely read from one page of it. He asked whether or not that was true or false. The people of this Nation—they are watching this television—would like to know whether you lied on the air when you were not under oath and whether you are afraid to answer now that you are under oath.

(The witness conferred with his counsel.)

Senator McCARTHY. It is no laughing matter, Mr. Beck.

Mr. BECK. You haven't asked me any question. That is what I want to know. Are you asking me a question or what? That is a statement.

Senator McCARTHY. Yes. I will rephrase it.

I think it is a waste of time.

Were you telling the truth or were you lying when you made the statements read to you by Senator McNamara from the broadcast?

Mr. BECK. Let me answer the question this way: The broadcast speaks for itself, and if I was lying on that broadcast, in my opinion there is judicial procedure that can be taken against Beck for making a misstatement over the television.

But in answer to your question, and in order to protect my constitutional and legal rights, I must decline to answer the question because this committee lacks jurisdiction or authority—

Senator McCARTHY. You need not read it. I heard it.

Mr. BECK (continuing). Under articles I, II, and III of the Constitution: further I decline to answer because I refuse to give testimony against myself, and invoke the fourth and fifth amendments; and further because the question is not relevant or pertinent to the investigation.

Senator McCARTHY. I have just one final question, Mr. Chairman.

Would you answer the questions in regard to your finances before the ethical practices committee of the AFL-CIO?

Mr. BECK. I cannot answer that question at this time. I don't know.

Senator McCARTHY. You mean you do not know?

Mr. BECK. I don't know.

Senator McCARTHY. When might you make up your mind?

Mr. BECK. I will make up my mind when my attorneys advise me as to whether or not that would be in any sense a violation or an infringement upon my constitutional rights.

Senator McCARTHY. What attorneys?

Mr. BECK. A few minutes ago you said you were tired of listening to it. It would be attorney Senator Duff and his associate counsel.

Senator McCARTHY. Mr. Chairman, I would like to call attention to a rule of the committee, that a witness can have counsel present with him to advise with him, but that there is no rule of the committee which provides that he can take a day or 2 days of the Senate's time to advise with outside counsel. The rule does not go that far. If he is not satisfied with his counsel, then he should have different counsel.

I call the Chair's attention to the fact that this is a strict violation of the rule of the committee, relying upon counsel who is not here.

The CHAIRMAN. The Chair has in no way suspended the rule, disregarded it, or delayed the proceedings because the witness claimed that his chief counsel is not present.

Under the rules, he may have his counsel present if he desires, but the rule provides that his failure to have counsel present does not delay the proceedings. Therefore, we are proceeding.

Senator KENNEDY. Mr. Beck, you were head of the Western Conference of Teamsters at the end of 1952, were you not?

Mr. BECK. I think that is correct, Senator; yes.

Senator KENNEDY. What are the dues that the members must pay to the Western Conference of Teamsters, as such?

Mr. BECK. I can't answer that, Senator. I don't know as there was any specific dues. I really can't answer.

Senator KENNEDY. How did the Western Conference of Teamsters raise the funds that were available to the western conference?

Mr. BECK. I am not certain but what they were raised through the medium, in some instances, of dues, and in some instances contributions, and I think generally it was a per capita paid proposition to sustain the conference.

Senator KENNEDY. In other words, you do not know, when you were head of the Western Conference of Teamsters, how much the members paid per capita to the Western Conference of Teamsters?

Mr. BECK. During the entire time I was president? No, I don't know that.

Senator KENNEDY. Or during any year that you were president?

Mr. BECK. No, I really don't know that. Several years have elapsed and I do not remember that.

Senator KENNEDY. You do not know what it is today?

Mr. BECK. No. It is a matter of record. I could check it easily, of course, or you could.

Senator KENNEDY. As the head of the Western Conference of Teamsters, as I understand it, the Western Conference of Teamsters made no reports under the reporting procedure set up under the Taft-Hartley Act where those locals which were using the services of the National Labor Relations Board were compelled to make a report to the Labor Department. It is my understanding that the Western Conference of Teamsters did not make such a report. Is that correct?

Mr. BECK. I can't answer that. I am not sure. In my opinion, that is purely a matter that the attorneys would advise on. I understand very definitely, of course, they should. If they didn't, that is in error. But to here under oath say I know or I do not know, I do not know.

Senator KENNEDY. In other words, the statement has been made that nearly a million dollars has been taken out of the Western Conference of Teamsters funds either by you or by Mr. Brewster. The point that I am concerned about is whether the procedures of the Taft-Hartley Act providing for reporting are sufficient to protect the members of the locals against such action, and whether, under the organization of the Western Conference of Teamsters, and under the Taft-Hartley Act, the average member had an accounting and auditing made to him.

Now, we know that the Western Conference of Teamsters did not make such a report to the Labor Department. There seems to be every indication that the average member of a local who was subject to this per capita tax did not receive an audit.

We have had indications before this committee that nearly a million dollars was taken out from the Western Conference of Teamsters by you or Mr. Brewster. It seems to me that there is a great gap in the reporting procedures of the National Labor Relations Act of 1947 in not providing for better procedures in this regard, and this situation might have been avoided.

Mr. BECK. Of course you are making a statement, you are making a speech. There is no question?

Senator KENNEDY. I will ask you, then: Do you think the Western Conference of Teamsters should make an auditing report both to the

Labor Department and to their members every year of what they do with the funds?

Mr. BECK. I personally favor legislation, if not now enacted to be enacted that gives the most comprehensive and definite accounting of funds of all local unions and their disposition thereof. I certainly would favor it as compulsory, and I would favor such legislation not only in Congress, but I would favor it in the several States of the Union, very definitely so.

Senator KENNEDY. Did you make such a report to the members of your locals, the locals that contributed a per capita tax to the Western Conference of Teamsters when you were the head of the Western Conference of Teamsters?

Mr. BECK. It is my personal opinion that we did not, but that does not change in any sense my statement. I don't think because in the past something has been in error, that is wrong, that that does not justify the correction of it. It is my personal opinion in all sincerity and honesty—I think it is in the best interests of everyone, labor, its membership, its officers, the public, and everyone else—that there be the most rigid system of accounting, and that every avenue be possibly developed to give the information to the membership, and I would support such legislation.

Senator KENNEDY. I am glad to hear that. Would you give the members of the Western Conference of Teamsters an auditing for 1950, 1951, and 1952, and would you give the committee a copy of that auditing?

Mr. BECK. I would be glad to do it if the available records are there so that it can be done. I certainly would.

Senator KENNEDY. You will give an accounting to the committee of the expenditure of all funds under the control of the Western Conference of Teamsters for 1950, 1951, and 1952; is that correct?

(The witness conferred with his counsel.)

Mr. BECK. Well, now, wait a minute. I don't want to be technical in the question. My legal counsel here is, of course, technical. He is legal. I am not. I want to answer your question honestly and sincerely. I have expressed my position, that I favor legislation such as I can see you favor. I am 100 percent for it.

I am, of course, at the present time, not an officer of the western conference. Whether or not in a factual manner I can do the things you ask, I do not know. But I say to you if I can do them, I would so favor doing them; yes.

Senator KENNEDY. In other words, you will make all the records available that you have to the membership of the Western Conference of Teamsters for 1950, 1951, and 1952; is that correct?

(The witness conferred with his counsel.)

Mr. BECK. Let me put it this way, I want to be as honest and factual and truthful as it is humanly possible for me to be. I want to carry out advice of my legal counsel. That is what I employ him for. I have said to you that I am 100 percent in accord, I make it as a public statement for television or anywhere else, that I favor all of the things you just outlined relative to accountability. I have said to you that I am not now a member of the official staff of the Western Conference of Teamsters. I have said to you that I do not know whether or not those records are available for me to do it. If

they are, I will gladly do it. But in order to protect myself as to legal and constitutional rights, if the question has any implications, such as counsel apparently thinks, I must decline to answer the question because this committee lacks jurisdiction or authority under articles I, II, and III of the Constitution; and further I decline to answer because I refuse to give testimony against myself; and invoke the fourth and fifth amendments; and further because the question is not relevant or pertinent to the investigation.

The CHAIRMAN. The Chair overrules the objections and orders the witness to answer the question.

(No response.)

Senator KENNEDY. I would say only this, that the allegation has been made that between you and Mr. Brewster nearly a million dollars was taken out of the Western Conference of Teamsters. You are not able to tell us how much was the per capita tax. You have indicated no report was made to your members or to the Federal Government under any auditing procedure. It seems to me you should consider seriously taking the action which the executive committee of the AFL-CIO in January recommended, that any labor union official who takes the fifth amendment in order to protect himself against legal action should resign from his union.

I think that that action should be taken by you in view of the answers you have given to these questions.

(The witness conferred with his counsel.)

Mr. BECK. Let me answer you this way, Senator Kennedy: I have no objection in the world to you reaching any conclusion in your own mind that is dictated by your conscience, and I give you every right in the world to reach your conclusions, and I certainly feel that you wouldn't do it—I know something of you and your record and your sincerity, and I believe you fundamentally believe as you express.

Personally, I opposed that adoption within the executive council. I opposed it because, in my opinion, it is a dangerous precedent to establish. My colleagues on the board, the majority of them, disagreed with me on that. I think that the Constitution is a document that must not be disturbed in affording all citizens its full right and protection under all of its amendments and the Bill of Rights.

I feel that it is absolutely necessary, going into the future, not knowing where it may lead. And because I feel that way about it; I took the position I did in the executive council, and I take the position here of exercising the avenues of the fifth amendment because I don't know where these questions or questions leading from them may lead to.

It is because of that reason that I decline to answer on the grounds stated in my last answer.

Senator KENNEDY. I do not object to your taking the fifth amendment to protect yourself legally. You have every right to do it. The question is whether properly you should remain at the head of your union during this period when you are availing yourself of the amendment, in view of the position of the AFL-CIO, which represents the united labor position.

Mr. BECK. Let me answer your question this way, Senator: I was elected president of the International Brotherhood of Teamsters by a convention of the brotherhood of teamsters, and that term of office does not expire until next December. In the interval of that time, in

September, there will be another convention held of the International Brotherhood of Teamsters.

In my personal opinion, the membership of this international union will have every opportunity to approve or disapprove of any of the actions of its general president. I do not think it is good business from the standpoint of the welfare of the country as a whole, or labor, or anyone else, to, upon allegations, deprive individuals of office in the interval of a trial on its merits through the judicial procedures of our constitutional government. It is on that basis that I took my position in the executive council.

I do not under any conditions intend to resign. I intend to be a candidate in September in order that the membership itself may have an opportunity to pass upon my qualifications, my fitness, and my honesty in a convention of this international union. I will rise or fall on the decision of my own associates in the Teamsters International Brotherhood of not on the basis of allegations but with time having elapsed to prove, through judiciary, courts of law, and et cetera, with the constitutional rights of facing my accusers, the rights of evidence being maintained, and the right of cross-examination, so my story in its entirety can be weighed on its merits and then a decision rendered by my associates in the International Brotherhood of Teamsters.

Senator IVES. Mr. Chairman?

The CHAIRMAN. Senator Ives.

Senator IVES. I want to carry the question to one point further. Aside from being president of the International Brotherhood of Teamsters, Chauffeurs, Warehousemen and Helpers of America, you are also a vice president of the AFL-CIO Executive Council, are you not, and sit on it in that capacity?

Mr. BECK. That is correct.

Senator IVES. You are ex officio vice president of that organization, because of your presidency of the international? Are you also vice president of the other organization, the AFL-CIO? Are you elected?

Mr. BECK. Elected; yes, sir.

Senator IVES. You are elected by the executive council, are you not?

Mr. BECK. No, sir. I was originally elected to serve out a term by the executive council, and then at the following convention I was elected by the convention for a term of office that has not yet expired.

The CHAIRMAN. Senator Ives will preside for a few moments.

Senator IVES. I will go ahead, but I want to ask another question before I recognize Senator Ervin. In that connection, as a vice president of the executive council, the parent organization, do you not feel bound to comply with the policies of that organization, including the newly adopted ethical code?

You, as I recall, Mr. Beck, were defeated in your effort and opposition to that code. You were the one vote against it; were you not? You had no company there at all.

(At this point, the chairman withdrew from the hearing room.)

Mr. BECK. Let's correct that record right now. I was the one that stood up and voted against it and argued against it, but three other members of the council refused to vote. Personally, I never refused to vote on any question. I will be counted one way or the other.

Senator IVES. Do you not feel obligated, therefore, to carry it out, in view of the fact that it was adopted?

Mr. BECK. No; I do not feel obligated to carry it out because, in my personal judgment, a greater issue is involved. I do not feel that I should be bound by the majority decision in any instance, where it, in my opinion, transcends my rights as a citizen or any other individual's rights as a citizen, I think we are going too far. I am as sincere in that as you may be in opposition to my opinion.

I think that the most dangerous thing in the country today or any other time is to step in and, upon the basis of allegation, compel men to resign. You haven't even done it in the United States Congress when men have been under charges. You have given them the right to go into the courts, and they have had the right of a judicial procedure. I contend that the executive council is overstepping all of its bounds when it attempts to compel an individual to resign from an office upon an allegation, where he is in conformity with his constitutional rights, and where they are attempting to discipline in violation of them.

Senator IVES. You had every right to oppose it. But after all, the ethical code was adopted. After all, you are a vice president of the AFL-CIO, the parent organization. You sit on the executive council, I want to get this established.

Mr. BECK. I want to get it established, too.

Senator IVES, the trust test of a democracy is its rights to protect the minority. I say that the executive council—I can't control the executive council or do I desire to do so. I say that the executive council is far overreaching its authorities in itself when it attempts to discipline upon allegation, when the membership making it up or any of its officers are only alleged to commit overt acts, and they are in conformity with their constitutional rights.

I think the executive council is far overstepping its authority, and I personally, under no condition, will resign.

Senator IVES. I have read that code of ethical conduct, whatever it is called, and I could not see where they were overstepping any authority at all. They were setting up a group of principles by which to guide themselves. I thought they were very high principles and very fine principles. I am sure that the public generally approved of them wholeheartedly. Do you disapprove of them?

Mr. BECK. Senator Ives, let us narrow it down to what we are discussing.

Senator IVES. I know, but you are—wait a minute, before you start on that. We are talking about the code of ethics.

Mr. BECK. That is right.

Senator IVES. That is what we are discussing.

Mr. BECK. Wait a minute. You asked me a specific question.

Senator IVES. I did?

Mr. BECK. Did I intend to resign.

Senator IVES. I had not gotten around to that question, but I intended to.

Mr. BECK. It is in the record.

Senator IVES. I did not raise it.

Mr. BECK. You asked me if I was going to resign. If we go back and check the record, one of the two of us are in error.

Senator IVES. You misunderstood me. I had not gotten to that question yet.

Go ahead; you anticipated it.

Mr. BECK. I am not smart enough to be ahead of you, surely. Senator, I say this: I don't care whether it is the bar association, or whether it is the medical profession or whether it is the executive council, or whether it is any other part of our economic or social life. I say that they have no right to act in a manner that contradicts the rights of the citizenry as outlined in the Constitution and the Bill of Rights. I think we are stepping too far. I say again that you have not done it right here in this United States Congress, when you had Congressmen who were accused of the commission of overt acts. You didn't call an investigation and put them out of Congress.

Senator IVES. Oh, yes; we did.

Mr. BECK. They stayed in Congress until they were heard in the courts.

Senator IVES. I am not trying to get you kicked out. I am just asking you if you are going to resign.

Mr. BECK. They didn't resign.

Senator IVES. I am not talking about anybody else. I am talking about you, Mr. Dave Beck.

Mr. BECK. And I have answered you definitely. I do not intend to resign, because I think the executive council is far overreaching itself. (At this point, the chairman entered the hearing room.)

Senator IVES. May I get this straight where you are concerned, Mr. Beck, because it intrigues me no end.

Mr. BECK. Yes, sir.

Senator IVES. Apparently the welfare of one Mr. Dave Beck, regardless of any rules of ethics or conduct or the welfare of anybody else, is paramount. Is that the position you take in all of this?

Mr. BECK. Positively not.

Senator IVES. That is what you are talking about all the time.

Mr. BECK. Positively no. I do not take any such a position.

Senator IVES. That is the position you are actually taking, whether you are realizing it or not.

Mr. BECK. In your judgment, Senator.

Senator IVES. No; I am just observing it.

Mr. BECK. In your judgment. That is your observation. That is the best it can be.

Senator IVES. And a very accurate one.

Mr. BECK. In your opinion, but not in mine.

Senator IVES. Apparently not.

Mr. BECK. Apparently not.

I take the position, and I have outlined it very carefully, that all in the world I am doing—I have made statements over television, radio, and so forth, and I have stated to you if I have made any misstatements we have certainly processes of Government to bring Beck in and find out whether he did or did not, through the judicial processes, and I say to you all I am asking for is an opportunity to exercise my constitutional rights through the machinery of its judicial system, with the rights of cross-examination, the rules of evidence, and the right to meet my accuser in the court.

Senator IVES. In concluding our dissertation on this subject, I dare say you are going to have the opportunity to exercise those particular rights.

Mr. BECK. I sure have no objections to that in the slightest degree; none.

The CHAIRMAN. Senator Ervin?

Senator ERVIN. Mr. Beck, in your recent answers you have iterated and reiterated your objection to action being taken on the mere basis of allegations. I want to ask you whether or not you mean to imply by your answers in which you have used that expression, that if you were to make a full and truthful disclosure of the facts concerning the allegations against you, such full and truthful disclosure on your part would show that these charges are mere allegations without factual foundation.

(The witness conferred with his counsel.)

Mr. BECK. I want to answer your question, Senator. You are a very able and learned jurist, one of the finest, I think, the country has ever had. I am a layman. I don't accuse you in the slightest degree of leading me anywhere, but I am going to be absolutely certain, in harmony with what I set out from the start, and I am going to protect myself and my constitutional and legal rights.

So I am going to answer your question by saying I must decline to answer the question because this committee lacks jurisdiction or authority under articles I, II, and III of the Constitution; further, I decline to answer because I refuse to give testimony against myself, and invoke the fourth and fifth amendments; and further because the question is not relevant or pertinent to the investigation.

(At this point Senator McCarthy withdrew from the hearing room.)

The CHAIRMAN. The Chair overrules the objection and orders and directs the witness to answer the question, unless there is an objection on the part of the committee.

(No response.)

Senator ERVIN. Mr. Beck, do you not recognize and realize that if your answers would make it clear that the charges under investigation concerning your conduct in respect to the teamsters union were mere allegations without factual basis, that you would have no right to invoke the fifth amendment?

(The witness conferred with his counsel.)

(At this point Senator McNamara withdrew from the hearing room.)

Mr. BECK. Sometimes I wish I didn't have counsel with me.

What I am trying to do is—

Senator ERVIN. You might follow the precedent set by an old colored woman down in my country who went to see a lawyer one day and asked him for advice on a point. He gave it to her. She got up and started to leave his office. He said, "Wait a minute, Auntie, you owe me \$5." She said, "What for?" He said, "For my advice." She said, "Well, I ain't gwine to take it."

So, whether you take the advice of your counsel is something for you to decide.

Mr. BECK. Senator, let me say this to you, if I follow out your advice which may be very good, I will use it on the last day, when I won't have to pay him so much. I do want to follow advice of my counsel. As I stated many times, that is what I hired him for. I have to answer your question, as I did before, I decline to answer on the grounds stated in my last answer.

Senator ERVIN. I will make an observation. I never blame a client for following the advice of his counsel, when I had clients who would

not follow my advice, I always suggested they get themselves another lawyer.

I want to go back just a minute. Senator Kennedy was asking you some questions awhile ago. They reminded me of a great judicial decision which was handed down by the supreme judicial court of his State, the Commonwealth of Massachusetts, the rough one of the great American judges, Oliver Wendell Holmes. The case involved an ordinance of the city of Boston, which prohibited a policeman of the city from being active in politics. A policeman was active in politics in violation of that ordinance, and he was discharged.

He brought a suit to be restored to his position as policeman of the city of Boston, in which he alleged that he had a constitutional right as an American citizen to be active in politics.

As I recall it, Justice Holmes wrote an opinion, for the Supreme Judicial Court of Massachusetts, in which he stated that every American citizen did have a right under the Constitution to be active in politics, but that every American citizen did not have a constitutional right to be a policeman of the city of Boston.

As I conclude from the code of ethics established by the AFL-CIO board at Miami, Fla., the board said that every officer of a union, every member of a union, and every American had a right to invoke in his own defense the fifth amendment, but, it said, somewhat by analogy to what Justice Holmes said, that no official of any union who invoked the fifth amendment, when he was queried about his conduct as an officer of the union, had a right to remain as an officer of the union. That is their code of ethics as I interpret it.

(At this point, Senator McCarthy entered the hearing room.)

Mr. BECK. You are not asking me a question. That is a statement, and I respect it in every degree.

Senator ERVIN. Isn't that your interpretation of the code of ethics?

Mr. BECK. I don't for one second say that the board of the executive council, and my associates thereon, don't have a right to reach their own conclusions. I am in disagreement with them. I do not waive my rights to disagree with them on that or any other question at all. It may be that in the finals it will be judged that they are right and I am wrong. I don't know that, either. But I do say to you that honestly and sincerely, whether you believe it or not, there is nothing that I am stating that I do not believe in as a fundamental truth, and that should be followed, and I honestly and conscientiously believe that the executive council or any other social or economic organization oversteps its rights when it attempts to exercise directly or indirectly discipline on the basis of a man exercising his constitutional rights. That is my opinion.

Mr. ERVIN. Mr. Beck, I am not going to quarrel with you for being a dissenter, because I have always had a good deal of admiration for dissenters. Sometimes I have dissented on some things myself. But what I was asking you is if I haven't given a correct nutshell interpretation of the code of ethics adopted by the AFL-CIO board at Miami, Fla.? Regardless of whether the code is right or whether it is wrong, isn't that a shorthand statement of the code established by the majority of the board?

Mr. BECK. I think, Senator, you outlined very well the decision finally arrived at and approved by the majority. But I do want to

emphasize that simply because that is the decision of the majority doesn't necessarily mean in time to come it will not prove wrong. There have been many thousands of things in the conduct of our Government. I have read everything on Oliver Wendell Holmes, I think, that I could ever get my hands on that has been printed, and that doesn't necessarily mean because we are in the minority today we won't be in the majority tomorrow in anything. I don't know. But I do say very definitely, Senator, that you have covered in a nutshell what I think the action of the executive council was. I emphasize again I am in disagreement with them.

Senator ERVIN. Thank you.

The CHAIRMAN. Senator Mundt?

Senator MUNDT. Mr. Beck, I think you said a little earlier that you would favor making a full report from the western conference records to the dues-paying members of the teamsters' union on all of the financial transactions which occurred at the time you were president of the western conference, provided those records were available.

Mr. BECK. Yes, sir.

Senator MUNDT. You are aware, are you not, that those records have been destroyed up until the year 1954?

Mr. BECK. I know, Senator, that some records were destroyed, not only records of our books and so forth, but the back copies of our publications, which is almost invaluable to us, and all of our hundreds and hundreds and hundreds of our contracts that were tremendously important; I know that. But let me emphasize to you, Senator, in all sincerity, I am not answering you on the basis of any attempt to in any way, shape, or manner contravene what I said I would be very glad to do if it is possible for me to do it, nor do I retract in the slightest degree my statement, regardless of errors of the past intended or having happened because of circumstances or conditions. I am 100 percent in favor of the most rigid system of accountancy of the funds and moneys of unions and welfare and pensions and everything else. I think it is a distinct step forward in the interest of labor itself, its officials, and government, and everyone else.

Senator MUNDT. When you made the statement before, it was not as embracive as when you made it last. I am glad to have you expand it. You said at that time you were in favor of a full disclosure and report of all of the funds of the locals. I take it from what you have now said that you would favor and support legislation providing for the most rigid kind of financial control of all union funds, whether in the western conference or the international or the locals?

Mr. BECK. Positively. I am very happy to put it into the record, for whatever value it may have in Congress or anywhere else, in my official position as the president of this international union, the largest in the world. I am, myself, personally confronted with a situation that I am just as certain and positive in my own mind will be disposed of 100 percent satisfactory to me when the final days of accounting come into court. But I want to make it very definite and clear that you will, in this committee and Congress itself, render a distinct service to the country as a whole for the long pull and for labor and for its individual membership, if you write into congressional law absolute compulsion for accounting of funds, if possible, by certified public accountants. The only exception to that being whether in small organizations they can raise the necessary finances to do it, but you can-

not, in my opinion, put in too stringent regulations that account for the funds of the organization and protects the funds of its welfare and its retirement program.

Senator MUNDT. You and I agree 100 percent on that point, Mr. Beck.

Mr. BECK. Thank you.

Senator GOLDWATER. Mr. Chairman?

The CHAIRMAN. Senator Goldwater.

Senator GOLDWATER. Mr. Beck, getting back to your constitution, article 13, I believe, section 8, refusal to return books, and I quote:

Any member who (1) wrongfully takes or retains any money, books, papers, or any other property belonging to the International Brotherhood of Teamsters, Chauffeurs, Warehousemen and Helpers, or any joint council, local union, or other subordinate body, or (2) mutilates, erases, destroys, or in any way injures any books, bills, receipts, vouchers, or other property of the international, or any joint council, local union, or any other subordinate body may be tried in the manner provided for trial of other offenses.

What steps has the president of the international taken against the chairman of the western conference for allowing his books to be mutilated and destroyed?

Mr. BECK. Well, let me answer it this way: I think, to the best of my knowledge, Mr. Brewster's testimony was concluded here last Friday. Is that right?

Senator GOLDWATER. That is right.

Mr. BECK. Most certainly, up to the present moment, regardless of any action I might elect to take, I wouldn't take it in that time.

Senator GOLDWATER. Are you going to take it?

Mr. BECK. I don't know whether I am going to take it. I can't answer you that now, because I want to be truthful in all my answers. I say that the subject matter will undoubtedly be discussed before the general executive board of this international union at its next session, and undoubtedly out of that session there will be a determination of the policy as it pertains to Mr. Brewster, Mr. Beck, or anyone else. I personally, for my own self, am a hundred percent in favor of that procedure being followed.

Senator GOLDWATER. Mr. Beck, just one suggestion: You use the word "may" be tried. Might a humble Senator suggest that you change that word to "shall," when you rewrite the constitution as Mr. Brewster suggested that he will do? It is a pretty loose thing to allow—

Mr. BECK. It is a very loose thing—

Senator GOLDWATER. Pardon me a moment. It is a pretty loose thing to allow any head of any section of organized labor the right to destroy these books and then say in the constitution that he may be tried. I think it should say for the protection of your union members that he shall be tried.

Mr. BECK. I would favor that 100 percent, definitely so.

The CHAIRMAN. Counsel Kennedy, you may proceed.

May the Chair suggest to his colleagues that we give counsel some time now to cover some of these matters which will be very helpful to the committee if we can get answers. I may say before we proceed that I have been certainly convinced that the laws need tightening up with respect to accounting, not by what this witness has said so much as by what he has not said, and by other evidence that we have before us.

(Senator Ervin left the hearing room.)

Mr. KENNEDY. Mr. Chairman, I was talking earlier about a figure of \$85,119.92, which is funds from the teamster organizations, mostly in Seattle, that have been used to pay Mr. Beck's personal bills. Mr. Chairman, that money was paid to a Mr. Nathan Shefferman. Mr. Nathan Shefferman used that money to pay the bills of Mr. David Beck.

Could you tell the committee what your relationship has been with Mr. Nathan Shefferman?

(The witness conferred with his counsel.)

Mr. CONDON. Mr. Kennedy, did you ask him who Mr. Shefferman is?

Mr. KENNEDY. I asked him what his relationship has been with Mr. Shefferman.

Mr. CONDON. With respect to the transaction described?

Mr. KENNEDY. No; just generally.

(The witness conferred with his counsel.)

Mr. BECK. The answer to the specific question: Mr. Nathan Shefferman is the head of the Industrial Relations Associates office in Chicago, and I think he has an office in New York, in fact I know he has, and a friend of mine for many years.

Mr. KENNEDY. How many years, approximately, has he been a friend of yours?

Mr. BECK. I want to be very careful; I give you as close as I can the actual number of years. I would say at least 20 years.

Mr. KENNEDY. At least 20 years?

Mr. BECK. I would say so.

Mr. KENNEDY. What was his position at the time he first became a friend of yours?

Mr. BECK. If I recall—I don't know but what he was working for the Federal Government under some phase of the National Labor Relations Board, or during the days of NRA. I can't answer that; I really can't.

Mr. KENNEDY. Then did he go to work for any companies or corporations?

Mr. BECK. I think for a number of years that Shefferman—of course, you can get this better from him than you can from me—I think for a number of years he was in the employ of Sears, Roebuck & Co. I know I met General Wood several times when Shefferman was there with him.

Mr. KENNEDY. What was his position with Sears, Roebuck?

Mr. BECK. I can't answer that.

Mr. KENNEDY. You do not know what Mr. Shefferman's position was with Sears, Roebuck?

Mr. BECK. No; I cannot.

Mr. KENNEDY. You have no idea?

Mr. BECK. No; I do not.

Mr. KENNEDY. You have no idea?

Mr. BECK. I do not have any idea of his official position; no.

Mr. KENNEDY. Do you know what services he performed for Sears, Roebuck?

(The witness conferred with his counsel.)

Mr. BECK. Well, let me answer it this way. I don't know where you are going or where you intend to go—

Mr. KENNEDY. Yes, you do, Mr. Beck.

Mr. BECK. And I say I don't. I am not contradicting you. Don't say that I know when I do not know.

Mr. KENNEDY. Then answer the question.

Mr. BECK. All right. I tell you I do not know.

Mr. KENNEDY. Answer the question.

Mr. BECK. All right, I am not going to answer the question because I do not know. I am going to answer the question in this manner: I must decline to answer the question because this committee lacks jurisdiction or authority under articles I, II, and III of the Constitution; further, I decline to answer because I refuse to give testimony against myself, and invoke the fourth and fifth amendments; and further because the question is not relevant or pertinent to the investigation.

The CHAIRMAN. Let's have order. The Chair overrules the objection and orders and directs the witness to answer the question.

Mr. KENNEDY. Answer the question.

Mr. BECK. I answered the question. Do you want me to read it again? I will. I must decline to answer the question because the committee lacks jurisdiction—

The CHAIRMAN. Wait a minute. You have already answered that.

Mr. BECK. All right.

The CHAIRMAN. Proceed, Mr. Counsel.

Mr. KENNEDY. What has been your relationship with Mr. Nathan Shefferman, Mr. Beck? That is not a difficult question to answer.

(The witness conferred with his counsel.)

Mr. BECK. I prefer that I stay right on No. 1 answering your questions, sir. I must decline to answer the question because this committee lacks jurisdiction or authority under articles I, II, and III of the Constitution; further, I decline to answer because I refuse to give testimony against myself, and invoke the fourth and fifth amendments; and further because the question is not relevant or pertinent to the investigation.

The CHAIRMAN. The Chair orders and directs you to answer the question and overrules the objections that you have interposed.

Mr. KENNEDY. Has the teamsters organization, or any unit thereof, had any contacts with Sears, Roebuck or any of Mr. Nathan Shefferman's clients?

Mr. BECK. I must decline to answer the question because this committee lacks jurisdiction or authority under articles I, II, and III of the Constitution; further, I decline to answer because I refuse to give testimony against myself, and invoke the fourth and fifth amendments; and further because the question is not relevant or pertinent to the investigation.

The CHAIRMAN. Mr. Counsel, I suggest you make a statement as to the records we have here before us, as to what they show with respect to the transactions, and Mr. Beck's relationship, and then ask Mr. Beck if he wishes to comment on it.

Mr. KENNEDY. Mr. Chairman, we know of a number of different financial transactions that Mr. Dave Beck has had with Mr. Nathan Shefferman. We know of financial transactions that Mr. David Beck, Jr., has had with Mr. Nathan Shefferman, and we know of financial transactions that Mr. Dave Beck, Jr., has had with Mr. Shelton Shefferman, Mr. Nathan Shefferman's son.

We know that a number of these businesses from which Mr. Dave Beck received profits were businesses that had contracts or financial dealings with the teamsters union. We further know that during the years 1949, 1950, 1951, 1952, and 1953, some \$85,119.92 of union funds were used by Mr. Nathan Shefferman to pay the personal bills of Mr. Dave Beck and Mr. Dave Beck, Jr., and Mr. Norman Gessert and associates of Mr. Dave Beck.

We know that \$40,000 of this \$85,000, \$40,163.10 came directly from the Western Conference of Teamsters; that \$29,916.98 came out of the Western Conference of Teamsters, was sent to a public relations special account in Los Angeles, Calif., stayed there for 2 or 3 days, was withdrawn from that special account, and deposited in the bank account of Mr. Nathan Shefferman. We know that \$2,901.29 was used in cashiers checks and turned over to Mr. Nathan Shefferman. This is from the Western Conference of Teamsters.

This goes to make up the \$85,000, Mr. Chairman. \$5,000 of the \$85,000 came via the Joint Council 28 Promotional League. That means that the Western Conference of Teamsters, on a check signed by Mr. Dave Beck and Mr. Frank Brewster, made a check out to the Joint Council 28 Promotional League for \$5,000 and 2 or 3 days later that money was withdrawn from the Joint Council 28 Promotional League and given to Mr. Nathan Shefferman to pay Mr. Dave Beck's personal bills, such as guardening, his shirts, his ties, his shoes. That there was a withdrawal of \$1,509.55 directly from the joint council 28 legislative fund; that the International Brotherhood of Teamsters contributed \$5,629 directly to the \$85,119.92.

We have a list of some of the items that were purchased, and we also have a witness, Mr. Chairman, that can testify in more detail on these transactions.

The CHAIRMAN. Let's see if Mr. Beck will testify on them first.

Do you have any comment to make? Do you want to deny or refute this statement?

Mr. BECK. Is it a statement or a question?

The CHAIRMAN. It is a question. Do you want to deny, refute, admit, or make any comment?

Mr. BECK. I desire to answer the question by stating I must decline to answer the question because this committee lacks jurisdiction or authority under articles I, II, and III of the Constitution; further, I decline to answer because I refuse to give testimony against myself, and invoke the fourth and fifth amendments; and further because the question is not relevant or pertinent to the investigation.

The CHAIRMAN. The Chair overrules the objections.

Unless there is objection from the committee, the Chair directs and orders the witness to answer.

(No response.)

May I ask, Mr. Counsel, do you have some canceled checks here, photostatic copies of checks to substantiate what you have just stated?

Mr. KENNEDY. That we were able to get from the bank. As you know, the records of the Western Conference of Teamsters have been destroyed. But, Mr. Chairman, Mr. Beck has stated that he would like to give a financial accounting of the Western Conference of Teamsters, and these are for the years 1950, 1951, and 1952, and these are some checks which, if he can give us an explanation, would greatly expedite our understanding as to how the funds were used.

These, Mr. Chairman, are checks of the joint council to the Los Angeles public relations special account, which we talked about in an earlier session.

The CHAIRMAN. Mr. Beck, if you are sincere in wanting to give an accounting, we will help you get a start. I would like to show you now exhibit No. 61 to the testimony that has been adduced at this hearing, which purports to be a photostatic copy of a check bearing your name, your signature, Dave Beck, as president, and W. F. Brewster's name, with the signature, as secretary-treasurer of the Western Conference of Teamsters. I ask you to examine that exhibit and state whether or not you identify it as a photostatic copy of the check to which I have referred.

(Documents handed to witness. Witness conferred with his counsel.)

(Document referred to appears in the appendix of pt. 3, p. 1105.)

Mr. BECK. I return the check by declining to answer the question because this committee lacks jurisdiction or authority under articles I, II, and III of the Constitution; further, I decline to answer because I refuse to give testimony against myself and invoke the fourth and fifth Amendments; and further because the question is not relevant or pertinent to the investigation.

The CHAIRMAN. The Chair overrules the objections of the witness.

Without objection from the members of the committee, the Chair orders and directs you to answer the question.

(No response.)

The CHAIRMAN. Mr. Reporter, where the order is given to the witness to answer the question and he remains silent, let the record show that he remains mute and refuses to answer.

Mr. BECK. I have stated repeatedly that I exercise the fifth amendment in all those answers.

The CHAIRMAN. Yes, sir. We understand, but I want the record to show when he is ordered to answer he remains mute and does not answer.

Mr. BECK. I have answered repeatedly on all questions.

The CHAIRMAN. You invoke the fifth amendment. You don't answer the question.

Mr. BECK. My answer to the question is exercising the fifth amendment.

The CHAIRMAN. I understand. But when the Chair overrules the objection and orders you to answer the original question, then you remain mute and do not answer the question.

Mr. BECK. In my original answer the fifth amendment applies.

The CHAIRMAN. I understand. The record will show that.

Mr. BECK. So long as it shows that I exercise the fifth amendment.

The CHAIRMAN. Now will you look at the check?

Mr. CONDON. Mr. Chairman, on the same points that you spoke of, I am certain when Mr. Beck remained mute whenever you asked the question, he didn't intend to, and it must be that he didn't realize you were asking him a question.

The CHAIRMAN. When I overrule his objections to the question and order him to answer it, he has remained mute and has not answered the question. It is not necessary for him to again invoke the fifth amendment. He is ordered to do something. He either carries it out or he doesn't. He already stated the reason why he didn't answer the

question. There is no need to repeat that a thousand times. He stated the reason. But notwithstanding his objection, the Chair orders him to do it, and the only way that he could comply with the order of the Chair would be to answer the original question and not again invoke the fifth amendment. One is an order, one is a question. He refuses to answer the question and states his ground. The order he does not comply with.

Mr. CONDON. As I understand what you are saying, when Mr. Beck has remained mute at each respective instance, in your judgment he again refuses to answer—

The CHAIRMAN. He refuses to carry out the order of the Chair to answer the question.

Mr. CONDON. On the same grounds that he stated?

The CHAIRMAN. He can have any grounds he wants. It is not necessary to repeat the grounds. He does not answer the question. That violates the order of the Chair. His invoking the fifth amendment takes care of his constitutional rights if he has a constitutional right in that respect. He has already done that by stating that.

The Chair overrules that and orders him to answer the question. When he fails to carry out that order then the question is whether the Chair was right in overruling the objections to it.

It is not necessary for him to state it again and again in response to an order to answer the question.

Mr. CONDON. Senator, thank you. I don't want to labor the point, but I do want the record to show at this point that I am certain that Mr. Beck did not deliberately remain mute at any time during this hearing.

The CHAIRMAN. He has remained mute insofar as answering the questions. He hasn't remained mute in invoking the fifth amendment but in carrying out the order to answer the question he has remained mute.

Look at the check, Mr. Beck, again.

Mr. BECK. This is the same check I looked at a minute ago, and the answer I just gave you.

The CHAIRMAN. Just a moment. While you are looking at that check, state whether or not you identify your signature as one of the drawers of that check on the funds of the Western Conference of Teamsters. Is that your signature?

(The witness conferred with his counsel.)

The CHAIRMAN. You photographers will have to be a little more discreet.

(The witness conferred with his counsel.)

Mr. BECK. I must decline to answer the question because this committee lacks jurisdiction or authority under articles I, II, and III of the Constitution; further I decline to answer because I refuse to give testimony against myself, and invoke the fourth and fifth amendments; and further because the question is not relevant or pertinent to the investigation.

The CHAIRMAN. Do you identify this check?

Mr. BECK. I decline to answer on the ground stated in my last answer.

The CHAIRMAN. All right, sir.

Mr. BECK. That is true of all of them.

The CHAIRMAN. The Chair orders you to answer the question.

MR. BECK. I decline to answer on the grounds stated in my last answer.

THE CHAIRMAN. The Chair presents to you exhibit No. 63 to the testimony at these hearings, which also purports to be a photostatic copy of a check made payable to, "Special Account, Public Relations Division, \$5,000," drawn by you and Frank Brewster on the account of the Western Conference of Teamsters.

Will you please examine that check and state whether or not you identify it?

(Document referred to appears in the appendix of pt. 3, p. 1107.)

MR. BECK. I decline to answer the question because this committee lacks jurisdiction or authority under articles I, II, and III of the Constitution and further I decline to answer because I refuse to give testimony against myself and invoke the fourth and fifth amendments, and further because the question is not relevant or pertinent to the investigation.

THE CHAIRMAN. You are ordered to answer the question.

MR. BECK. I decline to answer on the ground stated in my last answer.

THE CHAIRMAN. Do you recognize that as your signature on that check?

MR. BECK. I decline to answer on the grounds stated in my last answer.

THE CHAIRMAN. Will you compare it with the letter that you submitted to the Chair here this morning and that you read, with your signature to that letter and let us have it, please, and file that?

MR. BECK. I decline to answer on the ground stated in my last answer.

THE CHAIRMAN. Get me that letter he filed here this morning. The Chair presents to you a third check in the amount of \$7,000 signed by Dave Beck and Frank W. Brewster on the same account. Will you examine this check and advise whether you identify it?

SENATOR MUNDT. Perhaps, Mr. Chairman, we should advise Mr. Beck that those are the same checks on which Mr. Brewster has already acknowledged his signature, Mr. Brewster's signature.

THE CHAIRMAN. Yes, sir; they have been identified by Mr. Brewster under oath and placed in the record accordingly. They are already exhibits in these hearings.

MR. BECK. I decline to answer the question because this committee lacks jurisdiction or authority under articles I, II, and III of the Constitution and further decline to answer, to give testimony against myself and invoke the fourth and fifth amendments and further because the question is not relevant or pertinent to the investigation.

THE CHAIRMAN. The Chair orders and directs you to answer the question.

MR. BECK. I decline to answer on the grounds stated in my last answer.

MR. KENNEDY. I am sure this would not incriminate you. Would you tell us why the Los Angeles public relations special account was set up?

(The witness consulted with his counsel.)

MR. BECK. I must decline to answer the question because this committee lacks jurisdiction or authority under articles I, II, and III of

the Constitution and further, I decline to answer because I refuse to give testimony against myself and invoke the fifth amendment and fourth amendment and, further because the question is not relevant or pertinent to the investigation.

Senator McCARTHY. Could I interrupt there, Mr. Counsel?

I notice in your objection, you always use the phrase that the question is not pertinent to the investigation. I am sure you know the purpose of the investigation, but just in case this question arises in a future court action, I think we should ask you if you know the purpose of this investigation.

You say the question is not pertinent to the investigation. Do you know the purpose of the investigation?

Mr. BECK. I prefer to answer your question, and decline to answer it on the grounds stated in my last answer.

The CHAIRMAN. The Chair may state for the record that he obviously does because he read from his letter to the committee this morning the purpose of the investigation and the Chair also emphasized the purpose of it in his opening statement in his presence.

Senator McCARTHY. I thank the Chair. I just wanted that made a part of the record in case of any future legal action.

The CHAIRMAN. All right, Mr. Counsel.

Mr. KENNEDY. Mr. Brewster has testified that the Los Angeles special account, public relations special account, was set up at your suggestion. Is that true?

Mr. BECK. I must decline to answer the question because this committee lacks jurisdiction or authority under articles I, II, and III of the Constitution, and, further, I decline to answer because I refuse to give testimony against myself and invoke the fourth and fifth amendments; and, further, because the question is not relevant or pertinent to the investigation.

The CHAIRMAN. You are ordered and directed to answer the question.

Mr. BECK. I decline to answer on the grounds stated in my last answer.

Mr. KENNEDY. Did the Los Angeles public relations special account ever serve any union function?

Mr. BECK. I must decline to answer the question because this committee lacks jurisdiction or authority under articles I, II, and III of the Constitution, and, further, I decline to answer because I refuse to give testimony against myself and invoke the fourth and fifth amendments; and, further, because the question is not relevant or pertinent to the investigation.

The CHAIRMAN. You are ordered and directed to answer the question.

Mr. BECK. I decline to answer on the grounds stated in my last answer.

Mr. KENNEDY. Was the Los Angeles public relations special account set up by you in order to siphon funds from the Western Conference of Teamsters?

Mr. BECK. I must decline to answer the question because the committee lacks jurisdiction or authority under articles I, II, and III of the Constitution, and, further, I decline to answer because I refuse to give testimony against myself and invoke the fourth and fifth amend-

ments; and, further, because the question is not relevant or pertinent to the investigation.

The CHAIRMAN. You are ordered and directed to answer the question.

Mr. BECK. I decline to answer on the grounds stated in my last answer.

Mr. KENNEDY. Mr. Chairman, some \$29,916.98 went to the Los Angeles public relations special account on checks that were signed by Mr. Dave Beck. Can you give us any explanation for those moneys?

Mr. BECK. Is that a question?

Mr. KENNEDY. Yes.

Mr. BECK. I must decline to answer the question because this committee lacks jurisdiction or authority under articles I, II, and III of the Constitution, and, further, I decline to answer because I refuse to give testimony against myself and invoke the fourth and fifth amendments; and, further, because the question is not relevant or pertinent to the investigation.

The CHAIRMAN. You are ordered and directed to answer the question.

Mr. BECK. I decline to answer on the grounds stated in my last answer.

Mr. KENNEDY. Now, Mr. Chairman, some 2 or 3 days after these moneys were deposited in the Los Angeles public relations special account, and they were deposited at various times, but some 2 or 3 days after each of the deposits were made, these moneys were withdrawn and deposited in the bank account of Mr. Nathan Shefferman.

Can you give us any explanation of that Mr. Beck?

Mr. BECK. Is that a question?

Mr. KENNEDY. Yes.

Mr. BECK. I must decline to answer the question because this committee lacks jurisdiction or authority under articles I, II, and III of the Constitution and further, I decline to answer because I refuse to give testimony against myself and invoke the fourth and fifth amendments, and further because the question is not relevant or pertinent to the investigation.

Senator McCARTHY. Could I ask a question, there, Mr. Chairman?

The CHAIRMAN. Senator McCarthy.

Senator McCARTHY. You have been citing sections I, II, and III of the Constitution as grounds for not answering. Will you just briefly tell us what parts of sections I, II, and III of the Constitution you have in mind?

Mr. BECK. I prefer for the record to show that I stand on the exact language that I am writing into the record.

Senator McCARTHY. I would like to know what you have in mind when you say, "I rely upon sections I, II, and III." I think the committee is entitled to know what you have in mind.

Mr. BECK. My answer is to decline to answer on the ground stated in my last answer.

Senator McCARTHY. You will not tell us what sections of the Constitution or the content of the sections upon which you rely?

Mr. BECK. My answer is, I decline to answer on the grounds stated in my last answer.

Senator McCARTHY. Do you know what sections I, II, and III contain?

Mr. BECK. I decline to answer on the ground stated in my last answer.

Mr. KENNEDY. Mr. Chairman, there are some more questions on this matter, on the \$85,119.92 that I think should be asked of Mr. Beck, but I think it would be helpful to the committee if we put another witness on first, to sort of give an explanatory statement.

The CHAIRMAN. I think it would be very well to call the other witness for the present and let Mr. Beck step aside for a little while.

You will remain available, Mr. Beck, subject to being recalled. But just before you do, the Chair asks you again to take the three checks that have been exhibited to you, exhibits 61, 63, and 64, that have already been exhibited to you and then compare them with the letter that you submitted to the chairman on yesterday, and state whether those signatures are the same.

(The documents were handed to the witness.)

(The documents referred to appear in the appendix of pt. 3 as follows: Exhibit 61, on p. 1105; exhibit 63, on p. 1107, and exhibit 64, on p. 1108.)

Senator McCARTHY. In fairness to counsel he should know that he is on the air when he is having those private conferences.

Mr. BECK. There is nothing in the private conference so far as I am concerned that the air can't listen to.

I identify my signature on the letter that I sent to you yesterday. As it pertains to the others, I desire to exercise the same position that I have been taking. I must decline to answer.

The CHAIRMAN. Would you not strain a little point now and identify your other signatures?

Mr. BECK. The only signature I will identify is the one here that I signed yesterday. On the others I decline to answer the question because the committee lacks jurisdiction and authority under articles I, II, and III of the Constitution and further, I decline to answer because I refuse to give testimony against myself and invoke the fourth and fifth amendments, and further, because the question is not relevant or pertinent to the investigation.

The CHAIRMAN. The Chair orders and directs you to answer as to the signatures on the checks.

Mr. BECK. I decline to answer on the grounds stated in my last answer.

The CHAIRMAN. Mr. Beck, you may step aside for the moment. Chairs will be provided for you there.

Call the next witness.

Mr. KENNEDY. Mr. Nathan Shefferman.

The CHAIRMAN. The Chair wants Mr. Beck present while this witness testifies so he can face one of the witnesses who may testify to some facts that could refresh his recollection.

Mr. BECK. Do you want me to stay in the room, Mr. Chairman?

The CHAIRMAN. Yes, sir, you are permitted to stay in the room and the Chair desired your presence.

Mr. Shefferman, will you stand and be sworn, please?

You do solemnly swear that the evidence you shall give before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. SHEFFERMAN. I do.

TESTIMONY OF NATHAN W. SHEFFERMAN, ACCOMPANIED BY HIS COUNSEL, HOWARD R. SLATER

The CHAIRMAN. State your name, your place of residence and your business or occupation for the record.

Mr. SHEFFERMAN. My name is Nathan W. Shefferman. My place of business is 75 East Walker Drive, Chicago, Ill.

The CHAIRMAN. That is your residence?

Mr. SHEFFERMAN. My residence is 1000 Lake Shore Drive and my business is employer-employee relations, consultants to employers.

The CHAIRMAN. Mr. Shefferman, under the rules of the committee, any witness appearing has the right to have counsel of his own choice to be present while he testifies and to advise the witness with respect to his legal rights.

Have you elected to have counsel present?

Mr. SHEFFERMAN. I have.

The CHAIRMAN. Counsel, will you please identify yourself for the record?

Mr. SLATER. My name is Howard R. Slater and my address is 77 West Washington Street, Chicago, Ill.

Mr. KENNEDY. Mr. Shefferman, could you tell the committee first, when and under what circumstances you met Mr. Dave Beck?

Mr. SHEFFERMAN. I have known Mr. Beck for more than 20 years. Mr. Beck has been a friend of mine for more than 20 years. I met him, I think, originally in Seattle.

Mr. KENNEDY. What positions have you held, and what businesses have you been in since you met Mr. David Beck?

Mr. SHEFFERMAN. In 1934 or 1935 I was with the Labor Board here.

Mr. KENNEDY. In what position, in what capacity?

Mr. SHEFFERMAN. Here I started as a mediator and I wound up as the regional supervisor, the supervisor of the Labor Boards.

Mr. KENNEDY. For what year was that?

Mr. SHEFFERMAN. I think it was 1934 and part of 1935. In 1935 I went with Sears, Roebuck.

Mr. KENNEDY. In what position?

Mr. SHEFFERMAN. As a consultant in employer-employee relations and I remained there for about 13 years.

The CHAIRMAN. Did you see Mr. Dave Beck frequently during that period of time?

Mr. SHEFFERMAN. Yes, off and on and I don't know what you mean by "frequently."

Mr. KENNEDY. Did you tell him or did he know what position you held at Sears, Roebuck and what work you were doing?

Mr. SHEFFERMAN. He knew in a general way and there was nothing specific because I was a consultant.

Mr. KENNEDY. In employer and employee relations?

Mr. SHEFFERMAN. Yes, sir.

Mr. KENNEDY. He was aware of the fact that you were employed in that department, anyway?

Mr. SHEFFERMAN. In Sears, Roebuck, yes, sir.

Mr. KENNEDY. Were you head of the department?

Mr. SHEFFERMAN. Well, Sears doesn't need very much employer-employee relations because they have an excellent personnel setup and so they have relatively few problems. We merely consulted and worked with the company through the years and advising the managers and others around the country.

Mr. KENNEDY. You worked with them for how long?

Mr. SHEFFERMAN. For 13 years.

Mr. KENNEDY. For what years?

Mr. SHEFFERMAN. I think it was 1935 until about 1948, but back in 1939 I set up this labor relations associates and we were serving other employers in the matter also of supervisory training and moral attitude surveys, and general educational problems and bringing about a more wholesome relationship between the employers and the employees.

Mr. KENNEDY. That is the position you presently have?

Mr. SHEFFERMAN. I have that position now, yes.

Mr. KENNEDY. You have offices in what cities?

Mr. SHEFFERMAN. I have offices in New York, Detroit, and headquarters in Chicago.

Mr. KENNEDY. How many people do you have working for you?

Mr. SHEFFERMAN. About 20 men who travel constantly.

Mr. KENNEDY. How many clients do you have?

Mr. SHEFFERMAN. I should say, rotating somewhere between 200 and 250 and maybe more. I don't even look at the books and each man takes care of his own area and I should say we have close to 300 clients. That would be an estimate.

Mr. KENNEDY. Are you chiefly in the department store category?

Mr. SHEFFERMAN. Well, a good portion of them are. I should say about 17 percent of them.

Mr. KENNEDY. These clients are all employers?

Mr. SHEFFERMAN. All of them are employers.

Mr. KENNEDY. You do not have any labor unions as clients?

Mr. SHEFFERMAN. No labor unions.

Mr. KENNEDY. You think a fairly substantial portion of them are department stores?

Mr. SHEFFERMAN. In the department stores, I think, a fairly good portion of them.

Mr. KENNEDY. Now, do any of these clients that you had, do any of them have contracts with the teamsters union?

Mr. SHEFFERMAN. I wouldn't know if they had, because they are all dealing, or whatever dealings they have with the Teamsters Union would be dealing through their own lawyers.

Mr. KENNEDY. I understand that, but could you answer the question?

Mr. SHEFFERMAN. I wouldn't really know because to the best of my knowledge, Mr. Kennedy—

Mr. KENNEDY. If you are interested in employer-employee relations you would know whether your clients had contracts with certain unions.

Mr. SHEFFERMAN. I don't really know. You see we have men who travel and they know more about them and the men in each territory,

the men who operate the territory know much more about it than I do.

MR. KENNEDY. I am sure of that.

MR. SHEFFERMAN. But as to the number of clients who have deals with the teamsters, I didn't know.

MR. KENNEDY. I did not ask you the number. I asked you if some of them did.

MR. SHEFFERMAN. I imagine they have, of course.

MR. KENNEDY. Some of these department stores, of course?

MR. SHEFFERMAN. Some of these department stores must have, but I wouldn't have anything to do with them.

MR. KENNEDY. I just wanted to find out.

MR. SHEFFERMAN. I beg your pardon, but they deal through their own lawyers.

MR. KENNEDY. But some of them do have contracts with the teamsters?

MR. SHEFFERMAN. Yes, sir, as they do have with other unions.

MR. KENNEDY. What about your financial affairs? Have you had any financial transactions with Mr. Dave Beck?

MR. SHEFFERMAN. Yes; I have had several.

MR. KENNEDY. Would you outline those for the committee?

(The witness consulted with his counsel.)

MR. SHEFFERMAN. Do you have anything specific?

MR. KENNEDY. First, tell the committee what businesses you have both been interested in.

MR. SHEFFERMAN. Well, one of the businesses was we bought a house together here in Bethesda, Md., and he asked me whether I would be interested in a half interest. There were 5 people in the automobile when we were going out and I say, "Sure, I'll buy half," and I sent him a check for the half of it and I think the check was \$14,000 some.

MR. KENNEDY. Why did he happen to want to buy the house?

MR. SHEFFERMAN. I think that he had bought it by the time I got to the deal.

MR. KENNEDY. He wanted to find out if you wanted to share it?

MR. SHEFFERMAN. There were 5 people in the automobile and it was said jocularly, and I said, "Sure, I'll take half of it," and I sent him the check the following day, or a few days later and on the letter I noted that, "Here is the \$14,000 for the half of the house, \$14,500 for the half of the house."

MR. KENNEDY. Why did you want to buy a house in Bethesda, half?

MR. SHEFFERMAN. Just because Dave Beck asked me whether I was interested in a half interest and he asked, "Why don't you buy half?" and I bought it. Then, it was rented for 2 years.

MR. KENNEDY. To whom was the house rented?

MR. SHEFFERMAN. I wouldn't know to whom it was rented. Mr. Mullenhaus, I think that you have, Mr. Kennedy, I think that—

MR. KENNEDY. You do not mean that you do not know whom it was rented to.

MR. SHEFFERMAN. I really don't know.

MR. KENNEDY. Why do you bring the name of Mullenhaus?

MR. SHEFFERMAN. Because Mullenhaus was the man who collected the rent and sort of handled the deal.

MR. KENNEDY. Is he in the real-estate business?

Mr. SHEFFERMAN. No; he is assistant to Mr. Beck and Mr. English over at the teamsters' union.

Mr. KENNEDY. He was handling the real-estate transactions for you?

Mr. SHEFFERMAN. Yes, sir, for both of us. I paid little attention to it and we held it for 2 years and sold it and I think we made about \$900 a piece.

Mr. KENNEDY. He arranged the renting of the house, did he, Mr. Mullenhaus?

Mr. SHEFFERMAN. I think he did, the renting.

Mr. KENNEDY. Did he get a percentage of it?

Mr. SHEFFERMAN. That I wouldn't know, and I doubt it. Our records don't show it, he tells me.

Mr. KENNEDY. How much money did you make on that deal?

Mr. SHEFFERMAN. \$900.

Mr. KENNEDY. Each one of you made \$900?

Mr. SHEFFERMAN. That's right; over and above the rentals, and they weren't much.

Mr. KENNEDY. You rented it for a couple of years?

Mr. SHEFFERMAN. I think so.

Mr. KENNEDY. Is that the only business?

Mr. SHEFFERMAN. Oh, no. The only business I ever really had with him other than purchasing a good many things in the way of merchandise of one sort or another—

Mr. KENNEDY. Tell me this first: Have you had any financial dealings with the teamsters' union or any unit thereof?

Mr. SHEFFERMAN. With the union?

Mr. KENNEDY. With the teamsters union or any unit thereof.

Mr. SHEFFERMAN. If you are speaking of the furniture, Mr. Kennedy?

Mr. KENNEDY. I will speak of anything you want to speak of. You start.

Mr. SHEFFERMAN. I wasn't directly involved, was I, if I recall?

Mr. KENNEDY. You tell us. Was your son involved?

Mr. SHEFFERMAN. Both of us; we profited; both of us profited from the deal.

Mr. KENNEDY. What did you do?

Mr. SHEFFERMAN. We found the decorators and we found the furniture and we found the manufacturer and we found the color artists, and all put together—

Mr. KENNEDY. For what is this that you found?

Mr. SHEFFERMAN. Pardon me?

Mr. KENNEDY. What do you mean? You found them for what? For the furniture?

Mr. SHEFFERMAN. For the furniture.

Mr. KENNEDY. Where was the furniture to go?

Mr. SHEFFERMAN. For the building.

Mr. KENNEDY. The international headquarters of the teamsters?

Mr. SHEFFERMAN. Yes, sir.

Mr. KENNEDY. You arranged the purchasing of the furniture?

Mr. SHEFFERMAN. My son and I arranged for the purchasing of the furnishing and the hangings and pretty much nearly everything that went into the building, as I remember, in the way of furnishings.

Mr. KENNEDY. That deal was handled through you; is that right?

Mr. SHEFFERMAN. My son and I.

Mr. KENNEDY. How did you and your son come in?

Mr. SHEFFERMAN. I think it was handled through the Union Merchandising. Does anybody remember? I think it was handled through the Union Merchandising.

Mr. KENNEDY. That is a company of yours?

Mr. SHEFFERMAN. A company that was set up in which I have, I think, a half interest.

Mr. KENNEDY. When you handled this contract, did you put a bid in, and was it awarded to you for the handling of the furniture?

Mr. SHEFFERMAN. I don't think it was a matter of a bid.

Mr. KENNEDY. Who decided that you should get that or handle that contract?

Mr. SHEFFERMAN. Well, the teamsters as such. I think what it amounted was that the architects first tried to furnish the buildings but it wasn't satisfactory to Mr. Beck nor some of the other people in the building.

Mr. KENNEDY. So, did Mr. Beck suggest that you handle it?

Mr. SHEFFERMAN. Yes. He suggested that I handle it or Shelton handle it, my boy handle it, and we handled it together and we found the factory and we found the makers and the designers and we found the artists and the decorators. Incidentally, if it may be of any interest. I don't know for whatever this may be worth, I think we probably saved them a couple of hundred thousand dollars in the process. If I were going to the retail cost and what the furniture was actually delivered for, I think they must have saved, I don't know, I don't know where I got the figure, but it was talked about; I think they saved about \$200,000.

Mr. KENNEDY. Did you people do it as a favor to the teamsters?

Mr. SHEFFERMAN. No. We got, or the Union Merchandising got, a 10 percent plus from the manufacturers, or the salespeople, if I recall, and I don't remember that. I don't remember the details, and we can get them.

Mr. KENNEDY. How much money, approximately, did you make out of that?

Mr. SHEFFERMAN. Did we make on that? The tax returns, Mr. Kennedy, the tax returns and the books have been made available to Mr. Parkhurst and your people in Chicago.

I think they can tell you exactly. They have the figures.

Mr. KENNEDY. Who else was in this deal besides you—Shelton and Shefferman?

Mr. SHEFFERMAN. I don't think anybody was. I don't think there was anybody.

Mr. KENNEDY. Was there anybody else in the deal?

Mr. SHEFFERMAN. Just the two of us, they tell me, Shelton and I.

Mr. KENNEDY. Mr. Gessert was not in that?

Mr. SHEFFERMAN. I don't know. I had very little to do with Gessert and I don't know whether he was in the deal or not.

Mr. KENNEDY. You do not know?

Mr. SHEFFERMAN. I don't think that there was anybody else in the deal.

Mr. SLATER. Would the Chair permit us to confer?

Mr. KENNEDY. Was he not an employee of the Union Merchandising?

Mr. SLATER. Would you permit us to confer on that for a moment?

The CHAIRMAN. Just one moment.

Mr. SHEFFERMAN. Yes; I think Gessert was an employee of the Union Merchandising.

Mr. KENNEDY. Mr. Norman Gessert was?

Mr. SHEFFERMAN. Yes, sir.

Mr. KENNEDY. So he was associated with you?

Mr. SHEFFERMAN. Was he associated in that deal, Mr. Miller, do you know? Did he share in it or what?

He was paid a salary, so to that extent I don't know whether he shared or not, because I wasn't really close to the financial end of it, other than providing of the material and the associations of furniture people and so on.

Mr. KENNEDY. Who is Mr. Norman Gessert?

Mr. SHEFFERMAN. Mr. Norman Gessert is, I think, related to Mrs. Beck.

Mr. KENNEDY. To Mrs. Beck?

Mr. SHEFFERMAN. To Mrs. Beck. I think he is related, a cousin of Mrs. Beck.

Mr. KENNEDY. Did he receive approximately \$38,000 or \$39,000 in salaries from the Union Merchandising?

Mr. SHEFFERMAN. Over what period?

Mr. KENNEDY. Over a period?

Mr. SHEFFERMAN. What are the figures on that again, Mr. Miller, do you have those?

You see, your committee has all of our checks and all of our books.

Mr. KENNEDY. During a 6-year period?

Mr. SHEFFERMAN. I couldn't answer that. That might be approximately the amount, but I wouldn't know it.

Mr. KENNEDY. Our records show that he received during the 6-year period, 1950 through 1956, \$38,500.

Mr. SHEFFERMAN. Did you get that from our records?

Mr. KENNEDY. I believe we did.

Mr. SHEFFERMAN. If you did, then it must be all right, because we gave you all of the records and we gave you everything we had.

Mr. KENNEDY. What was Mr. Kessert's position? What did he do?

Mr. SHEFFERMAN. He was a contact man.

Mr. KENNEDY. Did he also have a position in the teamsters union?

Mr. SHEFFERMAN. I don't know, and I don't think so. I doubt it.

Mr. KENNEDY. Out in Seattle?

Mr. SHEFFERMAN. I doubt that.

Mr. KENNEDY. You do not think so?

Mr. SHEFFERMAN. If he did, I didn't know it.

Mr. KENNEDY. Where did he work for you?

Mr. SHEFFERMAN. He worked out of Seattle and he used to go to the conventions and we would see him around the conventions.

Mr. KENNEDY. What conventions?

Mr. SHEFFERMAN. Labor conventions.

Mr. KENNEDY. The teamsters?

Mr. SHEFFERMAN. And several others and a good many of the other conventions, AFL conventions, and some of the others.

Mr. KENNEDY. Why did he happen to go to those conventions if he was working for the Union Merchandising?

Mr. SHEFFERMAN. He didn't go there to work for Union Merchandise. He went to these conventions and I suppose he was invited to them and I don't know why he went.

Mr. KENNEDY. Who invited him to them?

Mr. SHEFFERMAN. Well, he may have had other functions and I wouldn't know. I really didn't know what other functions he has. I think there was one time he belonged to some other union and I don't know which one.

Mr. KENNEDY. The retail clerk's union?

Mr. SHEFFERMAN. Retail clerks, that is sometime ago. He was an organizer or a member of the retail clerk's union.

Mr. KENNEDY. Was he also, or did you understand he was associated with the teamsters union in some capacity?

Mr. SHEFFERMAN. I didn't know he was associated officially in any way with the teamsters union. That I didn't know.

Mr. KENNEDY. But he used to attend the union conventions?

Mr. SHEFFERMAN. He attended a good many conventions and I would see him in Florida and New York and Los Angeles, and Seattle and all of the conventions. I attended a lot of them.

Mr. KENNEDY. Tell me, and this is the Union Merchandising which I want to come back to in a minute, but what other business transactions did you have with Mr. Beck directly?

Mr. SHEFFERMAN. As an illustration, what do you have in mind?

Mr. KENNEDY. These are 2 checks, 1 dated January 17, 1950, on the Harris Trust & Savings Bank, paid to the order of Dave Beck, \$4,000, signed Nathan Shefferman.

There is a second check dated July 23, 1949, Harris Trust & Savings Bank, paid to the order of Dave Beck, \$8,000, signed by Nathan Shefferman.

(The documents were handed to the witness.)

Mr. SHEFFERMAN. Were those the checks we saw today?

Mr. KENNEDY. Yes; they are.

Mr. SHEFFERMAN. As I started to state before, I have known Mr. Beck and known him very favorably and he has been a very good friend.

Mr. KENNEDY. Would you identify the checks first?

Mr. SHEFFERMAN. I can identify them merely that they are made out to Dave Beck on the Harris Trust, on my name.

Senator IVES. What is the date? Give us the date on them, also. One check at a time.

Mr. SHEFFERMAN. \$8,000, July 25, 1949, and January 17, 1950, for \$4,000.

Senator IVES. And you identify it, do you?

Mr. SHEFFERMAN. Yes, sir; I identify it because it is my signature.

Senator IVES. How about the other check?

Mr. SHEFFERMAN. Which others?

Senator IVES. All right, that is all. Those will be exhibits Nos. 117 and 118.

(The documents referred to were marked "Exhibits Nos. 117 and 118 for reference and will be found in the appendix on pp. 1685-1686.)

Mr. SHEFFERMAN. As I started to say, I have known Mr. Beck for more than 20 years. Mr. Beck has been a friend and a very good

friend. Mr. Beck, if you will permit me, is a terrific personality. I found him so. He is very attentive to his friends and very generous to his folks and people who surround him.

Now, this is no laughing matter, if you knew him as I know him and know all of the things he has done for a lot of the people out in Seattle and the vicinity and in the region of this home, you would come to the same conclusion I have.

I know of other things he has done for other people and I say in all sincerity that Mr. Beck is a generous man and a terrific personality and a very fine gentleman.

Mr. Beck, I realized, in the early days, after 1935 when I was in this so-called employer-employee relationship business, I realized that but for the teamsters, that was after the CIO and the AFL had split, but for the teamsters there wouldn't have been any AFL.

I think they would have disintegrated. That is because the weaker union had to depend upon the teamsters and they had to depend upon the teamsters for whatever strength and whatever progress they could make.

Realizing that, and realizing further that it was well in my work, public-relations phases of it, to mingle with a good many of the people in labor as well as I did in management, I went about and made speeches and wrote a lot of speeches, and I made them to labor.

I was invited to a good many unions and made speeches on free enterprise, and I made speeches on the matter of working together and not making a private battleground of our Nation.

Senator IVES. What years were you doing this?

Mr. SHEFFERMAN. I was doing this all of the way, I should say, probably from 1935, 1936, right up until only within the last year.

Mr. KENNEDY. Mr. Shefferman, could I suggest that you answer the question about the checks?

Mr. SHEFFERMAN. This is part of the background, Mr. Kennedy, and all I had in mind was the reason I had known Mr. Beck for 10 years when this matter of a check came up. At that time there had been some convention, I think the teamsters convention, and they had voted at the convention to introduce a new bookkeeping system, or a visible file of some sort. They asked me at the time, Mr. Beck I don't think had any office at the time, and I think Mr. Tobin was the head of the union at the time, and he asked me whether I could make any contribution to the matter of setting up this bookkeeping system or the visible file system which they were transmitting to their locals.

I went in there with some accountants.

Mr. KENNEDY. This is about 1948?

Mr. SHEFFERMAN. I don't remember the time. I went in there with accountants, and I got some bookkeeping experts, and we found some factories because immediately after the war it was very difficult to get certain items. I found the factories for the files and a lot of other things. They also for many days brought in quite a few of the auditors who helped to pass on the formation of this new bookkeeping system, together with a new type of dues book, and so forth. We did our business through a dealer, my son and I, we both worked at it for a considerable time, for which both of us were paid.

I think that it was some 20 percent, and I don't recall, whatever it was, and I decided at that time—

Mr. KENNEDY. That was approximately \$61,000 that you got paid from the teamsters for that work?

Mr. SHEFFERMAN. Over a period of 3 years, I am told, and they told me that this morning, and I didn't see the figures until then.

Mr. KENNEDY. In 1948, 1949, and 1950 you got paid approximately \$61,000?

Mr. SHEFFERMAN. My son and I.

Mr. KENNEDY. From the teamsters union?

Mr. SHEFFERMAN. Yes, sir. Oh, no, we didn't get that from the teamsters union. We got that from the dealer. We didn't get that from the teamsters.

Mr. KENNEDY. That is for the work you did?

Mr. SHEFFERMAN. I almost walked into that one. We didn't get that from them. We got that from the dealer.

Mr. KENNEDY. That was for work that you had done for the teamsters?

Mr. SHEFFERMAN. In placing this bookkeeping system for the teamsters which they introduced all over the Nation.

At that time, I had decided, and I think it was that year or the following year, I talked it over with my boy, and I remembered that because it was Mr. Beck's taking me by the hand and introducing me to a good many people all over the Nation, and helping me with my speeches, and giving me speech material, and I in turn doing the same, and we were fighting—and please, this is in all seriousness—together, and we put up a terrific fight on the matter of anticommunism and the key of the free market place. Everything of this is on record. If it had not been for Mr. Beck there were a good many places that I couldn't have gone, and I felt, and please believe me when I tell you he didn't ask for anything, and I asked him to accept this money, whatever it was, that I gave him at that time because I had benefited as a result of his help and his constant companionship.

Mr. KENNEDY. Well, you liked him and you gave him the money?

Mr. SHEFFERMAN. Pardon me?

Mr. KENNEDY. You liked him so you gave him the money?

Mr. SHEFFERMAN. Sure. I thought he was entitled to it, and I hadn't done anything for him for 10 years and I had known him for more than 10 years and I hadn't done a thing, and I felt that he was entitled to this.

Mr. KENNEDY. You thought he was entitled to the money?

Mr. SHEFFERMAN. Yes, sir.

Mr. KENNEDY. Now, because of things he had done for you?

Mr. SHEFFERMAN. Things he had done for me in the way of helping me write my speeches, and providing materials, and introducing me to a good many unions that I could never have gotten into.

Mr. KENNEDY. The records show that from 1949 to 1950, and just for those 2 years, that you paid Mr. Beck some \$24,500, of which these 2 checks are a part.

Mr. SHEFFERMAN. He says that was the full amount, they tell me, that I decided that I thought he was entitled to.

Mr. KENNEDY. You thought he was entitled to it?

Mr. SHEFFERMAN. Yes, sir.

Mr. KENNEDY. You thought that for his being able to get you this original contract—

Mr. SHEFFERMAN. Well, I don't know whether he got me the original contract. I think he helped to recommend it, because it was voted in the convention.

Mr. KENNEDY. Did you think he should get a percentage of the \$61,000 that you made?

Mr. SHEFFERMAN. I don't know whether it is a percentage, and I just thought I had done pretty well, and I was up in the higher tax brackets, and I thought that I could very well afford to give him some money.

Mr. KENNEDY. You felt that for what he had done for you you owed him something?

Mr. SHEFFERMAN. I felt that he was entitled to something, and I didn't owe him anything, and I felt he was entitled to it.

Mr. KENNEDY. Were there other services that he performed for you?

Mr. SHEFFERMAN. No other services other than he took me by the hand and introduced me to a lot of people—pardon me, what is that?—I got across a lot of things to unions that nobody has ever been able to tell them.

Mr. KENNEDY. During this period of time you were the labor consultant of labor unions, or employers, or whom?

Mr. SHEFFERMAN. Employers strictly; never labor unions.

Mr. KENNEDY. You were the labor consultant for employers?

Mr. SHEFFERMAN. For a good many employers.

Mr. KENNEDY. And you paid him compensation for what he did for you, some \$24,500; is that right?

Mr. SHEFFERMAN. Over the years.

Mr. KENNEDY. 1949 and 1950.

Mr. SHEFFERMAN. Not for 1949 and 1950, but what he had done in all of the years past. Being in the high tax bracket, I thought that I could very well afford to take some of that money and give it to him voluntarily, and I gave it to him in a check.

There were several checks, I am told; is that true? Sure, several checks.

Mr. KENNEDY. Did you take a tax exemption on that?

Mr. SHEFFERMAN. Did I take a tax exemption?

Mr. KENNEDY. As a business expense or gift, or what?

Mr. SHEFFERMAN. What did I do? Pardon me?

I took a tax deduction and filed, what do you call it, an information return, whatever that is.

Mr. KENNEDY. What does that mean?

Mr. SHEFFERMAN. Tell me what an information return is; I don't know.

Senator ERVIN. It means that Mr. Beck was his employee in his business.

Mr. SHEFFERMAN. No; he wasn't. He was not. We didn't deem him an employee at all.

Senator ERVIN. It means that you represented that Mr. Beck was an employee on your income tax return.

Mr. SHEFFERMAN. No; I did not.

The CHAIRMAN. Did you charge it off as expense to your business?

Mr. SHEFFERMAN. Yes; I think we charged it off as expense to the business. I haven't looked at the record, and I don't know much about them and I am not there 95 percent of the time.

The CHAIRMAN. So you did not pay tax on it?

Mr. SHEFFERMAN. I did not pay tax—under what—

Mr. SLATER. May we have a moment, Mr. Chairman?

The CHAIRMAN. Yes, sir.

Mr. SHEFFERMAN. Let me get this straight. Mr. Kennedy, or Mr. Chairman, if you please, as I gather it now, Union Merchandising—what is the story—was a partnership, my son and I. It took no deduction. I personally took the deduction.

The CHAIRMAN. The partnership took no deduction?

Mr. SHEFFERMAN. No.

The CHAIRMAN. But when you gave the money away, you took a deduction on your personal income?

Mr. SHEFFERMAN. Is that right? Yes. Okay.

Senator MUNDT. On what basis, Mr. Shefferman? On what basis did you personally get a deduction?

Mr. SHEFFERMAN. I felt that Mr. Beck had rendered friendship and service all through the years, some 10 or 15 years.

Senator MUNDT. You mean you took a deduction as a gift or as a cost of doing business?

Mr. SHEFFERMAN. I don't think it was a gift. Just a minute—well, as a matter of fact, Senator Mundt—

Senator MUNDT. You just cannot take a deduction, you have to have a reason.

Mr. SHEFFERMAN. After all, I was advised by my attorneys and by my accountants.

Senator MUNDT. It is perfectly proper for your attorney to advise you, but I want to know on what basis you took the deduction.

Mr. SHEFFERMAN. My association with Mr. Beck and because of him, and my association with him, of the unions, in getting to know a good many of the union people and other people, too, and in management. I was able to get business or rather recognition from a lot of the manufacturers.

Senator MUNDT. I understand all of that, and I am not questioning that, but I am simply questioning you on what basis did you take a \$24,000 tax deduction.

Mr. SHEFFERMAN. I would have to ask my accountant for that.

(Witness consulted with his counsel.)

Mr. SHEFFERMAN. The answer is that he aided me and recommended me for this visible file contract business for one thing, and the other my affiliation or association with him helped to get considerable business.

Senator MUNDT. I am familiar with the background, and I am just asking you the one question, when you wrote out your income tax and decided you were going to make available to Mr. Beck \$24,000 on which you were not going to pay taxes to the Federal Government, whether that was listed as a cost of doing business or did you list it as a gift? How did you do it? That is what I am trying to get at.

Mr. SHEFFERMAN. What is the answer? Let us find out.

Mr. SLATER. May I answer your question, sir?

Senator MUNDT. You tell him, and let him answer.

Mr. SHEFFERMAN. You tell me, and let me answer.

(Witness consulted with his counsel.)

Mr. SHEFFERMAN. To my best knowledge and belief, it was a so-called page 3 deduction, which my accountants told me I could take.

Senator MUNDT. Now, will you consult with your lawyer and then tell me what a page 3 deduction is?

Mr. SHEFFERMAN. That is what I would like to know.

Senator MUNDT. We are all interested in deductions. Let us get that in the record.

Mr. SHEFFERMAN. You can make a lot of deductions out of the things I am saying, but what is this page 3 deductions?

(Witness consulted with his counsel.)

Mr. SHEFFERMAN. I am advised that a page 3 deduction—

Senator ERVIN. What is on page 3? Is that a deduction for charitable contributions?

Mr. SHEFFERMAN. Oh no.

Senator ERVIN. What is page 3?

Mr. SHEFFERMAN. There is a miscellaneous section there.

Senator MUNDT. The Government wants it more meticulous than just "miscellaneous."

Mr. SHEFFERMAN. It is both business and—

(Witness consulted with his counsel.)

Mr. SHEFFERMAN. We don't have a return here, Senator, and now they tell me they are not sure it was taken on page 3.

We will have to look up the return.

Senator MUNDT. Did you take it as a gift?

Mr. SHEFFERMAN. No; Oh no.

Senator MUNDT. Therefore you must have taken it as a cost of doing business.

Mr. SHEFFERMAN. Yes, sir, probably a cost, probably as a cost of expense for doing business, because it brought me business and I had nothing that was definite or traceable.

Senator MUNDT. You listed it as a cost of doing business?

Mr. SHEFFERMAN. I think so, and I haven't got the return.

Senator MUNDT. That is what I was trying to establish.

Mr. SHEFFERMAN. We would have to look at the return.

Senator MUNDT. You only have two choices. It is either a gift or a cost of doing business.

Now, you could list a variety of ways as a cost of doing business.

Mr. SHEFFERMAN. The counsel tells me that the only way I could show this was as a business deduction and business expense.

Senator MUNDT. That is what I am trying to find out.

Mr. KENNEDY. Before we break up, I have a matter to bring up.

The CHAIRMAN. The Chair wishes to recess pretty soon. Do you have something else?

Mr. KENNEDY. I just wanted to put this in the record. Mr. Shefferman was unable or did not know about Norman Gessert.

Mr. SHEFFERMAN. Wait a minute. Take it easy, Mr. Kennedy. What do you mean?

Mr. KENNEDY. You did not know what his position was with the teamsters.

Mr. SHEFFERMAN. No, I didn't.

Mr. KENNEDY. He lists himself as an organizer for the teamsters.

Mr. SHEFFERMAN. That I didn't know.

Mr. KENNEDY. In 1956 he received \$13,000.67, and in 1955, \$10,998.67, and in 1954, \$5,650. He is also listed as a delegate, Mr. Chairman, and received the \$750 delegate expenses.

Mr. SHEFFERMAN. I don't remember that, Mr. Kennedy.

Senator MUNDT. Are we going to have Mr. Shefferman here in the morning?

The CHAIRMAN. It is apparent that we cannot get through tonight, so I think that we have put in a pretty full day's work, and the Chair will recess the committee until 10 o'clock in the morning, both witnesses returning. That is both Mr. Beck and Mr. Shefferman.

(Thereupon, at 4:55 p. m., the hearing was recessed, to reconvene at 10 a. m., Wednesday, March 27, 1957.)

INVESTIGATION OF IMPROPER ACTIVITIES IN THE LABOR OR MANAGEMENT FIELD

WEDNESDAY, MARCH 27, 1957

UNITED STATES SENATE,
SELECT COMMITTEE ON IMPROPER ACTIVITIES
IN THE LABOR OR MANAGEMENT FIELD,
Washington, D. C.

The select committee met at 10 a. m., pursuant to Senate Resolution 74, agreed to January 30, 1957, in the caucus room, Senate Office Building, Senator John L. McClellan (chairman of the select committee) presiding.

Present: Senator John L. McClellan, Democrat, Arkansas; Senator Irving M. Ives, Republican, New York; Senator John F. Kennedy, Democrat, Massachusetts; Senator Sam J. Ervin, Jr., Democrat, North Carolina; Senator Pat McNamara, Democrat, Michigan; Senator Joseph R. McCarthy, Republican, Wisconsin; Senator Karl E. Mundt, Republican, South Dakota; Senator Barry Goldwater, Republican, Arizona.

Also, present: Robert F. Kennedy, chief counsel to the select committee; Jerome Adelman, assistant counsel; Alphonse F. Calabrese, investigator; Carmine Bellino, accountant consultant; Ruth Young Watt, chief clerk.

(Members present at the convening of the session: The chairman, Senators Ives and Kennedy.)

The CHAIRMAN. The committee will be in order.

The Chair makes this observation at the beginning of the hearings today. The Senate went into session at 10 o'clock this morning and we have some legislation pending to which a number of amendments will be offered. It is anticipated there will be a number of rollcalls on these amendments and on the bill for final passage. That means from time to time we may have to interrupt these hearings temporarily, so that we can meet our responsibilities on the floor of the Senate.

I also understand even a quorum call today is what we term a "live" quorum call, which means that you must be present. That is going to handicap us some but, in spite of those difficulties, we are going to continue these hearings in the hope that we may conclude today.

All right, Mr. Counsel, who is your fist witness.

Mr. KENNEDY. Mr. Nathan Shefferman, please.

The CHAIRMAN. Come around, Mr. Shefferman.

TESTIMONY OF NATHAN W. SHEFFERMAN, ACCOMPANIED BY HIS COUNSEL, HOWARD R. SLATER—Resumed

The CHAIRMAN. All right, Mr. Counsel, let us proceed.

Mr. KENNEDY. Mr. Shefferman, we were discussing your relationship with Mr. Dave Beck. Now, during the course of the years 1949, 1950, 1951, 1952, and part of 1953, were you performing some services for Mr. Dave Beck?

Mr. SHEFFERMAN. No.

Mr. KENNEDY. Were you making any purchases for him?

Mr. SHEFFERMAN. Yes; considerable.

Mr. KENNEDY. You made considerable number of purchases for him?

Mr. SHEFFERMAN. Yes, sir.

Mr. KENNEDY. Now, would you think that, reviewing the records as you have, the purchases for the years 1949, 1950, 1951, 1952, and 1953 amount to approximately \$94,000?

Mr. SHEFFERMAN. So I was advised. Pardon me. I thought it was \$85,000.

(The witness conferred with his counsel.)

Mr. SHEFFERMAN. I understand that this \$94,000, Mr. Kennedy, was that since 1949? I thought it was 1947.

Mr. KENNEDY. No; this is the situation: Since 1949, as I understand it, Mr. Shefferman, there have been purchases amounting to \$94,000. Now, out of those purchases, \$85,000, approximately, has been paid out of union funds, and I want to get into that matter with you. You are familiar with the figure \$85,000; is that right?

Mr. SHEFFERMAN. I have been told there was an \$85,000 figure.

Mr. KENNEDY. Let us work on the figure of \$85,000.

Mr. SHEFFERMAN. I think it was merchandise for more than Mr. Beck alone. I think it was for Mr. Gessert.

Mr. KENNEDY. Mr. Norman Gessert?

Mr. SHEFFERMAN. I think so, and, I think, his family.

Mr. KENNEDY. Mr. Dave Beck, Jr.?

Mr. SHEFFERMAN. Probably Mr. Beck, Jr., and other people, I have been told. I don't know.

Mr. KENNEDY. And Mrs. Dave Beck?

Mr. SHEFFERMAN. And probably some others, a good many others. I understand he has been buying merchandise for other people.

Mr. KENNEDY. But the merchandise was purchased in his name, except in the cases of Mr. Norman Gessert and Mr. Dave Beck, Jr.?

Mr. SHEFFERMAN. Well, not on the shipping notice, and I can't say. Mr. Kennedy, I have been away 90 to 95 percent of the time, as I indicated to you before.

Mr. KENNEDY. Excuse me?

Mr. SHEFFERMAN. I have been away from my office from 90 to 95 percent of the time. These purchases would come in and these orders, whatever they were, or a combination, and they would go to the secretary and they would call the factory or write them a note, or whatever it was, and merchandise was shipped according to instructions by whomever bought the merchandise. I think in this particular instance that you are talking about, these instances, I think that Mr. Beck bought for himself and others. As to whether or not he bought for Mr. Gessert, also, they may find in the records; you have them

and I haven't them. You may find in the records the possibility that Mr. Gessert bought some things on his own, as well as the young man. That is a possibility, and it would be shown in the records.

Mr. KENNEDY. Now, are you aware of the fact that, from the years 1949 to 1953, Mr. Beck made purchases through you of approximately \$85,000?

Mr. SHEFFERMAN. That is what I am advised according to the records.

Mr. KENNEDY. According to the records?

Mr. SHEFFERMAN. That is what I am advised.

Mr. KENNEDY. That would be according to your records and your own accountants?

Mr. SHEFFERMAN. That is true, I think, according to them.

(The witness conferred with his counsel.)

Mr. SHEFFERMAN. You see, so far as the records were concerned, someone would call up or write a note and say they wanted something.

Mr. KENNEDY. I will get into an explanation, and let us agree first on the figure of approximately \$85,000.

Mr. SHEFFERMAN. According to the records, Mr. Kennedy, I think there was, I got the figures from your own people, some \$400,000 that had been bought for many people, both labor and industry, through the same identical period.

Mr. KENNEDY. We are now talking about Mr. Dave Beck, and I am sure we will get to some of the other people at a later date.

Mr. SHEFFERMAN. That is right.

Mr. KENNEDY. Now we are talking about Mr. Dave Beck's purchases. What procedure did he follow with you? He would call and say that he wanted something?

Mr. SHEFFERMAN. He would call and tell me. If I saw him, he would like to have an icebox or 2 or 3, or probably a washing machine, something else, and whatever it may have been. He would tell me or he would call the girl or have his own secretary call someone, it was turned over to the manufacturer or wherever it came from, or probably a discount house, with instructions, whatever shipping instructions he had given at the time, or he or someone else.

Mr. KENNEDY. Now, in addition to making or asking you to purchase materials for him, or items for him, would he also contact you about paying some of his personal bills, hotel bills?

Mr. SHEFFERMAN. Occasionally, Mr. Kennedy. Hotel bills, I don't think there were any hotel bills.

Mr. KENNEDY. Or doctors' bills?

Mr. SHEFFERMAN. Pardon me?

Mr. KENNEDY. Doctors' bills?

Mr. SHEFFERMAN. There might have been, from what I have been told, as I indicated I was not familiar with the records, that there may have been some bills for, oh, someone mentioned something about nursery material, and something else.

Mr. KENNEDY. And his dentist? Do you remember paying some of the dentist bills?

Mr. SHEFFERMAN. I think there was one morning, if I recall, he turned up in Chicago with a broken plate, and it was about 7 o'clock in the morning. I had to get a chap out and get into the laboratory to fix his plate, for which I think there was a bill of about \$8, and naturally I just paid it and I think charged it to him.

MR. KENNEDY. Now tell me this, Mr. Shefferman: Did you know at the time that the moneys that you were receiving to pay for these bills of Mr. Beck were money from the union?

MR. SHEFFERMAN. I did not know, because I never saw any of the bills, and I never saw any of the money or the checks. The checks were opened or the letters were opened, and the checks taken out by the office staff, particularly the secretary or clerk, and then was accounted for. But I never saw any of the checks, and the first time I ever saw any of the checks was when they were presented to me under the tax investigation, but until such time I never saw any of them.

MR. KENNEDY. Now, before we go into that, I would like to present you some mimeographed sheets here which are samples of some of the items that you purchased for Mr. Dave Beck.

THE CHAIRMAN. Counsel may state how these items were discovered, and how they were arrived at.

MR. KENNEDY. Mr. Chairman, we have from Mr. Shefferman the bills for some of the items that were purchased for Mr. Dave Beck.

THE CHAIRMAN. These items are taken from the bills and records of Mr. Shefferman?

MR. SHEFFERMAN. Yes. Mr. Kennedy, may I please ask for some consideration here, because the implication is particularly not a desirable one. It says "samples of items purchased for Dave Beck by Nathan Shefferman with teamster union funds." I did not know they were union funds.

THE CHAIRMAN. It is perfectly proper for you to say you did not know it. But if the facts have since developed, and you have learned that they were purchased with union funds, then there is nothing misleading about it. You did not know it at the time?

MR. SHEFFERMAN. No; I didn't know it at the time.

THE CHAIRMAN. It did not come to your attention until after the goods were paid for?

MR. SHEFFERMAN. Were paid for; yes. And you see, may I give you an idea of how these transactions were done? When the occasion arose or a request arose for one of these items, or more than one time, we would send to the factory, or wherever it came from, and I would pay with my check, personally, long before I ever got paid.

THE CHAIRMAN. I understand. He was using you as a procuring agency, in effect.

MR. SHEFFERMAN. I don't like the words "procuring agency." It was a purchasing agent.

THE CHAIRMAN. When you purchase, you usually procure, do you not?

MR. SHEFFERMAN. Yes.

I won't quibble over words.

THE CHAIRMAN. I am very happy to accept your terminology, and call you the purchasing agency for Dave Beck. Is that fair?

MR. SHEFFERMAN. Thank you very much. This still bothers me, when I read this, and it sounds like throwing a drowning man a rope with a couple of ends.

THE CHAIRMAN. How does it bother you?

MR. SHEFFERMAN. Well, "by Nathan Shefferman with teamster union funds." I did not know that they were bought with union funds.

The CHAIRMAN. Well, is there anything false about it?

Mr. SHEFFERMAN. No, since I have found out that they were bought, but I didn't know it at the time.

The CHAIRMAN. Well, if there is nothing false in the statement, and if it is a fact, we need not challenge it. Do you make the explanation that this is so?

Mr. SHEFFERMAN. Mr. Chairman, if you please, I was reimbursed with union funds and I laid out my own money. You see, technically, if you will pardon me, I actually paid for it not with union funds, and I first paid with my own funds.

The CHAIRMAN. So far as Mr. Beck paying, he paid with union funds?

Mr. SHEFFERMAN. Well, that is true.

The CHAIRMAN. Is that true?

Mr. SHEFFERMAN. That is true.

The CHAIRMAN. You paid your own money for it?

Mr. SHEFFERMAN. That is right.

The CHAIRMAN. You were reimbursed from Mr. Beck?

Mr. SHEFFERMAN. I was reimbursed.

The CHAIRMAN. Out of union funds?

Mr. SHEFFERMAN. Couldn't we say it that way?

The CHAIRMAN. Yes, sir; we will say it that way.

Mr. SHEFFERMAN. I thank you very much.

The CHAIRMAN. All right. All we want is just the facts.

Mr. SHEFFERMAN. I was reimbursed.

The CHAIRMAN. We are kind of splitting hairs.

Mr. SHEFFERMAN. All right; thank you very much.

The CHAIRMAN. Go ahead, I will let you have the largest split.

Mr. SHEFFERMAN. Thank you.

Mr. KENNEDY. Mr. Chairman, I would like to make an explanation here. There are two sheets. This first mimeographed item consists of 3 pages, and there is another one of just 1 page. There are some items on the first mimeographed sheet for Dave Beck. The second group is all of Dave Beck, and it is just a more complete list for Dave Beck.

There are some items that are repetitious from the first mimeographed sheet.

(At this point, Senator Mundt entered the hearing room.)

The CHAIRMAN. Take that mimeographed sheet and start reading from it and see if you identify that you purchased those articles.

Mr. SHEFFERMAN. As best I remember.

Is this a copy of an invoice, Mr. Kennedy, or just a sample?

Mr. KENNEDY. I took some samples from various bills.

Mr. SHEFFERMAN. It would be difficult, I think, to talk of shirts.

Mr. KENNEDY. I can present each one of them to you if you like.

The CHAIRMAN. Have you examined those invoices?

Mr. SHEFFERMAN. No; I haven't.

Mr. KENNEDY. I gave this to your accountant yesterday.

Mr. SHEFFERMAN. I didn't see them, and it is perfectly all right. We accept them.

Mr. KENNEDY. It was a sampling.

Mr. SHEFFERMAN. Now, shirts, yes; he wears pretty good shirts, and I don't know whether he bought them for himself or other people.

The CHAIRMAN. It does not matter who he bought them for. He is the one who made the purchase and he is the one who paid for them out of union funds.

Mr. SHEFFERMAN. Coldspots and radios, golf balls. I don't think he plays golf so he must be very generous and gave away the golf-balls.

The CHAIRMAN. He probably did?

Mr. SHEFFERMAN. Yes, sir.

Mr. KENNEDY. Paid for by union funds.

Mr. SHEFFERMAN. Now, I said up to now I didn't know that at all.

Mr. KENNEDY. You are just saying he was generous, and I want to clarify it.

Mr. SHEFFERMAN. I paid for it and then I was reimbursed.

Nylons, white, yes; and two silk shirts, yes; and sheets and cases, Bendix washer, and I don't know where you dug all of these up. You say they are in the record. Are they?

If they are, they must be there.

Two dozen sheets, 5 shirts, 2 white silk shirts, football tickets. Those I don't know, he usually gets the football tickets, and not I.

Twenty-one pairs of nylons. Well, wait a minute. Gentlemen, please, the implication—I happen to know Mr. Beck is a moral man, and so it is perfectly all right.

(The witness conferred with his counsel.)

Mr. SHEFFERMAN. Five dozen diapers. Where that came from, I don't know. Two cases of shells. A watch for golf clubs.

What is a watch for golf clubs? That is a new one.

The CHAIRMAN. I would not know.

Mr. SHEFFERMAN. Neither do I.

The CHAIRMAN. Go ahead.

Mr. SHEFFERMAN. Hose, and now I don't know whether those are nylons or just hose.

Shells.

The CHAIRMAN. What is the amount of those hose?

Mr. SHEFFERMAN. \$124. That must have been a garden hose or some such thing as that. Otherwise, it would have said hosiery or some such thing.

The CHAIRMAN. It may be a garden hose.

Mr. SHEFFERMAN. It may be a garden hose and I am just guessing.

The CHAIRMAN. All right.

Mr. SHEFFERMAN. Moreover, as I read these, and while it was paid, he had paid ostensibly with union funds, I understand that this money has been borrowed from the union as I have been told and returned.

The CHAIRMAN. That is what we have not been able to find out. We have been asking Mr. Beck about that for a whole day here yesterday and we could not find out.

Mr. SHEFFERMAN. Well, I understand from many, many sources that he borrowed the money and he returned it.

Senator MUNDT. The only source we have on that is a radio broadcast Mr. Beck made, which he refused to acknowledge before our committee and so I assume that unless you have a better source of information you can supply the committee—

Mr. SHEFFERMAN. I haven't any other than what I have been told.

Senator MUNDT. You just heard the same broadcast in substance, which was repudiated by Mr. Beck yesterday.

Mr. SHEFFERMAN. I didn't know. I haven't talked with Mr. Beck for several months.

Senator MUNDT. You indicated you understood it was borrowed.

Mr. SHEFFERMAN. No; just what I got from the newspapers, and the broadcast or whatever it was.

Senator MUNDT. You did not get it out of this hearing.

Mr. SHEFFERMAN. No. Royal typewriter, Jayson shirts—we are doing a lot of advertising here now—Hathoway shirts, Sear's type outboards, Johnson outboard, Shavemasters, radio combination, Hoover vacuum, New York Hotel.

Well, that I don't know. I don't remember paying that kind. I may have and he may have had to leave in a hurry and I don't remember.

"Shoes and shirts for the Seattle bunch." What do they mean "for the Seattle bunch"? I understand they bought a lot of things for people.

The CHAIRMAN. That is the Seattle bunch?

Mr. SHEFFERMAN. Yes, sir.

The CHAIRMAN. Can you identify that "bunch"?

Mr. SHEFFERMAN. He is surrounded with a lot of nice boys and nice men whom he has brought up and taken out of the colleges and groomed them. That is a notation by the girl, I see.

Five one-half power motor, Coldspot freezer, automatic washer.

Mr. KENNEDY. How much are those? How much is the motor?

Mr. SHEFFERMAN. The motor is \$144.15. That must be—

Mr. KENNEDY. An outboard motor?

Mr. SHEFFERMAN. No; I think it might have been a motor for a freezer, or outside freezer or some such thing and I really wouldn't know.

One bow tie. Now, that is the payoff. That one I didn't know. I never knew he wore a bow tie.

Kaiser roofing sheet, custom-made tie, 12 pairs Magna binoculars, chairs, tables, loveseats, settee and lamps, tables and chow bench, smoke, and so forth.

The CHAIRMAN. You are observing the amounts?

Mr. SHEFFERMAN. The amounts?

The CHAIRMAN. You are observing the amounts of those?

Mr. SHEFFERMAN. Yes; and Sulka ties and shirts were \$192.65. And 2 coats were \$303.60.

The CHAIRMAN. We did not get these others. Start up there with the bow ties.

Mr. SHEFFERMAN. It was \$3.50.

The CHAIRMAN. Just above that six pairs of knee drawers.

Mr. SHEFFERMAN. \$27.54; yes.

The CHAIRMAN. Now, come down to the Kaiser roofing sheet.

Mr. SHEFFERMAN. I still don't know what knee drawers are.

The CHAIRMAN. I do not know either.

Mr. SHEFFERMAN. All right, lamps, tables, Kaiser roofing sheet, \$1,431.27; custom-made tie, \$14; 12 pairs Magna binoculars.

Senator MUNDT. Would you explain a little more about Kaiser roofing sheet?

Mr. SHEFFERMAN. I couldn't really, because I didn't know it. I can only imagine it might have been for some of the housing and I can't say.

Pardon me? How this came about is that if anyone calls I seldom, unless they ask me personally, I seldom, Senator, get the so-called request. It is turned over to someone in the office and they usually look after it.

I don't know. I seldom, if ever, see them unless they make a personal request and I do not specifically recall any Kaiser roofing sheet. If I attempted to say anything else, I would really be guessing. I am merely assuming.

The CHAIRMAN. That seems to be a pretty good item. I assume that is building material of some kind.

Mr. SHEFFERMAN. It might be building material.

The CHAIRMAN. \$1,431.27?

Mr. SHEFFERMAN. Yes, sir.

The CHAIRMAN. Would you assume that is some kind of building material?

Mr. SHEFFERMAN. I would assume so.

The CHAIRMAN. Custom made tie, \$14; and what is the next?

Mr. SHEFFERMAN. Twelve pairs Magna binoculars, \$354. I think that I have a faint recollection that they might have been some binoculars that came from the other side somewhere, some inexpensive binoculars.

The CHAIRMAN. Imported?

Mr. SHEFFERMAN. I think that they were. I have just a faint—

The CHAIRMAN. Something a little special?

Mr. SHEFFERMAN. I think so. I don't know.

Chairs, tables, love seats, settee, and so forth, \$1,242.45. I wouldn't know what that was for unless it might have been, and I am strictly guessing, what do they call those—rumpus rooms, are they?

The CHAIRMAN. A love seat for a rumpus room?

Mr. SHEFFERMAN. Well, it is a good combination anyway. It is a good place to have a rumpus, anyhow.

Lamps, tables, chow bench, smoke, and so forth. I don't know what those mean.

The CHAIRMAN. As you observe the item, as you go along, if there is any there that you challenge, why, say so and otherwise we will put the whole thing in the record.

Mr. SHEFFERMAN. I can't challenge them because I don't know. I don't know anything about them as a matter of fact, other than assumptions and it merely passed through the office.

Senator KENNEDY. Did you not make out the checks in payment for these bills?

Mr. SHEFFERMAN. No; I never made out the checks.

Senator KENNEDY. Who signed your checks?

Mr. SHEFFERMAN. I signed the check and sometimes I would leave as many as a dozen or two dozen checks when I am away signed, the secretary or the girl in the office fills them out.

Senator KENNEDY. It seems to me, yesterday and today, that you are removing yourself from responsibility for a lot of different actions. It seems to me that you signed the checks and, therefore, I do not think it is correct for you to come before this committee on a matter of this importance and state that you were not aware of these purchases for Mr. Beck.

I am not talking about whether you did or did not know where the money was coming from.

Mr. SHEFFERMAN. I was thoroughly aware that I was paying for the purchases, because when they bring me a check and bring me 5 or 6 or 10 at a time, I would merely sign them, and not even question where they were going and I do that right along and I always have.

There have been times, Senator, if you please, that the checks—I leave as many as a dozen checks when I go away, signed, for this specific purpose and I never even fill them out.

Senator KENNEDY. It cannot be a matter of indifference to you that you paid a check for \$1,431.27 for a Kaiser roofing sheet. You were aware of that, were you not?

Mr. SHEFFERMAN. I don't think so. If I were aware of it—pardon me—if you have the invoice, maybe I can identify it but really I may have been out of the office.

Senator KENNEDY. You signed the check in payment for it, did you not?

Mr. SHEFFERMAN. The check may have been signed and the girl may have had it. The secretary may have taken that check and merely filled it in because she had complete instructions and complete authority and full trust to write and fill in any checks.

Senator KENNEDY. The responsibility is very clearly yours. I cannot believe that you ran your office in such a way that you were not aware of what purposes checks to the amount of \$1,431, or \$1,242, or \$919 were being made out for.

Mr. SHEFFERMAN. Senator, I am not denying that it was paid with my check and that I had paid. I don't remember or I can't remember having made out that check. There have been hundreds and hundreds of checks, thousands of checks, that clear through that office that I have been buying things for more than 400 people, maybe 500 people, and everyone in the office will tell you that I seldom, if ever, see the checks. That is, other than signing them. Now, this can be confirmed by the office staff and everybody in the office, particularly the lady who had charge of the checks.

(At this point in the proceedings, Senator McCarthy entered the hearing room.)

Senator KENNEDY. The only point I want to get at is that the responsibility is very clearly yours.

Mr. SHEFFERMAN. The responsibility is definitely mine because I paid for it.

Senator KENNEDY. That is correct.

Mr. SHEFFERMAN. I paid for it, but I did not know what the specific items were or any item that you might ask about. I would not know because as I said I either filled in the checks before I left or signed them without knowing. It is a common practice. You will see them walk in and give me 10 or 15 checks and I merely signed them and I don't look at them, particularly the secretary, because it is entirely in her hand and she has been handling them.

Senator, if you please, there have been, according to the records, over \$400,000 worth of this merchandise purchased at discount for various people. I really wouldn't know one check from another.

Senator KENNEDY. How much of that amount went for the purchases for heads of labor unions?

Mr. SHEFFERMAN. When you speak of "heads" it is hard to say, when you speak of the heads of labor unions.

Senator KENNEDY. Officials of labor unions.

Mr. SHEFFERMAN. Well, relatively few.

Senator KENNEDY. How many?

(The witness consulted with his counsel.)

Mr. SHEFFERMAN. You mean in dollars and cents?

Senator KENNEDY. In numbers of checks or dollars and cents.

Mr. SHEFFERMAN. I wouldn't know. I can check back for you, and if we get the records we will be very happy to give you a record of that.

Senator KENNEDY. I think this is important. Here is a man who is the attorney for companies on labor-management problems.

Mr. SHEFFERMAN. I am not an attorney.

Senator KENNEDY. You are in public relations and industrial problems.

Mr. SHEFFERMAN. Public relations: yes.

Senator KENNEDY. On labor-management problems.

Mr. SHEFFERMAN. Yes, sir; on employer-employee relations and educational programs.

Senator KENNEDY. For employer-employee relations.

Mr. SHEFFERMAN. Yes, sir.

Senator KENNEDY. And you represent the employers side?

Mr. SHEFFERMAN. Strictly the employer.

Senator KENNEDY. And you are making purchases in the amount of many thousands of dollars for various items for officials of labor unions.

Mr. SHEFFERMAN. Senator—pardon me—

(The witness consulted with his counsel.)

Mr. SHEFFERMAN. This is the only manner in which I had to build good will, and I had no other thing. We don't advertise, and we don't solicit and we don't have any formulas and no prescriptions or anything of the sort.

As a consequence the only manner in which I could develop good will was when I attended as I said, these conventions, both unions and the others, and particularly in quite a few of the union conventions.

You may have copies of the speeches that I made to them on free enterprise and told them not to make a battleground out of the United States, that people could together.

Senator McCARTHY. The witness is not answering the question.

Mr. SHEFFERMAN. What was your question?

Senator KENNEDY. The point that I wanted to make is whether you knew this money was coming out of the teamsters or not when you were making purchases.

Mr. SHEFFERMAN. I did not know that at the beginning.

Senator KENNEDY. But you were making purchases in the amount of \$85,000 or \$90,000 for Mr. Beck over a period of 3 or 4 years involving personal items for Mr. Beck at a time when you were a public relations representative for employers. I suggest that that is highly improper.

Mr. SHEFFERMAN. Well, I was merely building good will and I don't know it was particularly improper, any more than it was when I was buying for people in management.

Senator KENNEDY. The question is about the method by which you build. You bought a house, with Mr. Beck and you made many

personal purchases for Mr. Beck and the question is, as the representative of the employers whether that is a proper action for you to take involving a labor official of a union with which many of the companies you represent have contracts.

Mr. SHEFFERMAN. Well, I would rather be friends with them than enemies.

Senator KENNEDY. The question is what you do to be a friend and the question is whether it is a proper action for you to make purchases of \$85,000 and go into a deal in a house and so on, whether that is a proper way to cement a friendship in view of the responsibilities that Mr. Beck had toward the members of his union and in view of the responsibilities that you had toward the employers who were hiring the members of his union.

Mr. SHEFFERMAN. Senator, may I advise you that I never even negotiated anywhere at any time with Mr. Beck. It was a friendly relationship that arose in consequence.

Mr. Beck had so many problems, I imagine he used to find it relaxing and we never even talked shop when we were together.

Senator KENNEDY. You may not have negotiated to contract but Mr. Beck had contracts, or the teamsters had contracts with many of the firms with which you had relations, is that not correct?

Mr. SHEFFERMAN. If they had, it had absolutely no bearing because all of those matters were handled by the company lawyers and I never even touched them or I never even got near them.

Mr. KENNEDY. Did your employees not handle some of those matters?

Mr. SHEFFERMAN. Very few, relatively few; and I think on the matter of checking back to the matter of actual negotiations and so forth, I think less than 10 percent of our business——

Mr. KENNEDY. But to settle labor disputes, didn't your employees——

Mr. SHEFFERMAN. Relatively few.

Mr. KENNEDY. Did it not happen occasionally?

Mr. SHEFFERMAN. Pardon me.

(The witness consulted with his counsel.)

Mr. SHEFFERMAN. I don't really recall that less than, I am sure that less than 10 percent had anything to do at all with labor disputes.

Mr. KENNEDY. Ten percent did, then?

Mr. SHEFFERMAN. Less than 10 percent.

Mr. KENNEDY. That would be about 40 of your people for whom you work.

Mr. SHEFFERMAN. With 300 people circulating and coming and going, it is awfully difficult and I couldn't tell you.

Mr. KENNEDY. They could be very key people?

Mr. SHEFFERMAN. Not necessarily.

Mr. KENNEDY. They could be very important?

Mr. SHEFFERMAN. It is very small.

Mr. KENNEDY. It could be important if you could settle a strike or labor dispute.

Mr. SHEFFERMAN. No, because the key people, whatever they may have been, have their own lawyers, and I never touched them or got anywhere near them.

Senator KENNEDY. Why was it so important for you to maintain friendly relations with Mr. Beck?

Mr. SHEFFERMAN. Because I liked him as a man, and I liked him as a friend, and I thought he was a very capable gentleman. We exchanged ideas on speeches, free enterprise, as I told you, anticommunism, and I have a lot of material here, and he made it possible for me to talk to a good many of the unions and organizations, and so forth. That was the reason. I admired him, and I always admired him for his capacity, for his ability, and for his courage.

Senator KENNEDY. That is the reason that you made him a payment of these sums of money that you discussed yesterday?

Mr. SHEFFERMAN. That, I think, we covered.

Senator KENNEDY. No, we did not cover it. We did not cover the ethical question of whether it was proper for you, with your responsibilities, to make payments to him.

Mr. SHEFFERMAN. Well, that is a matter of interpretation.

Senator KENNEDY. Amounting to \$24,000.

Mr. SHEFFERMAN. That is a matter of of interpretation pretty much, that I felt—pardon me?

(The witness conferred with his counsel.)

Mr. SHEFFERMAN. I didn't particularly feel it was wrong. If I felt it was wrong I wouldn't have done it.

Senator KENNEDY. That is really the question.

Mr. SHEFFERMAN. But that is a matter of interpretation, and I didn't really feel it was wrong.

The CHAIRMAN. Can we proceed?

Can we pursue these items further, Mr. Counsel, and let us try to get them in the record? We are going to have to recess in a moment to answer this quorum call.

Mr. KENNEDY. You were reading the items, Mr. Chairman.

Senator McCARTHY. I might say, Counsel, I am curious about one item here purchased for Mr. Beck, diapers. I wondered what Mr. Beck was doing with diapers.

Mr. SHEFFERMAN. I really don't know. As I told you, he was probably looking after needs of some of his neighbors, for all I know. Whatever the diapers were for, I really don't know, and I have an idea that he is thoroughly devoted to a niece, and I think she had a newly born babe, or 3 or 4 of them now, if I recall, and I think that he probably bought the diapers for the niece's babies.

The CHAIRMAN. Let us proceed with the list.

We are down to the 12 pair of binoculars, \$354.

Mr. SHEFFERMAN. Pardon me.

The CHAIRMAN. Twelve pairs of Magna binoculars.

Mr. SHEFFERMAN. For \$354.

The CHAIRMAN. And then we covered the chairs, tables, loveseats, and so forth, for the rumpus room, and that is \$1,242.45.

Mr. SHEFFERMAN. Yes, sir, I think so.

The CHAIRMAN. Go on, and read the rest of them.

Mr. SHEFFERMAN. Do you want me to read them?

The CHAIRMAN. I want you to read them, and give the amounts of them, and state what you know about them. If there are any on there that are incorrect, say so.

Mr. SHEFFERMAN. I wouldn't know. I wouldn't recollect.

(The witness conferred with his counsel.)

Mr. SHEFFERMAN. These have been taken from the records, and I really haven't got the records.

The CHAIRMAN. They are taken from your records.

Mr. SHEFFERMAN. Lamps, tables, chow bench, smoke, and so forth, \$245.50.

Sulka ties and shirts, \$192.65.

Two coats, \$303.60.

Rugs from Strauss-Rose Carpet Corp., 1 Cheviot, \$571.99; 1 Friezzette—somebody will have to pronounce that for me—\$672.07; 1 Renaissance, \$991.19.

One pump to be used on sprinkling unit, \$242.40.

I believe I remember that; that was for the lawn, and I have a faint recollection that there was something to pump for the lawn.

The CHAIRMAN. At his home?

Mr. SHEFFERMAN. I think so; yes, sir.

One chestnut divan, \$273.

Gravy boat, cruet set, biscuit box, \$124.

TV set, \$371.95; and gardening, \$1,918.15.

I think those were the bills that I paid.

Mr. Kennedy, will you refresh my memory?

The CHAIRMAN. What is this gardening, \$1,918.15?

Mr. SHEFFERMAN. Will you refresh my memory? I think some gardening was done, if I recall, and you reminded me of that.

The CHAIRMAN. You and Mr. Kennedy may talk this over for a little while until I return.

The committee will have to stand in recess so that we may answer a quorum call. We will be back as soon as we can arrange it.

(Brief recess.)

(Members present after the taking of the recess: The chairman and Senator Mundt.)

The CHAIRMAN. The committee will come to order.

I believe, Mr. Shefferman, we were down to the item of gardening, \$1,918.15. Will you tell us what that is for?

Mr. SHEFFERMAN. The reason I remember that somewhat, Mr. Chairman, is that during the discussion with the tax people, they showed me a check, 2 checks or 1 check, that had to do with nursery material. Mr. Beck, I think, as I recall it, sent the bill to the office and said, "Would you pay this?" And so we paid it. But we were reimbursed for the amount.

The CHAIRMAN. I understand. Would you recognize this document, a photostatic copy of which I hand you—two documents, in fact.

Senator MUNDT. Mr. Shefferman, who reimbursed you?

Mr. SHEFFERMAN. Pardon me?

Senator MUNDT. Who reimbursed you?

Mr. SHEFFERMAN. Mr. Beck.

Senator MUNDT. Mr. Beck, in personal cash, or Mr. Beck from the union?

Mr. SHEFFERMAN. I wouldn't know.

(Documents handed to witness.)

Senator MUNDT. Don't your records show that?

Mr. SHEFFERMAN. The records would show; yes. The records would show who paid it.

(The witness conferred with his counsel.)

The CHAIRMAN. Would the witness look at the documents?

Mr. SHEFFERMAN. Pardon me. Let's get this thing straight. The record would not show that? It would not show the source of payment. I see.

Senator MUNDT. Do you personally know at this time how you were reimbursed, whether by the union or by Mr. Beck personally?

Mr. SHEFFERMAN. I only know what I have been told, that I have been reimbursed by union checks.

Senator MUNDT. Were you told by members of your staff?

Mr. SHEFFERMAN. The staff and others, that I was reimbursed.

Senator MUNDT. Were you reimbursed by union checks?

Mr. SHEFFERMAN. Yes. They match up. Moneys that have gone out and the moneys that have been returned; they match up, and I am told by my staff that that was paid for by union funds.

Senator MUNDT. By union funds. You have an accurate set of books, I presume, not having had the difficulty that the teamsters have had, that, because of lack of storage facilities, they have had to destroy a lot of records. You haven't had that problem, have you?

Mr. SHEFFERMAN. I am sorry to admit that our records are not as they might be, because they come and go, the purchases. It is personal and not part of the business at all. I did all of this. May I qualify something, if you will permit me, Mr. Chairman? I made the statement that people are under the impression that much of this material, these purchases, I had bought merely for the teamsters. I bought them for other unions with whom I had never had any business whatsoever, not the slightest.

The CHAIRMAN. We will get to that in a little while, and we will have you tell something about it. We will be interested.

Mr. SHEFFERMAN. All right, Thank you. Now, what did——

The CHAIRMAN. Examine the documents before you.

(The witness conferred with his counsel.)

The CHAIRMAN. Do you recognize the handwriting?

Mr. SHEFFERMAN. It says—pardon me. "Florence." I see. The girl marked this paid.

Nate, I would appreciate your sending check to Yorozo for gardening. Please advise amount of check you pay and Seattle, plus this check.

I think he is asking for a bill for the full amount. It looks like Mr. Beck's handwriting.

The CHAIRMAN. You got a request from him on that order?

Mr. SHEFFERMAN. Yes.

The CHAIRMAN. That is a sample of a request?

Mr. SHEFFERMAN. That is about a sample that I would get, or over the telephone or something.

The CHAIRMAN. That may be made exhibit No. 119.

(The document referred to was marked "Exhibit No. 119," for reference, and will be found in the appendix on pp. 1687-1688.)

Mr. KENNEDY. That is the particular one for \$1,918.15.

Mr. SHEFFERMAN. Yes.

Mr. KENNEDY. You raised some questions about it?

Mr. SHEFFERMAN. Yes. Well, I didn't know. \$1,918; that must be it.

The CHAIRMAN. The one I have just made an exhibit is for that amount?

Mr. SHEFFERMAN. Says \$1,918.15.

The CHAIRMAN. Is that what it says?

Mr. SHEFFERMAN. \$1,918.

The CHAIRMAN. So that is the order of Mr. Beck with respect to that \$1,918.15?

Mr. SHEFFERMAN. Yes.

The CHAIRMAN. Now I will hand you some four more photostatic copies, gardening accounts. Would you examine those and see if you identify them? I believe they came from your files.

(Documents handed to witness.)

Mr. SHEFFERMAN. I don't know whether I could identify them. I am sure my staff could.

The CHAIRMAN. Well, take a glance.

Mr. SHEFFERMAN. This is the handwriting of my secretary, and this says, "Nate, please send check," again Mr. Beck, and I don't even know whether or not I saw this.

Mr. KENNEDY. Whose handwriting did you say?

Mr. SHEFFERMAN. It says:

From the desk of Dave Beck, please send check on this. D. B.

The CHAIRMAN. He would get the bills and send them to you for payment, obviously?

Mr. SHEFFERMAN. I would hate to think that he sent me all of his bills for payment.

The CHAIRMAN. I see.

Mr. KENNEDY. \$85,000 worth.

Mr. SHEFFERMAN. Over a matter of a few years.

In those instances, he must have bought, as I say, for other people.

(At this point, Senator Kennedy entered the hearing room.)

The CHAIRMAN. Can you rationalize why he would get these bills and send them to you and ask you to pay them instead of having his own secretary pay them?

Mr. SHEFFERMAN. I cannot rationalize other than that he has many financial affairs, I understand, real estate deals and whatever they are, and he might have not had the money at the time. That is the only thing I can rationalize.

The CHAIRMAN. I doubt that. I seriously doubt that. I do not think you are sincere in making that statement.

Mr. SHEFFERMAN. Pardon me.

I wouldn't know.

The CHAIRMAN. I know you would not know, and neither would I.

Mr. SHEFFERMAN. I merely say I wouldn't know.

The CHAIRMAN. Here is a man sending you bills all along, asking you to pay them, and now you wake up 3 or 4 years later and find out that you were reimbursed out of union funds for his personal bills. That is the score; is it not?

Mr. SHEFFERMAN. Apparently.

The CHAIRMAN. Is there anything otherwise apparent about it, except that?

Mr. SHEFFERMAN. No; nothing but that, merely that I have been told by my staff that that is it.

The CHAIRMAN. And you believe that to be true.

Mr. SHEFFERMAN. I believe that to be true.

The CHAIRMAN. Those bills are all similar, are they?

Mr. SHEFFERMAN. Well, who signed this?

(The witness conferred with his counsel.)

The CHAIRMAN. Identify them so that I may make them part of the record.

Mr. SHEFFERMAN. I don't know whose handwriting that is. It says "paid." The notations on them are "paid."

The CHAIRMAN. And they were paid by your firm?

Mr. SHEFFERMAN. No. By me.

The CHAIRMAN. Paid by you personally?

Mr. SHEFFERMAN. Yes, personally, and reimbursed personally.

The CHAIRMAN. They may be made exhibits 120A, B, C, and D. (The documents referred to were marked "Exhibits 120A, 120B, 120C, and 120D" for reference, and will be found in the appendix on pp. 1689-1694.)

The CHAIRMAN. They were paid by you personally. Have you been reimbursed for those payments?

Mr. SHEFFERMAN. Yes. Yes.

The CHAIRMAN. By whom?

Mr. SHEFFERMAN. By Mr. Beck.

The CHAIRMAN. By Mr. Beck or by the teamsters union?

Mr. SHEFFERMAN. So far as I know, by Mr. Beck. I have been told that most of the payments or some of the payments were made with union funds, and this particular—I don't know about these particular bills, how they were paid.

The CHAIRMAN. Have you got a single record where Mr. Beck reimbursed you personally and you can show by your record that he reimbursed you out of his own funds?

(At this point Senator Ervin entered the hearing room.)

Mr. SHEFFERMAN. I wouldn't know. We would have to check the records. The committee has the records.

The CHAIRMAN. All right.

Senator MUNDT. Mr. Shefferman, did you serve during this period of time as the paymaster for any other union leaders except Mr. Beck?

Mr. SHEFFERMAN. No. I made—

Senator MUNDT. You were not running a small-loan agency on the side?

Mr. SHEFFERMAN. No. I made purchases, but nothing other than that.

Senator MUNDT. There is no other similar instance in your operation whereby you took the bills, advanced the money, and got it back?

Mr. SHEFFERMAN. No. I wouldn't know—

Senator MUNDT. This is your operation. You would know this. This is the only incident?

Mr. SHEFFERMAN. I think so. This was strictly a friendly gesture. I hadn't developed a companionship, as I know, with any of the others, as I had with Mr. Beck. I knew him better.

(The witness conferred with his counsel.)

Mr. SHEFFERMAN. I think it was, Senator, you asked me whether I made any purchases for other union leaders?

Senator MUNDT. No, sir. I asked you if you were serving as a paymaster for any other union men.

Mr. SHEFFERMAN. No. I don't know whether this was a paymaster. I don't know about the term.

Senator MUNDT. "Paymaster" is a perfectly polite term. You were paying the bills and getting the money back. That is a paymaster.

Mr. SHEFFERMAN. I got the money back.

Senator MUNDT. This is the only instance?

Mr. SHEFFERMAN. I think it is the only instance so far as I know. I don't know of anything else.

Senator MUNDT. To the best of your recollection?

Mr. SHEFFERMAN. To the best of my recollection, that is the only instance.

Senator MUNDT. Mr. Beck had a unique relationship in this instance with you?

Mr. SHEFFERMAN. That is right. I think as I tried to rationalize before, in all likelihood he might have been a little tight with money.

Senator MUNDT. He might have been a little tight with money, but he was not short of money. There is a difference there.

Mr. SHEFFERMAN. I don't know. He might have been short, too.

The CHAIRMAN. Mr. Shefferman, the Chair hands you another photostatic copy of a pretty good-sized item along the same lines. Would you examine it? It appears to show that you paid the Prentice Nursery & Decorating Co. for labor from July 4 to July 22, \$549.39, for plants \$1,547.50, plus tax, making a total of \$2,059.77. Will you examine this bill?

(Document handed to witness.)

Mr. SHEFFERMAN. Mr. Chairman, I think it is probably part of the same transactions for the house or whatever it might have been, for the garden.

The CHAIRMAN. It may have been for his house, but it is a bill in addition to the others you can identify. It doesn't include those other items.

(At this point, Senator Ives entered the hearing room.)

The CHAIRMAN. There are items in addition to those you have already identified.

Mr. SHEFFERMAN. Yes.

The CHAIRMAN. Is that correct?

Mr. SHEFFERMAN. It says, "Harris; O. K." This identifies it that it went to my bank.

The CHAIRMAN. It went to your bank?

Mr. SHEFFERMAN. To the bank; yes.

The CHAIRMAN. That may be made exhibit No. 5.

(The document referred to was marked "Exhibit No. 121" for reference and will be found in the appendix on p. 1695.)

Senator MUNDT. Did you ever visit this garden? Have you ever been out there?

Mr. SHEFFERMAN. Yes; I have been out there quite a few times.

Senator MUNDT. Have you seen the garden that was landscaped by this material?

Mr. SHEFFERMAN. I have seen the garden and the grounds.

The CHAIRMAN. Senator Mundt, will you suspend a moment until I get another document in the record?

Senator MUNDT. Yes.

The CHAIRMAN. The Chair hands you another photostatic copy of a document. I wish you would identify it and read it into the record, please, sir, and state what it means.

(Documents handed to witness.)

Mr. SHEFFERMAN (reading):

Please forward your personal check to Prentice Nursery in the amount of \$4,534 airmail special delivery. Dave.

I will forward you check immediately.

Mr. KENNEDY. Would you read that a little louder?

Mr. SHEFFERMAN (reading):

Nate, please forward your personal check to Prentice Nursery in amount of \$4,534.94 airmail special delivery. Dave.

I will forward you check immediately.

The CHAIRMAN. Do you not know that you received a check in payment of that from the teamsters? Do not your records show that?

Mr. SHEFFERMAN. I did not. I don't know it. I don't even know it now unless they tell me that it is part—

The CHAIRMAN. What do your accountants tell you about it?

Mr. SHEFFERMAN. Pardon?

The CHAIRMAN. What do your accountants tell you about it?

Mr. SHEFFERMAN. I don't know whether the accountant knows anything about it.

Does he?

Do you know anything about this?

The CHAIRMAN. All right. It was signed "Dave Beck"; was it not, or "Dave"?

Mr. SHEFFERMAN. This says "Dave."

The CHAIRMAN. "Dave"?

Mr. SHEFFERMAN. Yes.

The CHAIRMAN. You recognize who it is?

Mr. SHEFFERMAN. Yes; I recognize it very well.

The CHAIRMAN. That may be made exhibit No. 122.

(The document referred to was marked "Exhibit No. 122" for reference and will be found in the appendix on p. 1696.)

The CHAIRMAN. Here is another one I will ask you to identify and tell me what it means, \$90.92.

(Document handed to witness.)

Mr. SHEFFERMAN. \$90.92. "Tell them" something. "Nate, please pay this," \$90.92.

The CHAIRMAN. That is from "Dave," too?

Mr. SHEFFERMAN. That is from Dave; yes.

No; it says DB. Dave Beck, I imagine.

Mr. KENNEDY. Would you read the whole thing?

Would you read the whole thing into the record, please?

Mr. SHEFFERMAN (reading):

Saks Fifth Avenue, paid June 20, 1952, check 1467, Mr. Dave Beck, 552 Denny Way, Seattle, Wash. Tell them that their Sox I purchased are terrible, full of—something—

holes.

Well, they were not the holeproof, I guess.

Mr. KENNEDY. Would you read it again?

Mr. SHEFFERMAN. Which do you want me to read?

Mr. KENNEDY. Read what he wrote there.

Mr. SHEFFERMAN (reading):

Tell them their sox I purchased are terrible. Full of holes.

The CHAIRMAN. Obviously, according to that, he made the purchase himself and then sent you the bill to pay it?

Mr. SHEFFERMAN. Just as in the other matter.

The CHAIRMAN. That is what it indicates.

Mr. SHEFFERMAN. Yes.

The CHAIRMAN. That may be made exhibit No. 123.

(The document referred to was marked "Exhibit No. 123" for reference and will be found in the appendix on p. 1697.)

The CHAIRMAN. Senator Mundt?

Senator MUNDT. I was discussing the garden. You said you have seen the garden.

Mr. SHEFFERMAN. Yes. I had seen the landscaping, but not the particular garden. The special reference to the garden or what the garden is, I wouldn't know.

Senator MUNDT. You have been in his home and you have seen the landscape and the garden?

Mr. SHEFFERMAN. Yes; I have.

Senator MUNDT. Inasmuch as our records show that this garden was paid for by union funds, would you tell the committee whether this was sort of a public teamsters garden, whether the members could bring their families and have picnics, or was this a private garden?

Mr. SHEFFERMAN. Well, Senator Mundt, oddly enough he has had a good many gatherings out there of union people. I have been on occasion to several.

Senator MUNDT. That was not my question. I want to know whether you believe it to be a public garden available to all the teamsters whose dues paid for it, where they could bring their families on a Sunday afternoon, have picnics and so forth, or whether this was primarily a garden in connection with Mr. Beck's home.

Mr. SHEFFERMAN. I really wouldn't know the answer.

Senator MUNDT. You were there.

Mr. SHEFFERMAN. I was there, but I wouldn't know the answer.

Senator MUNDT. Was this attached to his home?

Mr. SHEFFERMAN. Pardon me?

Senator MUNDT. Was this attached to his home, part of the home premises?

Mr. SHEFFERMAN. It is part of the landscaping. I don't even know what the garden is. I know the general landscaping.

Senator MUNDT. Part of his home, part of the landscaping of his home?

Mr. SHEFFERMAN. Part of the home; yes.

Senator MUNDT. Did you see any signs up anyplace saying "Families of John C. Truck Driver welcome—Public property—Paid for by teamsters' dues—Keep the premises clean but use as freely as you care to," or anything of that sort?

Mr. SHEFFERMAN. I never saw any signs. I think if he wanted to invite anybody he wouldn't have to put up any signs.

Senator MUNDT. I do not doubt but he invited the vice presidents and the top echelons.

Mr. SHEFFERMAN. Yes.

Senator KENNEDY. Mr. Chairman, it seems to me that Mr. Shefferman is important for two reasons, first to give substantiating evidence as to the fact that he received checks for personal purchases from Mr. Beck that were drawn on the union.

The second point, however, I think, is more important, and that is the question of Mr. Shefferman as an employer-representative in industrial-relations matters, and his ties with Mr. Beck, both receiving funds and giving funds to Mr. Beck.

I would like to ask the counsel whether the staff is investigating, or if it has investigated whether it has turned up any evidence of particular favoritism to his clients by the teamsters union during industrial relations matters during the last 7 or 8 years. I would like to ask the counsel whether that is being investigated, because it seems to me that that would be most important to this investigation.

Mr. KENNEDY. Senator Kennedy, we have been investigating that matter over the period of the past 6 weeks, and I anticipate that we will be on it for another several months. We have been investigating it, and we have some information and some evidence bearing on the point you make.

Senator KENNEDY. I think that will be important to this whole investigation, if there was such a relationship, to show that there was a relationship between employer industrial relations matters and the head of the most powerful union in the United States, and money was exchanged between them, to the benefit of Mr. Beck and Mr. Shefferman.

Mr. SHEFFERMAN. May I say there have never been any special favors, never asked, never requested. We never even talked shop, as I indicated before.

On this matter of my going to the union meetings, I have dealt with an awful lot of unions with whom I have never had any business. When I say dealt with them, I visited with them. I knew it was easier to make people like you than hate you. When we talked about purchases, wholesale or discounts, whatever they were, it was merely a means of building up public relations, and when they saw me they weren't tensed or strained.

I used to write letters about labor trends. I made it my business to try to bring the employer and employees together, to work together harmoniously and, by all means, to avoid as much friction as possible. That friction was avoidable only because of my knowledge of what was going on, where it was going on. Moreover than that, in working with the rank and file, in working particularly with the supervision, we built sufficient goodwill, and particularly in those clients to whom you may be referring. I don't know who they are.

And in which case I don't think they needed any special favors because we had built so much goodwill between the employer and the employee and the relationship was of a character because we had done a lot of good work for the employees as well as the employer, in benefiting him.

In so doing, I don't think there was any need to ask any special favors anywhere from any unions, and I didn't at any time. I think they would have lost the respect if I had.

My relationship with Mr. Beck, it was an altogether different story. It was a highly personalized one because of my admiration for the

MAE. and because he found my presence with him rather relaxing. I don't think—pardon me?

Senator KENNEDY. Mr. Shefferman. I do not want to repeat the facts, but you did make \$85,000 worth of purchases for Mr. Beck, and you gave him during this same period \$24,000. I would not suggest the relationship was just completely disinterested.

Mr. SHEFFERMAN. Well, yesterday it was brought out, I think, that this matter of the \$24,000 was a matter of—I think, Senator Mundt, you asked the question if it was a business expense. Under those circumstances, I hadn't done anything with him for 10 years or more, for 10 years or more, and at which time the system of bookkeeping that we talked about was put into the teamsters union. I was paid by the same people.

Moreover, I don't think Mr. Beck was even an officer at the time. He might have been. Mr. Tobin was still alive.

If I remember, too, I was in a pretty high tax bracket, at which time I felt as if I ought to do something for Mr. Beck.

The CHAIRMAN. The Chair would like to ask you about 1 or 2 more items. You keep saying that you purchased \$85,000 worth for Mr. Beck.

Mr. SHEFFERMAN. Pardon me?

The CHAIRMAN. You keep referring to the fact that you purchased \$85,000 worth for Mr. Beck. The fact is that a lot of these items you did not purchase at all. Mr. Beck purchased them and sent you the bills and you paid for them.

Mr. SHEFFERMAN. That is true. According to the records.

The CHAIRMAN. Yes. So to say that you purchased all of them would be inaccurate.

What you did was pay for all of them.

Mr. SHEFFERMAN. Yes.

The CHAIRMAN. It seems to be a very strange arrangement where Mr. Beck sends you his personal bills, to purchase socks, ties, underclothes, various things, and then sends you the bill and tells you to pay it.

Mr. SHEFFERMAN. For which I was reimbursed.

The CHAIRMAN. I understand. By union funds. We have that pretty clear.

But the point I am making is did it not occur to you that that was something strange, a novel arrangement for him to go out and buy his personal clothes and send you the bills and tell you to pay it, and he would reimburse you?

Mr. SHEFFERMAN. I never even questioned it for a moment when he sent me the bill. When he said "Pay it," I paid it. I didn't question it for a moment.

The CHAIRMAN. Did it ever occur to you that that was a most peculiar arrangement?

Mr. SHEFFERMAN. I don't know whether it was a peculiar arrangement or not. It wasn't usual.

The CHAIRMAN. Well, we will start with unusual, then?

Mr. SHEFFERMAN. Yes.

The CHAIRMAN. And from unusual, about the next step would be peculiar, would it not?

Mr. SHEFFERMAN. It might. We are defining terms.

The CHAIRMAN. Well, that is the strangest one, I think.

Mr. SHEFFERMAN. Nevertheless, it is true, he asked me to pay the bills.

The CHAIRMAN. We are establishing it as a fact very rapidly. Here are some more I would like you to take a glance at. I will not put any more into the record, but just enough to show the pattern of this very strange arrangement.

Mr. Shefferman, we have just taken a few at random out of 4 or 5 folders full of similar bills.

(Documents handed to witness.)

The CHAIRMAN. Do you identify those you have?

Mr. SHEFFERMAN. Yes.

The CHAIRMAN. What did Mr. Beck say in that one?

(The witness conferred with his counsel.)

Mr. SHEFFERMAN. It merely says here:

Ship to Dave Beck, Woodmere Apartments, 3636 16th Street NW., special coats—

two of them, \$135 apiece.

The CHAIRMAN. Did you purchase those or did he purchase them?

Mr. SHEFFERMAN. I purchased these, I think.

The CHAIRMAN. You think you purchased those?

Mr. SHEFFERMAN. I think I purchased those.

The CHAIRMAN. Look at the next one.

Did you purchase the next one?

That may be made exhibit No. 124.

(The document referred to was marked "Exhibit No. 124" for reference and will be found in the appendix on p. 1698.)

Mr. SHEFFERMAN. No; I don't think I purchased this.

The CHAIRMAN. Read the items. You paid it.

Mr. SHEFFERMAN. I paid it.

The CHAIRMAN. Read the items on that invoice.

Mr. SHEFFERMAN. "Please pay"—pardon?

The CHAIRMAN. Read the items on it.

Mr. SHEFFERMAN. The items?

The CHAIRMAN. Yes.

Mr. SHEFFERMAN. One cravat \$7.50, 3 cravats \$8.50, 2 cravats \$15, 6 undershirts \$9, and a robe \$125.

The CHAIRMAN. That all appears to be personal wearing apparel; does it not?

Mr. SHEFFERMAN. Yes. Apparently. I think it is personal wearing apparel.

The CHAIRMAN. Well, it is wearing apparel.

Mr. SHEFFERMAN. Yes; it is wearing apparel. I don't know whether it is his or whether he bought it for somebody else.

The CHAIRMAN. I do not know whether he wore it or gave it away or somebody else wore it. I do not know. But it is personal wearing apparel?

Mr. SHEFFERMAN. Yes.

The CHAIRMAN. Did you purchase those items for him?

Mr. SHEFFERMAN. No.

The CHAIRMAN. He purchased them himself and sent you a bill?

Mr. SHEFFERMAN. Yes.

The CHAIRMAN. And you paid it?

Mr. SHEFFERMAN. That is right.

The CHAIRMAN. That may be made exhibit No. 125 to show the pattern of this business transaction and arrangement operating between you and Mr. Beck.

(The document referred to was marked "Exhibit No. 125" for reference will be found in the appendix on pp. 1699-1700.)

Mr. SHEFFERMAN. Mr. Chairman, I don't know whether it was a business transaction or merely a favor.

The CHAIRMAN. It turned out out to be a pretty big favor, it seems to me.

Mr. SHEFFERMAN. But the \$400,000, aside from the \$85,000, there was \$400,000.

The CHAIRMAN. Let me ask you this: Have you another union leader or officer who sends you his personal bills for you to pay?

Mr. SHEFFERMAN. I do not have: no.

The CHAIRMAN. Then this was peculiar in your experience with union officials, was it not?

Mr. SHEFFERMAN. Unusual.

The CHAIRMAN. Unusual?

Mr. SHEFFERMAN. Right.

The CHAIRMAN. I will settle halfway between. It is unheard of, is it not?

Mr. SHEFFERMAN. It is unheard of.

The CHAIRMAN. All right.

Mr. KENNEDY. Mr. Chairman, our records show that during this period of time the bills paid by Mr. Shefferman amounted to approximately \$94,000, those bills of Mr. Beck that Mr. Shefferman paid. Out of that \$94,000, our records show, and I think that Mr. Shefferman's people concur, that \$85,000, approximately, or a little bit over \$85,000, was paid to Mr. Shefferman with union funds.

Do you want to continue on Mr. Dave Beck, Jr.? You have not covered those items yet.

The CHAIRMAN. I will ask counsel to proceed.

Mr. KENNEDY. Mr. Shefferman, would you read the items that were purchased for Mr. Dave Beck, Jr., or the bills that were paid for Mr. Dave Beck, Jr., and you were reimbursed by union funds?

Mr. SHEFFERMAN. This is page 3 of this one here?

Mr. KENNEDY. Yes.

Take that one. It is more complete.

Mr. SHEFFERMAN. David Beck, Jr., washing machine, \$85.50.

Mr. KENNEDY. Speak up a little louder.

Mr. SHEFFERMAN. Washing machine, \$85.50; 20-foot deep freeze, \$250.90; automatic de luxe washer, \$142.82; 2 aluminum boats, \$196.50; model 70, 30.06 gun, \$73.10; vacuum cleaner, \$57; chestnut living room, \$979.50; 3 mattresses and 3 springs, \$222.69; 20-inch TV, \$324.40; 1-horsepower GE compressor, \$217; one-half horsepower Carrier compressor, \$125; one-half horsepower GE compressor, less motor, \$106; \$448, less sales tax.

Eleven axles for compressors, \$340.30.

I see.

Submersible sump pump—

Mr. KENNEDY. Motor, \$17.74.

Mr. SHEFFERMAN. \$17.74 was the motor.

Submersible sump pump, Fairbanks-Morse.

Camera equipment, \$590.91; 2 lenses, \$107.37; tools, and so forth, \$215.54; tools, and so forth, \$13.14; tools, and so forth, \$22.61; washer, \$184.62; thingamajig for camera—whatever that is—\$2.31; TV set, \$218.99; camera case, \$32.83; \$4,592.37.

Mr. KENNEDY. Those are the purchases or bills paid for Dave Beck, Jr.?

Mr. SHEFFERMAN. I don't know whether he paid them. I haven't any idea whether Dave Beck, Jr., paid himself. I think there were some bills that he paid himself.

Mr. KENNEDY. The records show that these bills were paid out of union funds.

Mr. SHEFFERMAN. They were? I didn't know that.

Mr. KENNEDY. Would you check with your accountant?

Mr. SHEFFERMAN. Do you know whether this—do you?

You have told us this. We don't know. We haven't even got the records, as we indicated before. You have the records.

Mr. KENNEDY. Your accountant has gone over the records.

Mr. SHEFFERMAN. Has he? I don't know whether he can identify this specifically.

Mr. KENNEDY. We will accept your word for it.

Mr. KENNEDY. This is included in the \$85,000.

Mr. SHEFFERMAN. It is?

Mr. KENNEDY. Yes.

Mr. SHEFFERMAN. I didn't know.

Mr. KENNEDY. You do not have anybody that can check it?

Mr. SHEFFERMAN. Check it? Yes; it can be checked in the record.

Mr. KENNEDY. But you don't have anybody that has any firsthand knowledge of it?

Mr. SHEFFERMAN. No; not at the moment.

The CHAIRMAN. The Chair will make this mimeographed copy from which the witness has been testifying—

Mr. SHEFFERMAN. Pardon me. Mr. Chairman, may I request again, and I think you agreed with me, that we were going to modify this statement somewhere. What was it that we said? I don't even remember.

The CHAIRMAN. Well, let us see. You say you want the title of it modified, "Samples of items purchased for Dave Beck by Nathan Shefferman."

Mr. SHEFFERMAN. And reimbursed.

The CHAIRMAN. And reimbursed?

Mr. SHEFFERMAN. Is that all right?

The CHAIRMAN. All right. And for which he was reimbursed with the teamster union funds.

Mr. SHEFFERMAN. I think that is better.

The CHAIRMAN. You will agree to that?

Mr. SHEFFERMAN. I think so.

Is that all right?

The CHAIRMAN. All right.

Senator MUNDT. Mr. Shefferman, I have been reading some of these notations that were quoted.

The CHAIRMAN. The Chair makes that modification, and we have the record completely cleared now. You bought all of these things, or paid the bills, and you were reimbursed by union funds?

Mr. SHEFFERMAN. Yes; so I have been advised.

The CHAIRMAN. That may be made exhibit Nos. 126-A and 126-B. (The documents referred to were marked "Exhibits Nos. 126-A and 126-B" for reference and will be found in the appendix on pp. 1701-1704.)

Senator MUNDT. In looking over these notations, it is quite obvious from the manner in which they are written, the notes are rather brief, saying, "Please send the check for this," "Please take care of this," and so forth, which quite obviously indicates that prior to the notations you received from Mr. Beck, you must have had some verbal or written understanding about it.

Mr. SHEFFERMAN. Absolutely—

Senator MUNDT. You would not just get a letter through the mail saying, "Please take care of this," and nothing more. Originally, when you started out, there must have been some understanding with Mr. Beck.

(The witness conferred with his counsel.)

Mr. SHEFFERMAN. An understanding? The mere fact that he asked me, and I knew that he was going to pay it, that is all.

Senator MUNDT. That is right, but prior to the receipt of the bills through the mails, Saks Fifth Avenue, for example, saying, "Please take care of this," you must have had some verbal understanding, some arrangement, because you should not get that through the mail and nothing more.

I am simply asking you to recall for us where this thing began, what your understanding was with Mr. Beck.

Mr. SHEFFERMAN. I will indicate to you specifically and unequivocally that there was no understanding and no arrangement. It was merely at his request, knowing him as I did, and his knowing me and when he asked me, I paid the bills and knew I was going to be reimbursed.

Senator MUNDT. Do you recall the first instance where this happened?

Mr. SHEFFERMAN. I couldn't possibly recall.

Senator MUNDT. Do you remember the first time?

Mr. SHEFFERMAN. No, I couldn't unless they went over the records again. I wouldn't have any idea.

Senator MUNDT. You must recall, certainly, when this program fanned out to include the other members of his family. When you started to work with his son, you must have had some understanding then. If he had a pretty good family, you might have wondered how far this would go.

Mr. SHEFFERMAN. I had no more understanding with him than I had with any other of the people, both in management or labor for whom I purchased.

Senator MUNDT. And was Dave Beck, Jr., also taking you by the hand and leading you around and introducing you to a lot of important union people? You made a rather sentimental pitch there on Dave Beck that impressed me but I was wondering whether his son had also interceded for you.

Mr. SHEFFERMAN. Well, Junior was merely there when his father was there. Sometimes he wasn't. He wasn't nearly as effective. I don't know that he had ever done anything particularly out of the ordinary.

As I indicated before, there were a lot of union people for whom purchases have been made of this type aside from the teamsters.

Senator MUNDT. We are just interested for the time being in Beck and Beck.

Mr. SHEFFERMAN. I want to indicate there are some others.

Senator MUNDT. When you first started out to include Dave Beck, Jr., in your operations as a paymaster, I was wondering whether or not you did not have some understanding with him.

Mr. SHEFFERMAN. I don't know about the paymaster, but it was an evolution. It started back when I got to know him first, 22 or 23 years ago.

Senator MUNDT. You are talking about Dave Beck, Jr.?

Mr. SHEFFERMAN. Well, Junior was then going to school. I don't know how it came about to go and visit the family.

Senator MUNDT. When did you first get a bill from Dave Beck, Jr., saying, "Go and take care of this"?

Mr. SHEFFERMAN. I haven't the slightest idea. I haven't looked at the records. I haven't seen them. All I am testifying to today are the records that have been checked for me by my accountant.

Senator MUNDT. I am asking you to check with your own memory. When was the first time you got involved with Dave Beck, Jr.?

Mr. SHEFFERMAN. I am sorry, I couldn't testify from my own memory because I wouldn't know.

Senator MUNDT. Did Dave Beck, Sr., sometime say, "Why don't you do this for my son, too"?

Mr. SHEFFERMAN. I don't know that it started that way. I think if Dave Beck, Jr., asked for anything, I would get it for him.

Senator MUNDT. Did Dave Beck, Jr., come to you and say, "Look, you did it for Pop, will you do it for me"?

Mr. SHEFFERMAN. I don't know that that was the process.

Senator MUNDT. You explained in some detail, your personal relationship with Dave Beck, Sr., but this is a different category. This is Dave Beck, Jr., I am wondering how you started out paying these bills and being reimbursed, for Dave Beck, Jr.

Mr. SHEFFERMAN. A natural evolution. I don't even know whether Dave, Jr., paid his own bills.

Senator MUNDT. We know about that. They were paid by the union funds.

Mr. SHEFFERMAN. Well, I see. I didn't know.

Senator MUNDT. I am talking about the relationship now between Dave Beck, Jr., and Mr. Shefferman, how you included him.

Mr. SHEFFERMAN. Dave Beck, Jr., I presume he wanted some items. These particular items have a familiar ring. I think he has a lodge or some sort of a place up in the mountains and I think that is what this is for. It is just a faint recollection.

Senator MUNDT. Well, think a little more. What else can you remember?

Mr. SHEFFERMAN. No; that is about all I can think about in looking at this particular statement here.

Senator MUNDT. This was the lodge up in the mountains?

Mr. SHEFFERMAN. Yes. That is about all I can think about.

Senator IVES. Mr. Chairman.

The CHAIRMAN. Senator Ives?

Senator MUNDT. I thought there was a boat involved.

Mr. SHEFFERMAN. A boat?

Senator MUNDT. Yes.

Mr. SHEFFERMAN. I don't know. I think that is all part of—I don't really know.

Senator MUNDT. Two aluminum boats. How did he use those up on the mountain?

Mr. SHEFFERMAN. I don't know. He may have a watering place. He may have a lake, for all I know.

Senator MUNDT. Have you been at the lodge?

Mr. SHEFFERMAN. Yes. I was there once in the winter and pretty deep snow. I didn't see much of it.

Senator MUNDT. You do not know whether there was a lake there or not?

Mr. SHEFFERMAN. I don't know whether there was a lake there or not.

Senator IVES. Mr. Chairman?

The CHAIRMAN. Senator Ives.

Senator IVES. I would like to ask Mr. Shefferman if he does anything with employers aside from carrying on educational work? You represent employers, as I understand it.

Mr. SHEFFERMAN. Yes, we represent employers. I should say that probably 5 percent, I think, if we took a count, I think less than 5 percent or 5 percent would be negotiations or any dealings directly with unions.

Senator IVES. Collective bargaining matters, is that right?

Mr. SHEFFERMAN. Pardon?

Senator IVES. With collective bargaining matters?

Mr. SHEFFERMAN. That's right. I don't think that would amount to more than 5 percent.

Senator IVES. Would you mind telling us what the unions are that you represent aside from the teamsters?

Mr. SHEFFERMAN. Represent? I don't represent any unions.

Senator IVES. Let us change it around. You represent employers. With what unions are you negotiating aside from the teamsters?

Mr. SHEFFERMAN. Well, the steelworkers, if I recall.

Senator IVES. What steelworkers are those? Is that some local?

Mr. SHEFFERMAN. I think it is locals. Not in Chicago, no. We work all over the country pretty much.

Senator IVES. All right.

Mr. SHEFFERMAN. What are the others? Can you recall some of the others?

Carpenters.

Senator IVES. Would you mind indicating specifically what these unions are and give us the local numbers?

Mr. SHEFFERMAN. I couldn't give you the local numbers.

Senator IVES. You do not know?

Mr. SHEFFERMAN. No. The men are on the road and they handle them. We have an office in Detroit and one in New York and the men handle their own affairs. We merely coordinate the activities out of Chicago.

Senator IVES. Are you not the head of it?

Mr. SHEFFERMAN. I am the head of it, but then the man in New York, with his staff, operates in that vicinity, in that area, and wherever they have to go and the man in Detroit operates out of Detroit. All of the bills and everything clear through the office.

Senator IVES. That is true, but do you not have some records in that office through which they clear?

Mr. SHEFFERMAN. Clear? Sure, we have those records.

Senator IVES. Then, you must have some idea.

Mr. SHEFFERMAN. Didn't we turn those records over?

Those records are also turned over to the committee. They have all of the clients. They have all of the client's records.

Mr. KENNEDY. We have all of the records of his clients.

Mr. SHEFFERMAN. Yes, of the clients.

Senator IVES. You say 5 percent of your work is in the fields of collective bargaining; is that correct?

Mr. SHEFFERMAN. Yes.

Senator IVES. What?

Mr. SHEFFERMAN. Pardon? The other 95, Senator Ives, is confined chiefly to the morale building, good will building, through supervisory training, surveys, job analyses, personnel establishments, reestablishing the personnel.

Senator IVES. How much of all that has to do with the teamsters?

Mr. SHEFFERMAN. Relatively little, if anything. If anything, very little, trace back—

Senator IVES. It occurs to me that if you have been involved in all the payment of these purchases at one time or another, you could not have had too much opportunities to carry on this other activity.

Mr. SHEFFERMAN. I wasn't around. That is what I indicated. I was out most of the time and it was handled in the office.

Senator IVES. I am confused about your organization. You seem to have a spread out organization. It is headquartered where?

Mr. SHEFFERMAN. It is headquartered in Chicago.

Senator IVES. You do not seem to have a single spot where you are sure of what is going on.

Mr. SHEFFERMAN. The only thing we are doing—most of our work is educational work. We can tell you where we are putting in programs. They have the clients and they can check.

Senator IVES. Have you submitted all of that to this committee so that we have it?

Mr. SHEFFERMAN. They have all the clients, yes.

Senator IVES. I just wanted to know.

Mr. SHEFFERMAN. Yes.

Senator IVES. I wish you would find out with what unions you are dealing with in collective bargaining.

Mr. SHEFFERMAN. Who are some of them?

Steelworkers.

Senator IVES. What steelworkers?

Mr. SHEFFERMAN. I think it is the CIO—I mean the United Steelworkers.

Senator IVES. I know they are all practically CIO, but what locals?

Mr. SHEFFERMAN. I don't know. The men would have to tell me.

Senator IVES. Where are they located?

Mr. SLATER. Senator, we will get that information, if you will give us a minute.

Senator IVES. All right.

Are there any others besides steelworkers?

Mr. SHEFFERMAN. Yes. Carpenters.

Senator IVES. Where are they located?

Mr. SHEFFERMAN. Local through upstate New York.

Senator IVES. Upstate New York.

Mr. SHEFFERMAN. Yes, I think they are.

Senator IVES. Are you not sure? I live in upstate New York.

Mr. SHEFFERMAN. Wait a minute.

Are those upstate New York? Are they upstate New York?

All through New York.

Senator IVES. All through New York.

Mr. SHEFFERMAN. Up-State New York. When I said "Up-State New York," I was thinking in terms of Cortland, N. Y.

Senator IVES. Cortland, N. Y. Do you deal with the carpenters in Cortland, N. Y.? That is 40 miles from where I live.

Mr. SHEFFERMAN. We will have to invite you——

Senator IVES. What was that?

Mr. SHEFFERMAN. He lives 40 miles from Cortland.

Everybody in Cortland.

Senator IVES. You deal with everybody in Cortland?

Mr. LOUIS JACKSON. Yes, Louis Folmer and some of your friends there.

Senator IVES. How did you get into Cortland? That is a nice place, but I cannot for the life of me understand the ramifications of your business.

Cortland is a city of approximately ten or twelve thousand population. That is correct, is it not? You must know something about Cortland.

Mr. SHEFFERMAN. I don't know.

Senator IVES. Why would you go out to a place in up-State New York as small as that?

Mr. SHEFFERMAN. Because the clients send for us.

Senator IVES. Is that the only place in up-State New York?

Mr. SHEFFERMAN. No. There are other places.

Where else do you have them?

Rochester, Buffalo, Syracuse.

Where else?

Mr. JACKSON. Magra.

Senator IVES. That is about 2,500.

Mr. SHEFFERMAN. But the factories and the people are still there and the employers are there.

Senator IVES. I am acquainted with that area.

Mr. SHEFFERMAN. May I outline what we do?

Senator IVES. I wish you would. I am not clear at all.

Mr. SHEFFERMAN. We have an organization known as Labor Relations Associates, for the want of a better term, another name. Our primary purpose is to bring about understanding and good will between the employer and the employee.

Senator IVES. That is a very laudable purpose. I will tell you that.

Mr. SHEFFERMAN. I will tell you what we do.

Senator IVES. All right.

Mr. SHEFFERMAN. We operate on a simple philosophy. We have taken the attitude, if you will bear with me, that through the years

there have been all sorts of mass movements, mass movements have had for their ingredients, frustration, hate and suspicion and distrust.

We have found that the reason that people don't get together and work together well is because they don't trust each other or they don't understand each other.

Now, if you will bear with me for just a moment—

Senator IVES. I will give you a lecture on that after a while.

Mr. SHEFFERMAN. All right. Now, we find that in these recent years, Mr. Hitler, with his hate for the Jew, Mussolini, with a hate for everyone, the Japs with their hate for Americanism, or America, eventuated in a war. Spain with the hate for the church.

Senator IVES. Well, go ahead.

Mr. SHEFFERMAN. I am getting to this particular point that you said you wanted to explain.

Senator IVES. I do not see what that has to do with labor relations.

Mr. SHEFFERMAN. I am coming to that. It is very important. If you will bear with me.

Senator IVES. All right.

Mr. SHEFFERMAN. Somehow or other for the last 25 years there has been developed in this country a hate for the term "bosses," "profit" and so forth. I recently made a speech at the University of Kansas. I am not going to tell you the speech—

Senator IVES. Please do not.

Mr. SHEFFERMAN. I know it. Nobody wants to hear it. I heard it myself. Please bear with me, if you will.

I told the people there—they talked about training—I said, "Ladies and gentlemen, for whom are you training? You are training for the employer. Since you are training for the employer, how are you going to train for him if you don't like him or don't trust him or there is misunderstanding? Therefore, what we want to do is build trust."

It is not only that they don't trust the employer, but they don't trust what he represents, our way of life. So we go out and bring about this good will.

Senator IVES. You have had your say. Now, I will get in. Did you ever hear of the New York School of Industrial Relations at Cornell?

Mr. SHEFFERMAN. Yes.

Senator IVES. I was dean of that at one time.

Mr. SHEFFERMAN. So I understand.

Senator IVES. I think I know something about the field you are operating in, but I never heard of anyone that operated in the way you have been doing.

Mr. SHEFFERMAN. We are going about it—we go into a plant and train their supervision to build good will.

Senator IVES. I gathered that.

Mr. SHEFFERMAN. We go into the plant and work with the personnel department. We go into a plant and do job analysis. We go into a plant and do surveys for the purposes of building morale. That is about all that we do.

Senator IVES. You have told me that. Now, I am going to ask you to do one thing before you get out of here today. I want you to leave a list with this committee of these companies, these employers whom

you represent in this particular field, these surveys and these other things that you have been doing.

You say a lot of them are in up-State New York. I know most of them in up-State New York.

Mr. SHEFFERMAN. They have a list.

Senator IVES. All right.

Mr. SHEFFERMAN. If you want any special reference to your people, we will give you that.

Senator IVES. I certainly do. I want to know everything about you.

Mr. SHEFFERMAN. Who is this?

Louis Folmer.

Senator IVES. I know Louis Folmer.

Mr. SHEFFERMAN. He will tell you about our work.

Senator IVES. He is a good friend of mine.

Mr. SHEFFERMAN. He will tell you a great deal about our work.

Senator IVES. All right.

The CHAIRMAN. Proceed, Mr. Counsel.

Mr. KENNEDY. Mr. Chairman, we have these other bills. Could we have them made exhibits for reference so that we can refer to them?

The CHAIRMAN. Has someone of the staff checked them?

Mr. KENNEDY. Yes. Mr. Bellino.

The CHAIRMAN. All right, they may be made exhibit 11, in bulk, for the record, for reference.

(The document referred to was marked "Exhibit No. 127" for reference and may be found in the files of the select committee.)

The CHAIRMAN. Let us proceed.

Senator MUNDT. Mr. Shefferman, while the counsel is preparing to go into a new line of questioning, I would like to read to you a short paragraph of the statement which Mr. Beck made in the Face the Nation television broadcast on Sunday, March 17, and ask if you can throw any light on it because we were unable to get any more information from Mr. Beck.

He was asked by Mr. Cater:

Mr. Shefferman, for example, that you loaned some money to, I believe, in 1955, is he in any kind of business arrangement with you? Do you get any interest or payment from any of Mr. Shefferman's business activities?

Mr. BECK. No; I certainly do not. The only time that I can remember of being in any business with Mr. Shefferman was about 1954, and when there was \$19,000 paid by me, and I endorsed a check back over to the International Brotherhood of Teamsters, so they got a profit of \$19,000 from it. That's the only time I have ever been in business with Mr. Shefferman, to the best of my knowledge, that I can recall.

He apparently had forgotten your housing. That must be something else. And the \$24,000.

Mr. SHEFFERMAN. I think Mr. Kennedy was about to raise a question on that.

Weren't you, Mr. Kennedy?

Senator MUNDT. Mr. Kennedy would not know about this.

Mr. SHEFFERMAN. I don't know what he is referring to, particularly.

Senator MUNDT. I will read it again.

This is Mr. Beck talking. He says:

The only time I can remember of being in any business with Mr. Shefferman was about 1954—

he must have overlooked the house deal and the \$24,000—
and when there was \$19,000 paid by me—
Beck—

and I endorsed a check back over to the International Brotherhood of Teamsters, so they got a profit of \$19,000 from it. That's the only time I have ever been in business with Mr. Shefferman, to the best of my knowledge that I can recall.

What is this \$19,000?

MR. SHEFFERMAN. I am reminded by counsel or he tells me that he thinks it has reference to the matter of some trucks. Some few years ago, somebody got the bright idea as an experiment to send out 1,000 trucks to the locals, I think it was, and see whether they would want to purchase them for the purposes of advertising the label, the union label, I think. I don't know whether I got into that transaction—I don't know whether I got into the transaction at all. I had a half-interest in it, I learned later.

Senator MUNDT. You would not forget a \$19,000 item, would you?

MR. SHEFFERMAN. No. I am coming to that.

Senator MUNDT. Toy trucks?

MR. SHEFFERMAN. Toy trucks, yes. And the purpose was public relations, as I understand it. Mr. Leheny had an idea that he would like to take these trucks and put the union sticker or label on them and sell them to the locals.

Senator MUNDT. Who is Mr. —

MR. SHEFFERMAN. Mr. Leheny was then at the head of the label trades for the AFL. He was promoting industrial shows and the label trades.

Senator MUNDT. Was he a teamster official?

MR. SHEFFERMAN. I don't think he was. He was a secretary of the—

Senator MUNDT. I think we have had his name in this hearing before.

MR. SHEFFERMAN. He was one time public relations. I think one time he was a public-relations director for the teamsters in the southern California area, if I recall.

MR. KENNEDY. Senator Mundt, Mr. Ray Leheny is a key figure in this investigation. Mr. Ray Leheny is the one who operated this public relations special account in Los Angeles, through which a great deal of this money, at least \$29,000 from teamster funds in Seattle, came down to Los Angeles, were taken out of there and sent to Mr. Shefferman. Mr. Ray Leheny is the one who administered those funds. So if there is evidence to show that Mr. Dave Beck set this up as a fictitious organization, this public-relations account in Los Angeles, Mr. Ray Leheny had to be part of that conspiracy.

MR. SHEFFERMAN. Mr. Leheny is since deceased.

Senator MUNDT. Tell us who Mr. Leheny was.

MR. SHEFFERMAN. Mr. Leheny for years, as I remember, was a public-relations man for the teamsters in California, and then, later, or maybe he was running the job concurrently, then later he was the secretary of the label trades, the label trades of the AFL. That is for the entire AFL, where he would put up these shows. I think it was his idea to experiment with 1,000 trucks which were sold to these locals. What were the particulars? Do you have any of them? Would you like the particulars?

Senator MUNDT. Yes. \$19,000 is involved here.

Mr. SHEFFERMAN. I am coming to the \$19,000.

Mr. SLATER. If the committee will permit me, I will have to tell him this, because this is taken from our records and he is not familiar with them as such.

Mr. SHEFFERMAN. Will you permit that?

The CHAIRMAN. The Chair will grant you the right to refresh your memory on that transaction.

Mr. SHEFFERMAN. All right.

Union Merchandise Co. initially tried this experiment of selling 1,000 trucks to the locals.

(The witness conferred with his counsel.)

Senator MUNDT. Were you a partner?

Mr. SHEFFERMAN. Yes. I was 50 percent. My son and I, we each had 50 percent of it.

(The witness conferred with his counsel.)

Mr. SHEFFERMAN. When it was proved successful, Mr. Leheny said that they ought to promote it and he will take it over into his department, which was a public-relations department. No; label-trades department. I beg your pardon.

(The witness conferred with his counsel.)

Mr. SHEFFERMAN. Then the company was formed—when was that formed?

(The witness conferred with his counsel.)

Mr. SHEFFERMAN. After the experiment—I wonder if that is true—after the experiment was shown to be successful, a company was formed under the name of the Shelton Co., which is my son's first name, and I was a 50-percent—

Senator MUNDT. Who owned the stock in that company?

Mr. SHEFFERMAN. My son and I.

Senator MUNDT. The entire stock?

Mr. SHEFFERMAN. The entire stock. All right.

(The witness conferred with his counsel.)

Mr. SHEFFERMAN. After that, the actual sales were made by the label-trades department.

(The witness conferred with his counsel.)

Mr. SHEFFERMAN. And a total profit of some \$40,000 was made out of these trucks.

(The witness conferred with his counsel.)

Mr. SHEFFERMAN. \$20,000 was sent to us, to the Shelton Co.

(The witness conferred with his counsel.)

Mr. SHEFFERMAN. The finances and the books on the transaction were handled by the union-label trades, and I understand that this \$19,000 about which you are talking—I don't know whether it is so—was money that, I think, I heard since that Mr. Beck had gotten from the union-label trades—no; Mr. Beck—and turned it over to the international union. That is what I understand.

Senator MUNDT. Why would Mr. Beck? He was not the partner, was he?

Mr. SHEFFERMAN. No. He had nothing to do with it. Nobody was paid out of this at all, out of the Shelton Co. The division of the profits was between the label trades and Shelton, and Shelton Co.

Senator MUNDT. So you got \$20,000?

Mr. SHEFFERMAN. My son and I got \$20,000, and I think the other \$20,000 went to Mr. Beck, who, I understand later, or somewhere it was stated, turned it over to his international union.

Senator MUNDT. He implied that in his statement in the Face the Nation broadcast.

Mr. SHEFFERMAN. Well, I have been told.

Senator MUNDT. We have no way of verifying that, because, when we asked Mr. Beck whether what he said was accurate and whether he would repeat it under oath, he took the fifth amendment.

Mr. SHEFFERMAN. I don't know anything about that. Unless the international might tell you. I don't know.

Senator MUNDT. Just one question. These trucks were sent to the teamsters' locals?

Mr. SHEFFERMAN. Sent to the teamsters' locals through the label trades, to the teamsters' locals, and the people bought them. Those are the people, the secretaries and the presidents of various locals.

Senator KENNEDY. In other words, through the teamsters' locals you made a profit to the corporation of Mr. Dave Beck of \$20,000, and you and your son.

Mr. SHEFFERMAN. No; this is Mr. Leheny.

Senator KENNEDY. Mr. Leheny is in charge of the special account in Los Angeles.

Mr. SHEFFERMAN. I don't know nothing about Mr. Leheny. He had absolutely nothing to do with any special account that I know of. He was the head of the label trades for the AFL, and the truck was his idea.

Senator KENNEDY. Let me put my interpretation on this. Mr. Leheny, through whom Mr. Beck forwarded this money to you, union money, for the payment of his personal bills, and you, with the cooperation of Mr. Leheny, had over 1,000 of these trucks which were taken by teamster locals, and you and your son made a profit of \$20,000 out of the deal. Is that an incorrect statement?

Mr. SHEFFERMAN. Well, it is pretty substantial.

Senator KENNEDY. In what way is it not correct?

Mr. SHEFFERMAN. It is only this, that Mr. Leheny, when you are speaking about checks coming from Mr. Leheny, I think if you go into the record somewhere, Mr. Leheny bought a lot of things himself. I mean a lot of merchandise.

Senator KENNEDY. I am talking about the trucks now.

Mr. SHEFFERMAN. The trucks were strictly a union-label deal. It was Mr. Leheny's idea, and Mr. Beck didn't have anything to do with it at the time.

Senator KENNEDY. Mr. Chairman, it seems to me this is another of the many examples of the financial transactions which benefited both Mr. Shefferman and Mr. Beck through this period.

Other transactions benefited Mr. Beck, but this benefited you, at a time when you were paying his personal bills, and at a time when you were paying him, and at a time when he was paying you. It seems to me that it brings into question again the fact that you were a representative of employers during this period when you and Mr. Beck were engaged in these business deals.

Mr. KENNEDY. I think, also, there are some other facts that we will develop in this matter that are very, very important.

Senator KENNEDY. Under the Taft-Hartley, the National Labor Relations Act of 1947, section 302 (a), it says—

It shall be unlawful for any employer—

which includes his representative or agent—

to pay or deliver, or agree to pay or deliver, any money or other thing of value to any representative of any of his employees who are employed in industry affecting commerce.

It seems to me that this transaction and many of your other transactions directly are in breach of section 302 (a) of the National Labor Relations Act of 1947.

Mr. SHEFFERMAN. Well, I don't think so, because we have asked— (Witness conferred with his counsel.)

Senator KENNEDY. Certainly the spirit if not the language of the act.

Mr. SHEFFERMAN. I don't think so, I am sorry to say. I don't really think so.

Mr. KENNEDY. Would you go back? You made this deal originally with Mr. Ray Leheny?

Mr. SHEFFERMAN. As a matter of fact, I don't know whether I made it. I think it was my son.

Mr. KENNEDY. Your son, Shelton Shefferman?

Mr. SHEFFERMAN. I think Leheny came to Mr. Shelton Shefferman and talked about it.

Mr. KENNEDY. At that time, Mr. Ray Leheny was a teamster official in Los Angeles?

Mr. SHEFFERMAN. No. I think at that time Mr. Ray Leheny was the head of the Union Label Trades League.

Mr. KENNEDY. What is that, an AFL-CIO?

Mr. SHEFFERMAN. Now it is AFL-CIO, but it was a branch of the AFL setup where they handled all of the labels for all of the AFL.

Mr. KENNEDY. So he was a union official for the AFL?

Mr. SHEFFERMAN. I don't know whether he was a union official. He was a secretary of this particular setup of the union label trades.

Mr. KENNEDY. He was working for the AFL?

Mr. SHEFFERMAN. For the Union Label Trades.

Mr. KENNEDY. Which was an AFL organization?

Mr. SHEFFERMAN. Yes; that is correct.

Mr. KENNEDY. Our records show that in addition to that he was also a teamster official.

Mr. SHEFFERMAN. That I don't know. At that time?

Mr. KENNEDY. Yes.

Mr. SHEFFERMAN. I didn't know that.

Mr. KENNEDY. Your son and Mr. Ray Leheny arranged for the sale of these small trucks; is that right?

Mr. SHEFFERMAN. Well, yes, we arranged.

Mr. KENNEDY. Then how did you go about the distribution of the small trucks to all the teamster locals throughout the country?

Mr. SHEFFERMAN. I think it was handled through Leheny, the Label Trades League.

Mr. KENNEDY. Was a letter sent out to them first saying "Do you want the small trucks"?

Mr. SHEFFERMAN. I wouldn't know that at all. I didn't get that close to it.

Mr. KENNEDY. Isn't it a fact that the small trucks were sent to every local in the country and that they had to take them?

Mr. SHEFFERMAN. Oh, I wouldn't know that.

Mr. KENNEDY. Mr. Shefferman, you are saying you don't know anything.

Mr. SHEFFERMAN. I know, but, Mr. Kennedy, I wouldn't know—I would never say to somebody, "You have to take it."

Mr. KENNEDY. The trucks were sent out to every teamster local in the country; were they not?

Mr. SHEFFERMAN. I think so. I didn't handle the deal myself.

Mr. KENNEDY. Were they sent to every local?

Mr. SHEFFERMAN. I don't know that either.

Mr. KENNEDY. Weren't arrangements made with the vice presidents of the teamsters that they would handle these trucks and send them out to the various locals?

Mr. SHEFFERMAN. I don't know that, either. I think Mr. Leheny handled that.

Mr. KENNEDY. What did Mr. Leheny tell you about what he was doing with the trucks?

Mr. SHEFFERMAN. He didn't discuss it with me at all.

Mr. KENNEDY. Why did you happen to pick the teamsters unions?

Mr. SHEFFERMAN. Because it happened to be a truck, and, not only that, Mr. Leheny was interested in placing the label—this is very important. Each of these trucks had what they called a union service label on them and that was the purpose of getting them out, so they would think in terms of putting union labels or union stickers on trucks generally.

Mr. KENNEDY. Let me ask you this: Was Mr. Norman Gessert interested in this transaction?

Mr. SHEFFERMAN. Was he interested in this transaction? I don't know.

Mr. KENNEDY. He did not have any interests?

Mr. SHEFFERMAN. I don't know.

(Witness conferred with his counsel.)

Mr. SHEFFERMAN. Well, I might say this, that, as I am advised here, he was an employee of Union Merchandising, and to the extent that Union Merchandising handled it, he might have benefited. But I don't know.

Mr. KENNEDY. He received for that year, 1953, \$6,000 from Union Merchandising?

Mr. SHEFFERMAN. That was his salary, wasn't it?

Mr. KENNEDY. Well, after you sold these trucks to the various teamster unions, can you explain to the committee how Mr. Dave Beck, Sr., ended up with \$19,800?

Mr. SHEFFERMAN. That I do not even know. I have been told that the Label Trades, they handled all of the funds.

Mr. KENNEDY. But, Mr. Shefferman, you cannot plead ignorance in everything now.

Mr. SHEFFERMAN. I didn't handle them. I didn't hear of them.

Mr. KENNEDY. But you were talking to Mr. Dave Beck. You know what his interest was.

Mr. SHEFFERMAN. I didn't talk to Mr. Dave Beck about the trucks very much. I knew there was a truck deal on, and I knew they were promoting the trucks, but I really didn't know what they were doing

with the trucks. I knew they were shipping them out and I knew they were being sold, but this was Mr. Leheny's people.

Mr. KENNEDY. Mr. Shefferman, don't you know that a letter was sent out by Mr. Dave Beck to all the unions telling them that they should take these toy trucks?

Mr. SHEFFERMAN. Well, I am sorry to say you may accuse me of never knowing anything, but I did not know that Mr. Dave Beck had sent out a letter. I had never seen such a letter.

Mr. KENNEDY. You never heard about it?

Mr. SHEFFERMAN. I don't even recall hearing about it.

Mr. KENNEDY. Tell me this: How did you think it was going to be possible for Mr. Ray Leheny, who you said you didn't know had any teamster official connection—

Mr. SHEFFERMAN. Pardon me.

Mr. KENNEDY (continuing). Teamster connection, how did you expect he was going to be able to distribute all of these trucks to the teamster locals?

Mr. SHEFFERMAN. Mr. Leheny had been the public-relations man for the teamsters in California, and Mr. Leheny was all over the country. He knew all of the unions, knew all of the trucks people. He was everywhere, all over the place. Particularly, he went gunning for this—what do you call it—the Label Trades, the Union Label Trades. Mr. Leheny and my boy handled that together.

Mr. KENNEDY. It never occurred to you that there was anything that was questionable about a transaction with a union official or an employee of a union in a deal such as this, where you were going to try to sell the trucks?

Mr. SHEFFERMAN. They were promoting the truck for the purposes of—

Mr. KENNEDY. Profit for Mr. Nate Shefferman.

Mr. SHEFFERMAN. Well, profit for Mr. Nate Shefferman. That was incidental. It was incidental to the entire proposition.

Mr. KENNEDY. \$20,000 isn't incidental.

Mr. SHEFFERMAN. Well, it was divided between my son and I with a big tax problem on it, so I don't know how much was left.

Mr. KENNEDY. How was it possible that Mr. Dave Beck, Sr., who had no interest in this transaction, ended up with \$20,000?

Mr. SHEFFERMAN. I don't know that. I don't know what deal he had.

Mr. KENNEDY. I am quoting him. He says this on television, that—\$19,000 was paid to me, and I endorsed a check back to the International Brotherhood of Teamsters, so they got a profit of \$19,000 from it.

How did it happen to be that the \$19,000 was paid to him originally?

Mr. SHEFFERMAN. Mr. Kennedy, please, if you will check, and check back very carefully, Mr. Leheny handled the entire financial transaction. He paid us, and what he did with the rest, I don't know. I am assuming that the \$19,000 that Senator Mundt asked about went to Mr. Beck, which I understand he said, or somebody said, he had paid to the international union. I don't know.

Mr. KENNEDY. Why was he getting any money out of it at all?

Mr. SHEFFERMAN. I don't know that. I don't know that. We had nothing to do with that other than helping Mr. Leheny do the work.

Senator ERVIN. Mr. Shefferman, I understand you to say that you and your son were the sole owners of this Shelton Co.?

Mr. SHEFFERMAN. Of the Shelton Co.; yes.

Senator ERVIN. I understood you to say further that you made a total profit of \$40,000 in connection with this trucking matter?

(Witness conferred with his counsel.)

Mr. SHEFFERMAN. I beg your pardon. The \$40,000 was earned on the entire deal, of which we got 20.

Senator ERVIN. I understood you to say that there was \$40,000 which was returned on a deal carried on by a company, of which you and your son were the sole owners.

Mr. SHEFFERMAN. We didn't handle the finances at all. It was handled by Mr. Leheny who distributed the funds and paid us \$20,000, and what he did with the other—

Senator ERVIN. And somebody in the union confiscated the other \$20,000 of the earnings on this deal?

Mr. SHEFFERMAN. Pardon me, I don't know. I don't know what Mr. Leheny did. We are assuming, when Senator Mundt asked me about the \$19,000 that Mr. Beck was telling about, and he can tell you better than I, I am assuming that Mr. Leheny might have given him the other \$20,000.

Senator ERVIN. Mr. Shefferman—

Mr. SHEFFERMAN. But we didn't get it.

Senator ERVIN. There is something in the Scriptures that says do not let your right hand know what your left hand is doing. But your right hand does not know what your right hand is doing, even.

Mr. SHEFFERMAN. Senator, that makes for a good bit of levity, but I am very sorry that you have to say that.

Senator ERVIN. Do you know anything about the business affairs of Shelton Co., of which you were a half owner?

Mr. SHEFFERMAN. Yes, sir. I just say to you what I know about them, and it has just been recalled to my attention. There was a transaction that was handled entirely by Mr. Leheny with his union label trades. My son helped him put out these trucks, these trucks which were designed for the specific purpose of putting on a union label, as I understand it, for which in return there was a \$44,000 profit made, we understand—\$40,000—for which in return for our efforts or my son's efforts or my efforts, whatever I had, little to do, we got \$20,000.

Senator, please, whatever he did with the other \$19,000 or the \$20,000, I haven't the slightest idea.

Senator ERVIN. And although it was the earnings of a corporation in which you and your son were—

Mr. SHEFFERMAN. No, please. Will you please get that straight? These were not the earnings of the Shelton Co. These were the earnings of the union label trades. The earnings of the Shelton Co. was \$20,000.

Senator ERVIN. The label union trades was engaged as an agent for the Shelton Co.?

Mr. SHEFFERMAN. No. Absolutely not. Absolutely not.

Senator ERVIN. Mr. Shefferman, will you please tell me what you as one of the joint owners of the Shelton Co. did in connection with this matter of these trucks?

Mr. SHEFFERMAN. Oh.

(Witness conferred with his counsel.)

Mr. SHEFFERMAN. Well, the Shelton Co., you mean for earning the \$20,000?

Senator ERVIN. Yes. What did you do in connection with this?

Mr. SHEFFERMAN. What did I do?

Senator ERVIN. Yes.

Mr. SHEFFERMAN. Well, we found the company who made them. We arranged for the production and got some of the raw materials gathered so that they could make them, get them out on time. We arranged for the coloration. We arranged for their handling and insurance and whatever may have been involved. Pardon?

Shipping and so forth was all directed for Mr. Leheny, principally by my son and whatever other help we furnished. But we found the truck. I say when we found it, we found the manufacturer, we found the material, we found, as I say, the treatment of the colors. We found the labels. We found everything, and Mr. Leheny paid Shelton Co., it was his transaction, exclusively his, and he paid Shelton Co. \$20,000 for that work.

Senator ERVIN. And Mr. Leheny at that time was working as a public-relations man for the teamsters?

Mr. SHEFFERMAN. I don't know. I am just told that. He was then working as the secretary of the union label trades for the A. F. of L.

Senator ERVIN. That is what I am trying to bring out. He was working for some organization of the teamsters union, was he not?

Mr. SHEFFERMAN. May I qualify that? This is very important.

Senator ERVIN. You can qualify it if you answer it. You can't qualify my question. You can qualify your answer.

Mr. SHEFFERMAN. No; I believe I can answer that.

Mr. Leheny, after all, was promoting. His primary job was promoting the union label, to see that they had label weeks, labels went into clothes, labels went into other wearing apparel, and what not. I think Mr. Leheny conceived this idea of putting the label a union truck, and it was perfectly within the confines, the natural confines, of his particular job, and if anything I think he must have been encouraged by everyone who was interested in the union label to promote this. It was his idea. We helped.

Senator ERVIN. He developed the idea and then he let you get the benefit of it to the extent of \$20,000?

Mr. SHEFFERMAN. No. We did the work. We did a lot of work.

Senator ERVIN. Now, going back to the \$24,000 that you gave Mr. Beck, you say you gave it to him because you were in a high income bracket?

Mr. SHEFFERMAN. Well, not particularly because of that alone, but because he performed a good many services. I indicated those services. It was very important to me to get to know a lot of people. He took me around to the conventions, introduced me. Made it possible—and he also recommended, if you please, it wasn't an offer, he also recommended, I think, the installation of that visible-file system, the bookkeeping system.

Senator ERVIN. Anyway, you testified yesterday that this \$24,000 was a voluntary gift from you?

Mr. SHEFFERMAN. I didn't say it was a gift. I said it was a business expense.

Senator ERVIN. First you said it was a gift.

Mr. SHEFFERMAN. Well, of course, term—I am not familiar with that. I never termed it a gift.

Senator ERVIN. So whatever it was, you did not pay any income tax on it, did you?

Mr. SHEFFERMAN. No; I did not pay any income tax.

May I qualify that, too?

Senator ERVIN. Yes.

Mr. SHEFFERMAN. My accountants said that was a business expense, if I understand, and it was treated as such because it was given in return for services and for help and so forth.

Senator ERVIN. In other words, you paid Mr. Beck because Mr. Beck was employed by you to render services, is that what you mean?

Mr. SHEFFERMAN. No; he wasn't employed by me at all. I didn't employ him.

Senator ERVIN. Then you——

Mr. SHEFFERMAN. Pardon?

Senator ERVIN. He was not employed by you?

Mr. SHEFFERMAN. No; he wasn't employed by me at all.

Senator ERVIN. Did you give it to him as a gift or did you give it to him as compensation for services?

Mr. SHEFFERMAN. I gave it to him as compensation for services, compensation for services, definitely and specifically.

Senator ERVIN. Did he tell you whether or not he included it in the amount of his income tax for those years?

Mr. SHEFFERMAN. I wouldn't know that. I wouldn't know.

Senator ERVIN. You are certain now it was not a gift?

Mr. SHEFFERMAN. It wasn't a gift; no.

Senator ERVIN. Consequently, it constituted income of Mr. Beck on which he should have returned the taxation, the Federal income-taxation, for those years?

Mr. SHEFFERMAN. Some \$25,000; yes.

Senator ERVIN. That is all.

The CHAIRMAN. Counsel, you may proceed.

Mr. KENNEDY. I want to finish this transaction.

Is this company or this operation still going at the present time?

Mr. SHEFFERMAN. The Shelton Co.? I don't know.

Is it still?

I think it was set up for this, wasn't it?

Is it still in existence?

I think the corporation is still in existence but inactive.

Mr. KENNEDY. Did you have a successor to the Shelton Co.?

Mr. SHEFFERMAN. Yes, there was a successor.

Mr. KENNEDY. What was the name of that company?

Mr. SHEFFERMAN. I think it was Flobar, Flobar Sales.

Mr. KENNEDY. Who was in Flobar Sales?

Mr. SHEFFERMAN. Myself and my son.

Mr. KENNEDY. Who else?

Mr. SHEFFERMAN. I don't think there was anybody else in it.

Was there?

There was a share of profits made. The company was ours. I think I remember the details, if you will bear with me, some of the details, if you will bear with me for a moment.

MR. KENNEDY. I think you do remember a lot of these things.

MR. SHEFFERMAN. No, Mr. Kennedy. You have been to my office. Listen, I came here on my own volition. You will remember, we asked for a subpoena. I am trying to be as cooperative as I can. I came on 1 day's notice when I should have gone to the hospital.

Will you please bear with me?

MR. KENNEDY. I will.

MR. SHEFFERMAN. You have been in my office. You have talked to me, and I have talked to you.

MR. KENNEDY. Yes.

MR. SHEFFERMAN. Well, all right. Smile for a change.

MR. KENNEDY, let me tell you the story as best I can.

THE CHAIRMAN. Let us have a little better order.

MR. SHEFFERMAN. Let me tell you the story as best I know it.

When Mr. Leheny was sick, he was pretty sick, with a 230 and 240 blood pressure, and nobody knew whether he was going to live. He wanted to divest himself of the trucks. I think my boy and young Dave—

MR. KENNEDY. Who is young Dave?

MR. SHEFFERMAN. Young Dave Beck. I think they got together and thought it would be a good idea to try it for another year.

Was that the circumstance?

To try it for another year. They went out and they sold some more trucks out of which Mr. Dave Beck, Jr., got 50 percent of the profits.

MR. KENNEDY. So we go back. This is the Flobar Co.?

MR. SHEFFERMAN. Flobar Sales.

MR. KENNEDY. It is owned by—

MR. SHEFFERMAN. By Shelton and I.

MR. KENNEDY. And 50 percent of the profits went to Dave Beck, Jr.?

MR. SHEFFERMAN. And the other 50 was divided between my—

MR. KENNEDY. And the sales of the trucks was to the teamsters locals?

MR. SHEFFERMAN. Again, yes. There was no other place to sell them.

MR. KENNEDY. How much did you make from that?

MR. SHEFFERMAN. How much did we make from that?
\$38,000.

MR. KENNEDY. \$38,000?

MR. SHEFFERMAN. Of which Mr. Dave Beck, Jr., received one-half.

MR. KENNEDY. He received \$19,000?

MR. SHEFFERMAN. \$19,000.

I don't know. Were there any—we absorbed the expenses, he tells me, or whatever it may have been.

MR. KENNEDY. Did you discuss that with Mr. Dave Beck, Sr.?

MR. SHEFFERMAN. No. We never discussed it with Mr. Dave Beck, Sr. I think the two boys got together and decided it.

(The witness conferred with his counsel.)

MR. SHEFFERMAN. Mr. Kennedy, this information that we are giving you this morning is in response to a request that was made from your office yesterday and we got it as best we could to have it here this morning for you, and laid it right on the line.

Please bear with me. These questions are a little disturbing when you speak of intent. Well, I don't want to get into a discussion of that sort. Let's go on.

Mr. KENNEDY. That is the end of that discussion.

Mr. SHEFFERMAN. That is Flobar.

Was there another?

(The witness conferred with his counsel.)

The CHAIRMAN. Go ahead.

Mr. KENNEDY. We have some other questions of Mr. Shefferman and cannot finish this morning, Mr. Chairman.

The CHAIRMAN. Are there any questions by any member of the committee at this point, before we recess?

If not, the committee will stand in recess until 2 o'clock.

The witness will return at that time.

(Members present at the taking of the recess: The chairman, Senators Ives, Kennedy, Ervin, and Mundt.)

(Whereupon, at 12:20 p. m., the committee recessed, to reconvene at 2 p. m., the same day.)

AFTERNOON SESSION

(The hearing was resumed at 2 p. m., Senator John L. McClellan, chairman, presiding.)

The CHAIRMAN. The committee will come to order.

(Present at the convening of the session were Senators McClellan, Ives, Mundt, and Goldwater.)

Mr. KENNEDY. Mr. Nathan Shefferman.

TESTIMONY OF NATHAN W. SHEFFERMAN, ACCOMPANIED BY HIS COUNSEL, HOWARD R. SLATER—Resumed

Mr. KENNEDY. Mr. Chairman, we have some other checks that I would like to have Mr. Shefferman identify and tell us what the purpose of the checks was.

The CHAIRMAN. Mr. Shefferman, the Chair presents to you what appears to be 16 photostatic copies of checks issued by you.

Fourteen of them are payable to Dave Beck in various amounts. Two of them are made payable to the Olympic Hotel and endorsed by Mr. Beck.

The Chair asks you to examine each of these 16 checks and see if you identify them as photostatic copies and then we will interrogate you with respect to a proper explanation of them.

(The documents were handed to the witness.)

Mr. SHEFFERMAN. These are all my checks and I think we saw them yesterday.

The CHAIRMAN. You recognize the 16 checks?

Mr. SHEFFERMAN. Yes, sir, I recognize the signature.

The CHAIRMAN. Take the first one you see and give the date and the amount and who it is to and tell us what it is for.

Mr. SHEFFERMAN. I think it is January 7, 1949, for \$100 made out to Dave Beck and signed by me.

The CHAIRMAN. Can you tell us what it is?

Mr. SHEFFERMAN. I think these smaller amounts, I am quite certain this was cash. We would meet at these conventions and other places

and he would cash checks for me because I didn't carry very much cash and Mr. Beck always carried a little cash.

I am quite certain that that is what it is. Do you want the next one?

The CHAIRMAN. Yes, proceed.

Mr. SHEFFERMAN. The next check is December 23, 1949, for \$427.40, and I really don't know what that is.

The CHAIRMAN. Who is it payable to?

Mr. SHEFFERMAN. Payable to Mr. Dave Beck and signed by me.

The CHAIRMAN. All right.

Mr. SHEFFERMAN. Now, that might have been in return for a railroad ticket or some such thing. I wouldn't really state positively because I just don't know positively what it is.

The CHAIRMAN. All right. Go to the next one.

Mr. SHEFFERMAN. Now, the next check is the Olympic Hotel, October 27, 1950. It might have been that getting out to Seattle I probably gave them my check and I think that could be checked with the record of the hotel and he probably endorsed my check.

That is the only accountability that I have for that one.

The CHAIRMAN. You got him to endorse your check?

Mr. SHEFFERMAN. Yes. Someone said this was endorsed by Mr. Beck.

The CHAIRMAN. Is it?

Mr. SHEFFERMAN. Oh, no; then it isn't what I thought. Somebody said that check was endorsed.

The CHAIRMAN. On the front of the check, please.

Mr. SHEFFERMAN. On the front it says, "Mr. Beck" and it may have been that I was a guest of Mr. Beck's because you can't always get a room at the Olympic unless you know Mr. Beck.

The CHAIRMAN. I see.

Mr. SHEFFERMAN. That is a fact.

The CHAIRMAN. That is not at issue, go ahead.

Mr. SHEFFERMAN. October 28, 1950, a check to Dave Beck for \$200, signed by me and I am quite certain and I can't think of anything else, but just another matter of cashing a check for me when I was without cash. I don't carry much cash.

The CHAIRMAN. You do not carry much cash.

Mr. SHEFFERMAN. No; it is seldom and I spend it fast, but I am quite certain, gentlemen, or Your Honor, or Senator, that this is that. You are sitting in the seat of honor, aren't you?

The CHAIRMAN. I hope it is an honorable seat.

Mr. SHEFFERMAN. It is, yes, sir.

Mr. KENNEDY. Could you not get a check cashed at a hotel?

Mr. SHEFFERMAN. Oh, it was so much simpler to say, "Dave," when we were sitting in a restaurant or somewhere, "cash a check." I have done that so often, it is just as a matter of course. I would have no occasion for giving him these amounts otherwise. I am sure, and I think people that have been around us have heard me asking from time to time, "Dave, cash a check," and he always carries money with him and instead of going to the hotel with identifications and whatever it may have been, and it may have been that I stayed at one hotel and he was at another and we found it convenient.

Please believe me when I say this was. I honestly believe it is and I can't think of anything else.

Mr. KENNEDY. What do you do when you are not with Dave Beck about getting it cashed?

Mr. SHEFFERMAN. I get other people to cash my checks.

Mr. KENNEDY. We do not find a record from your checks, Mr. Shefferman, showing that amount of checks or this number of checks to any one individual and then, they endorsed it and turned it into cash.

We don't find any record like that.

Mr. SHEFFERMAN. I think under these circumstances, if we checked the dates, the possibilities are that it might go back. The chances are if we checked on the dates, there might have been some occasion, somewhere, some convention or some meeting or some such place, and they stretch over a period of 4 years and I don't think that there are more than 2 a year. There may be 3 a year.

Mr. KENNEDY. Mr. Shefferman, it might refresh your recollection that the only people that we find that you have checks to such as this, is Mr. Dave Beck and Mr. Ray Leheny.

Mr. SHEFFERMAN. Mr. Ray Leheny probably cashed me some checks.

Mr. KENNEDY. What did you used to do when you didn't have officials of the teamsters union around to cash checks for you? Did they always carry a lot of cash with them?

Mr. SHEFFERMAN. They carried a whole lot more cash than I—

Mr. KENNEDY. Than anybody else?

Mr. SHEFFERMAN. Well, there are so many people and I don't carry much. The gentleman reminds me how many times he has actually cashed checks for me, one of my associates.

Mr. KENNEDY. What is that?

Mr. SHEFFERMAN. That they have checks, that he has cashed for me from time to time and probably with as great frequency as Mr. Beck, and probably more so. Because I seldom carry very much money.

Mr. KENNEDY. Could you not go into a hotel where you were staying, Mr. Shefferman, and get a check cashed?

Mr. SHEFFERMAN. Yes; but after you get out of the hotel you find the need for money for railroads.

Mr. SLATER. Do you wish him to continue with these checks?

The CHAIRMAN. I think we can shorten it. You want to make the statement under oath to the best of your knowledge and belief that all of those checks—

Mr. SHEFFERMAN. Not all.

The CHAIRMAN. Let us get the exceptions.

Mr. SLATER. Would you begin the question? I think he can't state under oath that these checks were purely for the purposes of cashing them.

The CHAIRMAN. I asked him if he wanted to state that all of those checks to the best of his knowledge and belief were for cash as he has testified regarding two of them.

Mr. SLATER. There are three exceptions, I believe.

The CHAIRMAN. Let us get all of them except three and let us get to the exceptions.

Mr. SHEFFERMAN. \$427.40. I don't remember that one.

The CHAIRMAN. All right.

Mr. SHEFFERMAN. The next is \$750 on September 17, 1952, made out to Mr. Dave Beck and signed by me. I cannot recall what that was for but I will take an oath for the rest of them.

The CHAIRMAN. With those two exceptions, you say the others were just for cash, incidental cash that you needed.

Mr. SHEFFERMAN. Incidental cash, that is the best I remember.

The CHAIRMAN. You happened to have him cash the checks for you?

Mr. SHEFFERMAN. Yes, sir, as others have done.

The CHAIRMAN. Are there any further questions?

Those checks will be made exhibits 128-A, B, and C, and so on to whatever the amount of the alphabet is required to identify them.

(The documents referred to were marked "Exhibits Nos. 128-A through 128-P" for reference and will be found in the appendix on pp. 1705-1720.)

Mr. KENNEDY. Mr. Shefferman, did it ever arise that he needed cash or money and that you would give him a check so that he could cash the check?

Mr. SHEFFERMAN. I have never known Mr. Beck being without cash.

Mr. KENNEDY. He always seemed to have a lot of cash?

Mr. SHEFFERMAN. He seemed to have his cash, so far as I know.

The CHAIRMAN. I thought you said this morning that he apparently didn't have enough to pay his personal bills for socks and underwear and so forth, and he had to send them to you to get them paid. Did you not make some statement that you assumed he did not have the money to pay it?

Mr. SHEFFERMAN. I didn't say he didn't. I assumed he didn't have the money, and I thought he might have found it much more convenient.

The CHAIRMAN. Just to send you the bill?

Mr. SHEFFERMAN. Yes, sir.

The CHAIRMAN. Is that what you want to testify to? He did not have money to pay his bills?

Mr. SHEFFERMAN. I don't know whether he has enough money to pay his bills, and he asked me to pay his bills.

The CHAIRMAN. He always had enough money to cash big checks when you were around.

Mr. SHEFFERMAN. When you say he didn't have enough money to pay his bills—

The CHAIRMAN. I was using what you said this morning. You gave that inference.

Mr. SHEFFERMAN. Well, I wouldn't want to give the inference—
(The witness consulted with his counsel.)

Mr. SHEFFERMAN. I am not quite that familiar with his affairs.

The CHAIRMAN. I thought so. All right; we will proceed.

Mr. KENNEDY. I want to ask you about Mr. Norman Gessert. How did you happen to bring Mr. Norman Gessert into your operations?

(The witness consulted with his counsel.)

Mr. SHEFFERMAN. What operations?

Mr. KENNEDY. Your Union Merchandising Co.

(Witness consulted with his counsel.)

Mr. KENNEDY. You don't know who Mr. Gessert is?

Mr. SHEFFERMAN. I know who Mr. Gessert is. He is Mrs. Beck's cousin.

Mr. KENNEDY. Mrs. Beck's cousin?

Mr. SHEFFERMAN. Yes, sir.

Mr. KENNEDY. And he was an employee of yours?

Mr. SHEFFERMAN. He was an employee of the Union Merchandising Co.

Mr. KENNEDY. And at the same time he was a teamster union official?

Mr. SHEFFERMAN. That, I didn't know, and I believe I indicated that yesterday. I didn't know he was a member of the teamsters union.

Mr. KENNEDY. The record shows he was also a teamster official.

Mr. SHEFFERMAN. You said that yesterday, and I don't know that.

Mr. KENNEDY. How did you happen to employ Mr. Gessert, or become associated with him?

Mr. SHEFFERMAN. Mr. Gessert became associated with the Union Merchandising, as I recall it, because of his contracts with the union, particularly the teamsters.

Mr. KENNEDY. You employed him because of his contacts with the union?

Mr. SHEFFERMAN. With the union. He was a salesman and selling merchandise that we couldn't otherwise have bought—pardon me—
(Witness consulted with his counsel.)

Mr. KENNEDY. What did the Union Merchandising Co. do, that these contacts were needed?

Mr. SHEFFERMAN. Sold the bookkeeping equipment, if I recall, and I don't know whether they got into the furniture business, or did they? Would you know, Mr. Kennedy? You have all of the records, there, and I don't remember. Do you recall?

Mr. KENNEDY. They were selling things to unions?

Mr. SHEFFERMAN. Pardon me?

(Witness consulted with his counsel.)

Mr. SHEFFERMAN. I think the only sale was probably made to the teamsters.

Mr. KENNEDY. So he was employed because of his contacts with the teamsters?

Mr. SHEFFERMAN. He was employed because of his contact with the unions generally, and there may have been, and I will have to check the records, there may have been another union. There may have been another union that might have bought some of this equipment. It couldn't have been very much. We will have to check that for you.

Senator GOLDWATER. Mr. Shefferman, in relation to the question that has just been asked you, did you have a relationship similar to the one you had with Mr. Beck with other people in the union movement?

Mr. SHEFFERMAN. With any others in the union movement?

Senator GOLDWATER. Yes; such as Mr. Matt Woll.

Mr. SHEFFERMAN. Matt Woll? I bought stuff wholesale for Mr. Matt Woll from time to time, considerable stuff; yes, sir.

Senator GOLDWATER. How about Mr. Schnitzler?

Mr. SHEFFERMAN. Schnitzler? Yes; he has asked me to buy some merchandise for him from time to time, which I did purchase, as I did for a good many other people, 350 other people.

Senator GOLDWATER. How about Mr. Winter, of the bakers' union?

Mr. SHEFFERMAN. Yes; for Mr. Winter.

Senator GOLDWATER. Now, was this merchandise of the same type of merchandise that you bought for Mr. Beck?

Mr. SHEFFERMAN. Pretty much; yes, sir.

Senator GOLDWATER. Shirts and ties and carpets?

Mr. SHEFFERMAN. There might have been; I don't recall. I think some of this merchandise might have been farm equipment and tractors and in some instances lawn mowers, and automatic lawn mowers, and for Mr. Woll there were some things bought for his farm. As to whether there was any apparel, I don't recall. It is in the record, if you please.

Senator GOLDWATER. How about Mr. George Meany?

Mr. SHEFFERMAN. I do not recall buying anything for Mr. George Meany. I would have to go through the early files and check that, and there may not be anything there for Mr. George Meany.

Senator GOLDWATER. Might I ask Mr. Shefferman if he would look through his early files?

Mr. KENNEDY. From all of the records we have looked through so far, Senator Goldwater, we do not find the name of Mr. George Meany.

Senator GOLDWATER. How about Mr. Walter Reuther?

Mr. SHEFFERMAN. I think that there are a couple of transactions, somebody said. Didn't you tell me that in the record there are a couple of transactions for Mr. Reuther, done out of the Detroit office?

Senator GOLDWATER. Would you recall the nature of those transactions?

Mr. SHEFFERMAN. I think of one. No; I can't. The only reason I can associate one for the other, Senator Goldwater, is the time that someone shot at Reuther through the window, and the story went around that his life had been saved by a refrigerator, a left-hand-door refrigerator, that he got from our office; yes. If it hadn't been for that, he wouldn't be here today, they said.

Senator GOLDWATER. Would you answer me: Were these purchases made for these various officials of other unions than the teamsters paid for with union checks?

Mr. SHEFFERMAN. I wouldn't know that, and I never saw the checks.

Senator GOLDWATER. Is there any way you would have of finding out?

Mr. SHEFFERMAN. Yes; we can go to the records. The records would not show that, I guess. The only thing we could do was ask them, and I am quite sure, and I don't think so, and I don't know.

Senator GOLDWATER. Would you have any way of knowing from your memory how much Mr. Reuther bought through you?

Mr. SHEFFERMAN. I couldn't give you that. I think the records would show that, and they have the records, Senator?

Senator GOLDWATER. Does the counsel have any information?

Mr. KENNEDY. To the best of our knowledge there were one or two transactions with Mr. Reuther, Senator Goldwater, and I believe the record shows, or there is nothing in the record to indicate that the merchandise was paid for by anyone other than Mr. Walter Reuther himself. There is no information that we have that the merchandise was paid out of union funds, as was done with Mr. Dave Beck.

Senator GOLDWATER. Does counsel have any idea of the amounts involved?

Mr. KENNEDY. It was under \$500.

Senator GOLDWATER. The total?

Mr. KENNEDY. Yes.

Senator McCARTHY. I might say, Mr. Chairman, while we are speaking of Mr. Reuther, that I do hope the Chair will call an executive session in the next few days. I know how busy he is, and how difficult it is, but I would like to present some facts in regard to Mr. Reuther. I fear he is enjoying a privileged sanctuary and building himself up at the expense of the other labor leaders. I have no sympathy for Dave Beck or any of the others who have appeared here, but I think that Reuther is escaping with a clean bill of health when I believe that his activities would make some of the other things we have developed here smell like an altar of roses. I hope the Chair will have an executive session fairly soon so that I can present some of the facts which I have on Reuther.

The CHAIRMAN. As early as it is convenient for the members of the committee following the conclusion of these hearings, there will be an executive session of the committee to take up such matters at that time as the committee should undertake to resolve and determine.

If Senator McCarthy offers something in that meeting with respect to Mr. Reuther or anyone else, over which this committee has jurisdiction, the committee will at that time evaluate it and the committee will determine what course of action in its wisdom it should pursue.

I would suggest this to the witness, that these names have been brought in this record now, some five or six, and I do not recall, but I think it devolves upon the witness and upon the committee insofar as it can do so, in view of the relationship you have had with Mr. Beck—from all indications of which at this hour as far as this record is concerned, he was taking money from his union. I do not know any word that would describe it less than "theft," unless his union knew about it and replaced it.

In view of that, and the implications of the testimony against Mr. Beck, and the names of these others having been brought into it under somewhat similar circumstances, although the amounts may be less, I think that this committee and the witness with his cooperation should undertake to either clear their names of having become involved in similar transactions as those of Mr. Beck, or find out the facts. If they are involved as was Mr. Beck, if they were engaged in such practices, this committee should pursue it and expose it.

Senator GOLDWATER. Might I ask this in addition to your question: I believe that the witness in answer to one of my questions used the number of "two or three hundred people" in the unions you had made similar purchases for.

Mr. SHEFFERMAN. I said two or three hundred people in various walks of life. That is friends of friends and others aside from union people.

Senator GOLDWATER. I misunderstood the witness.

Mr. SHEFFERMAN. Aside from union people, and may I again say that the records of all repayments to me are in the hands of the committee.

The CHAIRMAN. Then the Chair will instruct the staff of the committee to make a diligent search of these records and evaluate them and make a report back to the committee with respect to what these records show regarding the names of those additional ones who have

been suggested here today. It is important. I think, for the committee to keep the names of people clear if they are innocent, and if there is nothing to indicate wrongdoing this record should be clear on that point. If they are guilty, and if there is something to indicate they are guilty of wrongdoing, it is the duty of the committee to pursue it.

I do not want to just leave these names hanging here of Mr. Reuther, and Mr. Woll, and other, and just leave them hanging here with an implication against them.

Mr. SHEFFERMAN. Senator, and Mr. Chairman, I did not bring up these names.

The CHAIRMAN. I did not say you brought them up.

Mr. SHEFFERMAN. The names must have been taken from the records which are in the possession of the committee. I didn't have the record in front of me. How or why, I don't know.

The CHAIRMAN. We will have your full cooperation?

Mr. SHEFFERMAN. You will have my full cooperation.

The CHAIRMAN. We will undertake to clear it up as we go along. Proceed.

Senator MUNDT. Since we have brought in some names of people who have not up to now been before us or connected with the investigation, I would like to ask you about a man who has been before us. Did you make these kinds of purchases for Mr. Frank Brewster?

Mr. SHEFFERMAN. Are they in the record? I think there were a very few, relatively few, weren't there?

Mr. KENNEDY. There were some purchases for Frank Brewster.

Mr. SHEFFERMAN. I see.

Senator MUNDT. Of a similar type, Counsel?

Mr. KENNEDY. That is correct. Not very many of them, Senator.

Senator MUNDT. Do we know from the record whether they were paid for by Mr. Brewster out of his personal fund, or out of western conference funds?

Mr. KENNEDY. We do not know. We understand that the procedure that was followed was that the purchases would be made through Mr. Dave Beck, and these people who received this merchandise would then pay Mr. Dave Beck, who then would repay Mr. Shefferman.

Now, this information came to us in an interview with Mr. Frank Brewster in Seattle, but it was not given under oath before the committee.

The CHAIRMAN. Can we proceed with the matter?

Senator McCARTHY. Could I ask about how many purchases did you make for Mr. Brewster?

Mr. SHEFFERMAN. Senator McCarthy, I think that there couldn't have been very many. I think the committee can tell you better than I, because they have all of the records.

Senator McCARTHY. But the committee does not know where the money came from, you see.

Mr. SHEFFERMAN. Well, I really wouldn't know either.

Senator McCARTHY. You would not know where the money came from?

Mr. SHEFFERMAN. No; not the money, because I didn't see the checks.

Senator McCARTHY. Now, you would know where the money came from if you bought something for Brewster; would you not?

Mr. SHEFFERMAN. Senator McCarthy, I have already under oath testified here, and I have testified before the tax people that I seldom, if ever, saw any of the checks. I was away 95 percent of the time, and the money came into the office, and it was taken by the secretary and handled. It was put into the bank, and I really wouldn't know.

Senator McCARTHY. You knew money was going to Dave Beck, and money was going to Frank Brewster, either in the form of cash or gifts, and you knew that; did you not?

(The witness conferred with this counsel.)

Mr. SHEFFERMAN. I don't quite get the question.

Senator McCARTHY. Would the reporter read the question, please?

(The reporter read from his notes as requested.)

Mr. SHEFFERMAN. From whom was this money?

Senator McCARTHY. Through you.

Mr. SHEFFERMAN. No.

Senator McCARTHY. You never knew that any money was going from you to Dave Beck?

Mr. SHEFFERMAN. I don't understand the question.

Senator McCARTHY. Let me try to make it as simple as I can. Did you know that money was going from you to Dave Beck?

Mr. SHEFFERMAN. From me to Dave Beck?

Senator McCARTHY. Yes.

Mr. SHEFFERMAN. No.

Senator McCARTHY. I thought you testified yesterday that you gave him \$24,000.

Mr. SHEFFERMAN. Oh, you mean that. That was no gift. That was a business transaction, or, rather, we decided that we—it was a business transaction.

Senator McCARTHY. I do not understand your bad memory. Now, you were giving out thousands of dollars and you cannot tell us where the money came from; is that right?

Mr. SHEFFERMAN. No, the money came out of my bank account. When I paid him at that time. I thought we had talked about this several times.

Senator McCARTHY. We have, but I still do not follow you.

Mr. SHEFFERMAN. There was a transaction, you will recall.

(The witness conferred with his counsel.)

Mr. SHEFFERMAN. I earned \$61,000 in setting up a bookkeeping system and a filing system for the International Bank, I think, in 1948, and I gave him for services, friendship, and so forth, I gave him \$2,400.

Was it \$2,400?

No; it was \$24,000.

Senator McCARTHY. You could not have set that up without the help of Dave Beck?

Mr. SHEFFERMAN. Well, it certainly helped.

Senator McCARTHY. It helped?

Mr. SHEFFERMAN. I think it helped. Although he didn't or he wasn't particularly responsible for transactions, because at that time he was not the head of the union.

Senator McCARTHY. And you were paying him for that help?

Mr. SHEFFERMAN. For that, yes, if you want to say that.

Senator McCARTHY. Now, what were you paying Brewster for?
Mr. SHEFFERMAN. I never paid Brewster anything, ever, at any time.

Senator McCARTHY. You said that you had bought things for him.

Mr. SHEFFERMAN. He purchased things, and paid for them, and it must be in the record.

Senator McCARTHY. He purchased them through you?

Mr. SHEFFERMAN. I guess he did, and he purchased them from me, and he might have, as the others did, send in some requisition and/or request for certain merchandise, which we got for him and he paid for it.

Senator McCARTHY. And you were not in the business of selling merchandise yourself?

Mr. SHEFFERMAN. Oh, no. I didn't make a penny on this merchandise. This was all accommodations, as a good many others do. It was strictly accommodation.

Senator McCARTHY. So you purchased things for Brewster?

Mr. SHEFFERMAN. Very little, I am told, or I did, I purchased it and they have the records.

Senator McCARTHY. Can you tell us why he did not order those items directly, instead of through you?

Mr. SHEFFERMAN. I don't know. I wonder why 400 other people didn't.

Senator McCARTHY. You wonder why?

Mr. SHEFFERMAN. There were a lot of other people, and friends, and friends' friends that came to me for certain things that I could get at discount for them.

Senator McCARTHY. Did you have some special arrangement with merchandising firms?

Mr. SHEFFERMAN. Some here and there; yes, sir.

Senator McCARTHY. Were those firms doing business with the teamsters?

Mr. SHEFFERMAN. No, sir.

Senator McCARTHY. They were not?

Mr. SHEFFERMAN. Not that I know of. They may have been, but I wouldn't have known. It was the people far beyond the teamsters alone, and we weren't only getting material and stuff for the teamsters. We were getting it for a lot of other people that were not even in the unions.

Senator McCARTHY. How about the purchases for Reuther?

Mr. SHEFFERMAN. Reuther, I think, that was really done through our Detroit office, and I don't think that since—I don't know the details. We can get the details if you want them.

Senator McCARTHY. I would like the details. Do you know whether you were repaid?

Mr. SHEFFERMAN. Yes; we were repaid.

Senator McCARTHY. You were repaid in full?

Mr. SHEFFERMAN. Yes, in full.

Senator McCARTHY. And what kind of a deduction did you get?

Mr. SHEFFERMAN. I wouldn't know that either.

Senator McCARTHY. You would not know what you purchased?

Mr. SHEFFERMAN. No; I wouldn't know.

Senator McCARTHY. You would not have any idea?

Mr. SHEFFERMAN. I haven't the slightest idea.

(The witness conferred with his counsel.)

Mr. SHEFFERMAN. If the records reveal it, I have all of the discounts and everything that was given to him.

Senator McCARTHY. I have been listening to your testimony for some time, and I still do not know just what you were doing. Just what was your job anyway?

Mr. SHEFFERMAN. In business, you mean the work, the business?

Senator McCARTHY. Yes.

Mr. SHEFFERMAN. Oh, we were doing the job of employer-employee relations, doing surveys, and job analysis, supervisory training, setting up personnel departments, and so forth.

There is a statement here, and by the way may I read this, Mr. Chairman?

The CHAIRMAN. What is the statement?

Mr. SHEFFERMAN. Maybe this will answer the question, and may I read it?

The CHAIRMAN. What is it?

Mr. SHEFFERMAN. It is a statement that we were going to release with your permission:

Statement of Nathan Shefferman Before the Senate Select Committee on Improper Activities in the Labor or Management Field—March 27, 1957.

Early in my career in the labor relations field, I realized that many disputes between labor and management were due to fear and misunderstanding. Needless hardship occurred among the rank and file employees because of this.

With the passage of the various labor relations laws, labor and management were thrown into new and unexplored areas. In addition, following the depression years, Communists attempted to dominate certain segments of labor.

Labor, on one hand, had to be convinced that the free competitive enterprise system was necessary to the preservation of our democratic form of government. Management, on the other hand, had to be convinced that the representatives of labor were reasonable men and did not seek to destroy or dominate business activity. The people who needed to understand the philosophy of the free market economy were the union leaders. To do this, I have crusaded and preached the gospel of our economic system to scores of union conventions and meetings. I will be happy to provide copies of those speeches for the record.

The job of my organization was to analyze for management their causes of industrial relations disharmony and to bring about a better understanding by management on how they can improve their relations with their work force.

While being called in to advise management, it is important for me to understand labor's thinking and know the men who are the leaders of labor. I have devoted my energies to the education of labor and to explaining the advantages of our present economic system and to make management realize that men who labor are to be treated with respect and dignity.

In conducting these activities, I often found the opportunity to do favors for my many friends in labor and management. This included the purchase of various items at discount prices. I am sure every businessman does the same for his friends; it is nothing to be ashamed of.

The CHAIRMAN. Mr. Shefferman, this statement the Chair indulged you to read is just a repetition of what you testified to in substance, as to what your business was, and why you got into the business, and so forth.

Mr. SHEFFERMAN. That is right, and I was also asking permission for the release of this to the newspapers.

The CHAIRMAN. You don't have to ask my permission to release any statement you want to make to the press.

Senator McCARTHY. What dealings did you have with the Reuther empire?

Mr. SHEFFERMAN. None personally; absolutely none.

Senator McCARTHY. When you say "none," a minute ago you said you bought things for Walter Reuther.

Mr. SHEFFERMAN. I tried to qualify that these items were bought through our Detroit office.

Senator McCARTHY. Did you have anything to do with the Kohler strike at Kohler, Wis.?

Mr. SHEFFERMAN. No, but I can tell you this, that in 1934 when I was with the National Labor Board, I handled the Kohler situation at that time, and conducted the election, and certified their union at the time, whatever it was. That is the only relationship I have ever had with the Kohler Co., and that goes back sometime in July of 1934.

Senator McCARTHY. Did you have anything to do with getting certain cities to pass ordinances preventing the purchase of Kohler material?

Mr. SHEFFERMAN. Absolutely not.

Senator McCARTHY. You had nothing to do with that?

Mr. SHEFFERMAN. Absolutely nothing to do with any of that, and never got anywhere near it.

Senator McCARTHY. Did you ever work for the Kohler Co.?

Mr. SHEFFERMAN. I never worked for the Kohler Co., but in 1934, I handled their strike situation and I conducted the election.

The CHAIRMAN. All right. The Chair is advised that there are quite a number of names in the files that have been found, of people connected with unions and in official positions with unions for whom Mr. Shefferman made purchases.

Mr. SHEFFERMAN. Yes, sir.

The CHAIRMAN. The Chair will ask the staff to prepare a list of those names, with the amounts indicated, and submit it to the committee for examination, and at the proper time it will possibly be inserted in this record. We do not want to cast any reflections or implications against anyone who is on it. But if there is any other strange relation going on such as this one—what did we decide to call it this morning?

Mr. SHEFFERMAN. "Unusual."

The CHAIRMAN. No, that is your decision.

Mr. SHEFFERMAN. Oh, "peculiar", I beg your pardon.

The CHAIRMAN. If we find any of it, we are going to pursue it.

Mr. SHEFFERMAN. That is right.

The CHAIRMAN. Because we are not singling out Mr. Beck in this inquiry.

Senator MUNDT. I think, Mr. Chairman, in fairness, and I am sure you will agree with this, that your instructions were not quite embrace enough. If Mr. Shefferman has said that he made these purchases for his friends in labor and management, I think that we should give the managerial purchasers the same treatment by our staff as the labor people.

The CHAIRMAN. He represents management, but if there be no objection we will get the entire list to bring before the committee in executive session for its perusal and evaluation and determination as to what use should be made of it.

Mr. SHEFFERMAN. Any list that we have is yours for the asking.

Senator McCARTHY. Mr. Chairman, as a sort of point of personal privilege, I would like to make clear that in my talk about the Kohler

Co., this has nothing whatsoever to do with the former Governor, Walter Kohler. It is an entirely different Kohler Co.

The CHAIRMAN. All right, let us proceed.

Mr. KENNEDY. You were telling the committee about your relationship or the relationship with Norman Gessert, the cousin of Dave Beck's wife. How did you happen to retain Norman Gessert, or who suggested him to you?

(The witness consulted with his counsel.)

Mr. KENNEDY. Do you have to consult with someone to find out who suggested Mr. Gessert to you?

Mr. SHEFFERMAN. They may have some information that I don't have.

Mr. KENNEDY. What is your recollection?

Mr. SHEFFERMAN. My recollection is that I met Mr. Gessert.

Mr. KENNEDY. Through whom?

Mr. SHEFFERMAN. Through Mr. Beck. I didn't know at the time that they were related. Later on, when we got in some of these activities with the union, he had contacts with the unions and I think a relationship was worked out with him, between him and some of the companies which were represented in which he had an interest and that was the limit of our working.

He knew the people and the people knew him, and he was strictly a contact man or salesman if you choose to call it that, although he didn't travel much.

Mr. KENNEDY. How could he be a contact man for you and at the same time be working for the union, or be associated with the union?

Mr. SHEFFERMAN. I didn't know about his work in the union and I think we ought to ask Mr. Gessert that question.

Mr. KENNEDY. You never knew that?

Mr. SHEFFERMAN. I never knew him.

Mr. KENNEDY. You just knew of his relationship with Dave Beck?

Mr. SHEFFERMAN. I knew he was with the retail clerks at one time, yes, that is some years back, but I didn't know he was with the teamsters.

Mr. KENNEDY. Now, you have talked about a number of your business transactions and were there any other business transactions that Mr. Gessert was interested in which involved business dealings with the teamsters?

Mr. SHEFFERMAN. Business with the teamsters?

Mr. SLATER. Would you repeat that question, please?

Mr. KENNEDY. You have discussed a number of business transactions that Mr. Gessert was interested in. You have discussed them this morning.

Mr. SHEFFERMAN. Yes, and you have that on record.

Mr. KENNEDY. Now, I am going on to something new, and we discussed about the cars, for instance.

Mr. SHEFFERMAN. About what?

Mr. KENNEDY. The little trucks.

Mr. SHEFFERMAN. Yes; the little trucks.

Mr. KENNEDY. Now, I am going to ask you if there were any other business transactions that Mr. Norman Gessert, Mr. Dave Beck's wife's cousin, were there any other business transactions in which he had an interest, business transactions that he had, or this company had, with the teamsters union.

That is not very difficult.

Mr. SHEFFERMAN. What does the record show, and I think it is indicated.

Mr. KENNEDY. You just tell me; tell the committee.

(The witness consulted with his counsel.)

Mr. SHEFFERMAN. I testified as to the toy trucks, didn't I?

Mr. KENNEDY. Right; and what else?

Mr. SHEFFERMAN. I testified as to the visible file system; is that right?

Mr. KENNEDY. That is right.

Mr. SHEFFERMAN. And I testified as to the furniture?

Mr. KENNEDY. What was the furniture? Was it the furniture you sold to the teamsters union?

Mr. SHEFFERMAN. Yes, sir.

Mr. KENNEDY. What else?

Mr. SHEFFERMAN. I think there was furniture, if I recall, for the temporary headquarters when they first moved into the city. They moved into the Letter Carriers' Building, and I think that they bought some very fine furniture, but it was temporary.

Mr. KENNEDY. Now, Mr. Gessert had an interest in that, did he?

Mr. SHEFFERMAN. Yes, he had an interest in that.

Mr. KENNEDY. Now, your son, Mr. Shelton Shefferman, and Mr. Gessert had an interest in selling the furniture to the teamsters for that temporary building?

Mr. SHEFFERMAN. I had no part of that one, I don't think.

Mr. KENNEDY. Do you know what the profits from that transaction were?

Mr. SHEFFERMAN. The profits from that transaction?

(The witness consulted with his counsel.)

Mr. SHEFFERMAN. Approximately, I am reminded here, they were \$26,000.

Mr. KENNEDY. \$26,000?

Mr. SHEFFERMAN. Yes, sir.

Mr. KENNEDY. Of which Mr. Shelton Shefferman made \$13,000?

Mr. SHEFFERMAN. Yes, sir.

Mr. KENNEDY. And Mr. Norman Gessert, Mr. Dave Beck's wife's cousin made \$13,000; is that right?

Mr. SHEFFERMAN. \$13,000.

Mr. KENNEDY. That was for the sale of furniture to the teamsters' headquarters, the temporary headquarters?

Mr. SHEFFERMAN. Yes; and that furniture was all made to order, every piece of it, if I recall.

Mr. KENNEDY. Do you know if the money that went to Mr. Gessert was in turn passed on to Mr. Beck?

Mr. SHEFFERMAN. I wouldn't know that at all.

Mr. KENNEDY. You have no information on that?

Mr. SHEFFERMAN. I haven't the slightest information on that.

Mr. KENNEDY. Did you ever purchase any cars for any union officials?

Mr. SHEFFERMAN. Cars?

Mr. KENNEDY. Automobiles, or for anybody associated with the teamsters?

(The witness consulted with his counsel.)

Mr. SHEFFERMAN. I don't recall ever purchasing cars.

Mr. KENNEDY. Let me say this—

Mr. SHEFFERMAN. Buying as I would something else you mean?

Mr. KENNEDY. Did you or your son ever purchase any automobiles for any union officials or anybody associated in any way with the teamsters union?

Mr. SHEFFERMAN. With the teamsters union, I think we may have purchased for them. I have a faint recollection of a Ford one time. Will you please check on the record there? It must be in the records, definitely. Are they in the records?

Mr. KENNEDY. Do you have any information on it?

Mr. SHEFFERMAN. No; I don't. I think I faintly remember a Ford we purchased for them at a discount, but they are in the record, I am sure.

Mr. KENNEDY. You have no personal information?

Mr. SHEFFERMAN. I have no personal information.

Mr. KENNEDY. We have some information to that effect, Mr. Shefferman, but we do not have it down to such a point that we can present it. You do not have any information yourself?

Mr. SHEFFERMAN. I don't have any information and if you will be kind enough to check the records, we will go back on it.

Mr. KENNEDY. I have one more matter that I want to discuss with you.

Mr. SHEFFERMAN. Thank you.

Mr. KENNEDY. Let me ask you this: Do you know Mr. Sidney Brennan?

Mr. SHEFFERMAN. Yes.

Mr. KENNEDY. Now, you do know him?

Mr. SHEFFERMAN. I know Sidney Brennan.

Mr. KENNEDY. Mr. Sidney Brennan is a vice president of the teamsters?

Mr. SHEFFERMAN. One of the vice presidents.

Mr. KENNEDY. Have you ever given any money to Mr. Sidney Brennan, vice president of the teamsters?

Mr. SHEFFERMAN. Yes; some years ago, and I don't remember when. Mr. Brennan called and said that he was recommending a client on the west coast, or somewhere. I don't know where it was, the west coast or Montana, and that we might be able to help him and advise with him. I think we did it over the telephone and then the company hired us for the year at a fee to advise them on their personnel problems.

Knowing that Mr. Brennan was not affluent, I said one day to my son, "I think that this is a referral fee," because it is rather unusual with us and we seldom have referral fees—I think for having sent the client and having a client for a year and one client with whom I don't think he had any interest so far as that was concerned away from Minneapolis, and so I gave him a check for \$750.

I asked them to give him a check for \$750, and it was so noted in the checkbook or in the record.

Mr. KENNEDY. Tell me this: Mr. Shefferman, does it occur to you at all that this is an unusual transaction that you are paying to a labor-union leader money for referring a client to you?

Mr. SHEFFERMAN. I didn't really think about it in those terms, and I have been thinking of it in terms of a referral fee. He never asked for it, and I did it of my own volition.

Mr. KENNEDY. You think that is a completely proper transaction?

Mr. SHEFFERMAN. I didn't see anything improper about it, because I had no dealing with Mr. Brennan in the matter. He had no interest in the matter.

Mr. KENNEDY. Have any of your clients any contracts with Mr. Brennan's unions?

Mr. SHEFFERMAN. None that I know of.

Mr. KENNEDY. Have you had any clients up in Minneapolis?

Mr. SHEFFERMAN. I used to have Sears, Roebuck.

Mr. KENNEDY. Now, do they not have contracts with the teamsters union?

Mr. SHEFFERMAN. They may have, and I don't know what it is in Minneapolis in recent years. I have been out of touch with it for the last 6 or 7 years, I should say.

Mr. KENNEDY. Do you not have other department stores up there?

Mr. SHEFFERMAN. There was one department store, and it wasn't a department store; it was Three Sisters.

Mr. KENNEDY. Three Sisters?

Mr. SHEFFERMAN. Yes, sir; we have that.

Mr. KENNEDY. Was there not a question of them having contracts with the teamsters?

Mr. SHEFFERMAN. I don't think so and I don't think that they have the teamsters and I wouldn't be sure. I am quite sure they don't have teamsters.

Mr. KENNEDY. How did you know Mr. Sidney Brennan, then?

Mr. SHEFFERMAN. I knew him through the teamsters meetings and the AFL conventions and other conventions, and conventions of other unions. I got to know him very well.

Mr. KENNEDY. Does it not occur to you at all that it is improper for you to be giving money to union officials?

Mr. SHEFFERMAN. I wasn't really giving the matter any thought, but I didn't think it was improper at all. As a matter of referral fee, it was for him having sent us a client and we gave it no further thought.

We just got the client and we did some work for them and worked and advised them for nearly a year on their personnel problems and Mr. Brennan had absolutely nothing to do with them so far as I know and I am sure with whatever the transaction may have been and I think long before we got around to the transaction I think it was settled between them out on the west coast and our interest was merely that—

Mr. KENNEDY. What was the name of the client that he got for you?

Mr. SHEFFERMAN. Skogmo-Gamble.

Mr. KENNEDY. What kind of a company is that?

Mr. SHEFFERMAN. They set up chain stores.

Senator MUNDT. It is automobile and accessories. It is the Gamble stores, is it not?

Mr. KENNEDY. Do they have any contracts with the teamsters union?

Mr. SHEFFERMAN. They may have had there and I didn't know anything about it and we were only interested in one issue and in one issue only.

At that time there was some sort of an involvement or whatever it was on the west coast or somewhere in Montana and we never went to the coast and we had absolutely nothing to do with it and we never touched it and in the meantime—

Mr. KENNEDY. Do not say you never touched it. You got a fee for it.

Mr. SHEFFERMAN. No, we got a fee not for that and we got the fee for doing personnel work and advising them through the years and that is what we got the fee for and not for that.

Mr. KENNEDY. You did get a fee for it, did you not?

Mr. SHEFFERMAN. We got a fee for serving them, yes.

Mr. KENNEDY. What were you saying you did not have anything to do with?

Mr. SHEFFERMAN. Any negotiations or anything of that sort.

Mr. KENNEDY. Nevertheless, Mr. Shefferman, the fact remains that you paid to a teamster union official \$750.

Mr. SHEFFERMAN. Which I thought was perfectly proper.

Mr. KENNEDY. Have you given any money to any other union officials?

Mr. SHEFFERMAN. No.

Mr. KENNEDY. In a similar transaction?

Mr. SHEFFERMAN. No.

Mr. KENNEDY. You have not?

Mr. SHEFFERMAN. No.

Senator MUNDT. Have you had any other business or purchasing relationships with Mr. Sidney Brennan, other than this \$750 fee?

Mr. SHEFFERMAN. A purchasing relationship, yes. Mr. Brennan has quite a few times bought things for him and his family.

Senator MUNDT. Would you know whether he paid for those out of his personal fund?

Mr. SHEFFERMAN. That I wouldn't know. For that we would have to check the record again and it is in the record.

Senator MUNDT. That you would not know?

Mr. SHEFFERMAN. No, I wouldn't know.

Senator MUNDT. Aside from the fact that you purchased things at discount for Mr. Brennan and one time gave him \$750 referral fee, have you had any other business connections?

Mr. SHEFFERMAN. With him, you mean?

Senator MUNDT. Or exchanges of money?

Mr. SHEFFERMAN. With him, no.

The CHAIRMAN. The Chair presents to you the \$750 check to Mr. Sidney Brennan.

Will you examine it and identify it, please?

(The witness conferred with his counsel.)

Mr. SHEFFERMAN. Yes. It is a corporate check.

The CHAIRMAN. A corporate check?

Mr. SHEFFERMAN. A corporate check.

The CHAIRMAN. All right.

That check may be made exhibit No. 129.

(Document referred to was marked "Exhibit No. 129" for reference and will be found in the appendix on p. 1721.)

Mr. KENNEDY. I would like to say that Mr. Sidney Brennan, Mr. Chairman, has just been convicted, and the conviction was appealed, and the conviction was upheld, for receiving moneys from an em-

ployer in another matter. He was receiving money and he was tried and convicted and is now under sentence.

Mr. SHEFFERMAN. Mr. Kennedy, may I make an observation?

The CHAIRMAN. Yes, you may make an observation.

Mr. SHEFFERMAN. The circumstances under which this money was given to Mr. Brennan was on record, on the books, well-intentioned, I didn't think I was doing anything improper, and I don't think it can be analogous to the other thing you are talking about.

Mr. KENNEDY. I am just putting it into the record as a fact.

Mr. SHEFFERMAN. Thank you very much.

The CHAIRMAN. Are there any further questions of this witness?

If not, you may stand aside for the present.

Will you need him any further?

Mr. KENNEDY. Not today.

Senator GOLDWATER. I have one question, Mr. Chairman.

The CHAIRMAN. All right.

Senator GOLDWATER. This is one name to add to the list. Have you ever done business for Mr. Randolph?

Mr. SHEFFERMAN. Randolph?

Senator GOLDWATER. Yes.

Mr. SHEFFERMAN. No.

The CHAIRMAN. Any other questions?

Mr. KENNEDY. Did you have any other business transactions with Dave Beck, other than the ones that you mentioned?

Mr. SHEFFERMAN. None.

Mr. KENNEDY. You did not have a business transaction, in 1949, with him?

Mr. SHEFFERMAN. 1949?

Mr. KENNEDY. Yes.

Mr. SHEFFERMAN. What was the character of it?

Mr. KENNEDY. 1949.

Mr. SHEFFERMAN. What was the character of it?

Mr. KENNEDY. Regarding a mortgage, a mortgage of land?

Mr. SHEFFERMAN. Oh, a mortgage?

(The witness conferred with his counsel.)

Mr. SHEFFERMAN. That was a loan I made Mr. Beck years ago. That goes back a long, long time.

Mr. KENNEDY. How much did you loan him?

Mr. SHEFFERMAN. Mr. Beck bought some property and gave me a mortgage and a note, for 32—how much was that?

(The witness conferred with his counsel.)

Mr. SHEFFERMAN. \$22,500.

Later, when he got into some of these real-estate deals, he asked me whether I would relinquish the mortgage so that he could raise some money at the bank. I relinquished the mortgage and got a new note, which I am—

Mr. KENNEDY. You received a note?

Mr. SHEFFERMAN. I received a note.

Mr. KENNEDY. Do you still have the note?

Mr. SHEFFERMAN. We have the note; yes.

Mr. KENNEDY. He has not paid off the note yet?

Mr. SHEFFERMAN. He hasn't paid off the note.

Mr. KENNEDY. Has he paid any interest on the note?

Mr. SHEFFERMAN. I don't think so, because I never asked him.

Mr. KENNEDY. How long ago was this?

Mr. SHEFFERMAN. Did you say 1949?

Mr. KENNEDY. 1948 or 1949. When was your first business transaction? When was the first part of it?

Mr. SHEFFERMAN. I don't know. I thought—

Mr. KENNEDY. You tell us.

Mr. SHEFFERMAN. I don't even remember.

Wait a minute. We can get you the date.

(The witness conferred with his counsel.)

Mr. SHEFFERMAN. The note is dated April 1951.

Mr. KENNEDY. The note is dated April 1951. When did you first loan him the money?

Mr. SHEFFERMAN. You said 1949.

Mr. KENNEDY. Well, when do you say?

Mr. SHEFFERMAN. I don't know. I would have to look at the record again.

Mr. KENNEDY. In 1948? Was it before that? Was it prior to 1948?

Mr. SHEFFERMAN. I wouldn't recall that. Wait a minute. Let me see. I think it was 1949. The records will show it.

Mr. KENNEDY. And you loaned him the money, did you?

Mr. SHEFFERMAN. Yes; I loaned him the money and got a mortgage and then released the mortgage.

Mr. KENNEDY. On property that he owned?

Mr. SHEFFERMAN. On property that he owned, yes, at that time, and then he was borrowing more money and turning over the property.

Senator MUNDT. How much was the amount of that note? \$22,500?

Mr. SHEFFERMAN. \$22,500.

Senator MUNDT. And you loaned him that money in 1949?

Mr. SHEFFERMAN. I think it is 1949, yes.

Senator MUNDT. And then you relinquished the note in 1950 or 1951?

Mr. SHEFFERMAN. 1951.

Senator MUNDT. And you took a promissory note in its place?

Mr. SHEFFERMAN. Yes, a promissory note.

Senator MUNDT. What was the year that you gave Mr. Beck the \$24,000?

Mr. SHEFFERMAN. What was the year? 1949 and 1950—1949 and 1950.

The CHAIRMAN. 1949 and 1950?

Mr. SHEFFERMAN. I think it was. 1949 and 1950.

Senator MUNDT. You gave him the \$24,000, apparently, after you had held his note for sometime for \$22,500?

Mr. SHEFFERMAN. I couldn't give you the chronology of that. I am testifying without the records. If we could get the records, I think you could check the time.

Senator MUNDT. It would appear, from what I understand, that you first made the mortgage in 1948 or 1949, and that you accepted a note in lieu of the mortgage in 1950 or 1951, and in between those years sometime was the period when you gave him the \$24,000. You must remember about when you gave him the \$24,000.

Mr. SHEFFERMAN. That is still on the record, isn't it?

Mr. Kennedy will you—

Senator MUNDT. I understood from my memory of yesterday's testimony that that was about 1950, 1949 or 1950.

Mr. SHEFFERMAN. Yes; I think so.

Senator MUNDT. Under those circumstances, it would seem to me—and you mention the fact that one of the reasons you were impelled to give Mr. Beck this \$24,000 business transaction deduction was that you were in a high-income bracket and that you had reason to believe that Mr. Beck was not in as equally good financial circumstances—that you would have just cancelled that note then, instead of giving him \$24,000. It was about the same amount of money.

(The witness conferred with his counsel.)

Mr. SHEFFERMAN. I don't know the chronology of it, Senator. I don't really remember before or after.

Senator MUNDT. Are you sure that instead of giving him \$24,000 that you have not wound up now by giving him \$46,500?

Mr. SHEFFERMAN. No. He owes me \$22,500. I have a note for it and I expect to be paid.

Senator MUNDT. But he has paid no interest on it?

Mr. SHEFFERMAN. He has paid no interest.

Senator MUNDT. Is it an interest-bearing note?

Mr. SHEFFERMAN. I don't even know. It is in the office or in the bank.

Senator MUNDT. You do not know? Then you do not have a legal document if you do not have an interest-bearing note. You just have a slip of paper.

Mr. SHEFFERMAN. He says it is a valid note without interest. I don't know.

Senator MUNDT. It must have some kind of interest, then.

Mr. SHEFFERMAN. I don't know. I think probably it is an interest-bearing note.

The CHAIRMAN. Are there any further questions?

You can appreciate that this is a very strange thing, a man owing you money and you issuing checks to him in excess of the amount he owes you.

Mr. SHEFFERMAN. He still owes me the \$22,500.

The CHAIRMAN. I understand he owed it at the time you gave these checks to charge off business expense.

Mr. SHEFFERMAN. I don't know. Which, the \$24,000?

The CHAIRMAN. It would have been easier to give him the note, would it not?

Mr. SHEFFERMAN. The \$22,000 was accounted for. The tax was paid on that.

The CHAIRMAN. I am talking about the \$24,500 that you gave him.

Mr. SHEFFERMAN. I don't remember the chronology of the two.

The CHAIRMAN. It appears the first transaction on the loan was prior to the time that you paid him the \$24,000, and he owed you at that time. The simplest thing to have done, to collect your money, would have been to give him the note, would it not, if you were going to give the \$24,000 away.

Mr. SHEFFERMAN. He wouldn't have had the \$24,000.

The CHAIRMAN. But he would not owe you the \$24,000.

Mr. SHEFFERMAN. Yes. But he owes me the \$22,500.

The CHAIRMAN. He would not have owed that.

Mr. SHEFFERMAN. He wouldn't, but he does now.

The CHAIRMAN. And did then.

Mr. SHEFFERMAN. Yes. And he does now.

The CHAIRMAN. Well, it is a strange situation.

Proceed.

Mr. KENNEDY. Did you go to South America with him?

Mr. SHEFFERMAN. No. I have never been to South America.

Mr. KENNEDY. Did you go to Europe with him?

Mr. SHEFFERMAN. I have been to Europe with him, yes.

Mr. KENNEDY. Did you pay any of his bills?

Mr. SHEFFERMAN. Absolutely not. Neither did he pay mine.

(At this point, Senator McCarthy entered the hearing room.)

The CHAIRMAN. Is there anything further?

Mr. Shefferman. I am going to ask you to remain here for awhile this afternoon. Maybe something will occur or develop so that we will need to recall you. As far as I know now, this concludes your testimony at this time.

Mr. SHEFFERMAN. Thank you.

The CHAIRMAN. It is anticipated that there is some probability, at least, that it may be necessary to recall you to further straighten out some of this record that has been made here today, and there may be other developments, of course, that we do not now anticipate, which will require your presence.

So the Chair, if you will accept it, will place you under recognizance to return at such time as the committee may desire your presence again, upon reasonable notice being given to you or your attorney of the time.

Mr. SLATER. Mr. Chairman, I should appreciate it if the notice is directed to me. In this instance——

The CHAIRMAN. What did you say?

Mr. SLATER. I said I should appreciate it if the notice were directed to me, and that we be given more than an hour's notice, if the Chair please.

Mr. SHEFFERMAN. There was a possibility that we wouldn't have to appear for a week, wasn't there, Mr. Kennedy?

Mr. KENNEDY. That is right.

Mr. SHEFFERMAN. After all, we are trying to stay in business, and there are appointments——

The CHAIRMAN. Sometimes circumstances develop where we cannot do everything we would like to. In this instance, so far as I know, there will be every opportunity afforded to you in the way of reasonable time.

Senator McCARTHY. Counsel does have to operate under a rather tight schedule.

Mr. SHEFFERMAN. I understand.

Mr. KENNEDY. You have been very cooperative and we appreciate it.

Senator MUNDT. Before Mr. Shefferman leaves the stand, Mr. Chairman, I would like to say that while at times he has been a little bit exasperating as a witness, because his memory is not as good as we would like to have it——

Mr. SLATER. Senator Mundt, the gentleman is over 70 years old.

Senator MUNDT (continuing). And I appreciate we have the records, but in spite of that, as one member of the committee, I would like to commend you and say that you have tried to give us helpful in-

formation. You were a refreshing change from the incommunicability of the witness preceding you on the witness stand.

I trust that the way you have performed here will be contagious with the witnesses we have following.

Mr. SHEFFERMAN. God bless you for the few kind words. This will tide me over the weekend very nicely.

Senator McCARTHY. I might add to that. I have been a judge and a lawyer for a long time, and I think I can smell a man who is lying a mile away. While I have been very disappointed with your extremely bad memory at times—

Mr. SHEFFERMAN. I am 70 years old.

Senator McCARTHY (continuing). I do have the impression that you have been trying to tell us the truth.

Mr. SHEFFERMAN. Senator, I shall be 70 years of age in July. I knock off 150,000 miles a year. I run around crusading for our way of life. I am a busy man. I can't remember everything. I wish I could.

Senator McCARTHY. I understand that.

(At this point, Senator McNamara entered the hearing room.)

The CHAIRMAN. The Chair, as I am sure everyone present has observed, and I know members of the committee have, has been very indulgent in permitting you to consult with your attorney and let him give you information that he has instead of requiring you to testify on your own.

Mr. SHEFFERMAN. I appreciate that very much.

The CHAIRMAN. The rule is, of course, that counsel may be present for one purpose only, and that is to advise his client as to his legal rights. Since the Chair believed that you were trying to be cooperative and that you needed some assistance to help refresh your memory, therefore, I have indulged counsel and your assistants that you brought along with you to assist you.

Mr. SHEFFERMAN. Thank you.

Mr. SLATER. Mr. Chairman, I wish to personally thank you for your indulgence in this instance.

Mr. SHEFFERMAN. And I want to thank my friend, Mr. Kennedy, for having smiled with me.

The CHAIRMAN. You will remain here.

Mr. SLATER. Until the end of the day, is that the understanding?

The CHAIRMAN. Until the end of the day. Possibly you might be recalled.

Senator McCARTHY. Might I suggest, Mr. Chairman, before the witness leaves, in view of the expressions of Senator Mundt and myself, I would hate very much to be proven wrong in this.

Mr. SHEFFERMAN. Please. We won't let you down.

Senator McCARTHY. What I wish you would do is search your memory for some of those answers which I frankly think you should have. I realize, as you say, you are 70 years old, and your memory may not be as good as it used to be. But if you will search your memory and communicate with the chairman or Mr. Kennedy, I am sure they would welcome you back to the stand again.

The CHAIRMAN. All right. Thank you very much.

Mr. SHEFFERMAN. Thank you.

The CHAIRMAN. Call the next witness.

Mr. KENNEDY. Mr. Dave Beck.

(Members present at this point: The Chairman, Senators Ives, Ervin, McNamara, McCarthy, Mundt, and Goldwater.)

**TESTIMONY OF DAVE BECK, ACCOMPANIED BY HIS COUNSEL.
ARTHUR D. CONDON, DAVID FOSS, AND KENNETH SHORT—
Resumed**

The CHAIRMAN. Let us have order, please.

Senator McCARTHY. Mr. Chairman, before the questioning starts, I would like to ask Mr. Beck whether he did what he said he would do yesterday, namely, confer with his chief counsel, Mr. Duff, and decide whether he would answer some of the questions which he refused to answer yesterday.

Mr. BECK. Yes, Senator McCarthy, I did confer with Senator Duff, and Senator Duff's position is exactly as it was before.

Senator McCARTHY. In other words, he has advised you not to answer the question?

(The witness conferred with his counsel.)

The CHAIRMAN. Just a moment.

Mr. CONDON. Mr. Chairman?

Senator McCARTHY. I would like to address this to the witness, if I may.

The CHAIRMAN. It is addressed to the witness. Does counsel wish to—

Mr. CONDON. I hope the Chair will agree that if there is anything that has been established here, it is the fact that an attorney-client relationship exists between the two gentlemen just named.

The CHAIRMAN. You may advise the witness of his legal rights in that respect. If the witness invokes client-counsel relationship, that will address itself to the attention of the chair of the committee.

Senator McCARTHY. May I say, before you do that, I did not bring up the attorney-client relationship. The witness mentioned the former Senator Duff's name, I believe, 18 times yesterday, by actual count, and told what he had been advised by Mr. Duff. In view of that, I asked him whether he would consult with Mr. Duff—

Mr. CONDON. And he said he had.

Senator McCARTHY. And find out whether Duff would still advise him not to answer these questions. I cannot imagine Jim Duff doing that.

(At this point, Senator Kennedy entered the hearing room.)

Senator McCARTHY. I am not probing the attorney-client relationship that was not opened up by the witness himself.

Is that right, Mr. Kennedy?

The CHAIRMAN. I think, Senator McCarthy, you have asked the witness whether he consulted with Mr. Duff, and he said that he had, and that his position was the same. Now we have clarified that.

Your position is the same as your position yesterday; is that correct?

Mr. BECK. That is right, Senator.

The CHAIRMAN. That means that he has instructed you to continue to refuse to answer?

Mr. BECK. That is right, Senator.

The CHAIRMAN. Let us proceed.

Mr. KENNEDY. Mr. Beck, we have had testimony that among the funds that you took from the union was some \$85,119.92 that was used through Mr. Nathan Shefferman to pay your personal bills. Would you tell us whether you did this or not?

(The witness conferred with his counsel.)

Mr. BECK. I must decline to answer the question because this committee lacks jurisdiction or authority under articles I, II, and III of the Constitution; further, I decline to answer because I refuse to give testimony against myself, and invoke the fourth and fifth amendments; and, further, because the question is not relevant or pertinent to the investigation.

The CHAIRMAN. The Chair overrules, in toto, the objection of the witness, and orders and directs him to answer the question.

Mr. BECK. I decline to answer on the grounds stated in my last answer.

The CHAIRMAN. Proceed.

Senator McCARTHY. Could I ask the witness this question:

Yesterday I asked you what in articles I, II, and III, in your opinion, deprived this committee of jurisdiction. You declined to answer that on the grounds that the answer might tend to incriminate you. You do not think that by telling us what the Constitution contains would incriminate you, do you?

(The witness conferred with his counsel.)

Mr. BECK. Well, Senator McCarthy, I am quite certain that I told you that I was a layman and not a legal luminary, and that I desired to answer your question for that reason in order to protect my constitutional rights by answering it in the manner that I must decline to answer the question because this committee lacks jurisdiction or authority under articles I, II, and III of the Constitution; further, I decline to answer because I refuse to give testimony against myself and invoke the fourth and fifth amendments; and further because the question is not relevant or pertinent to the investigation.

Senator McCARTHY. Just tell me. I am curious. I have read articles I, II, and III. What is there in articles I, II, and III, that, in your opinion prevents your answering these questions?

Mr. BECK. Senator McCarthy, I have tried to tell you that you are an attorney. I am a layman. In order that there is no possibility that I will transgress my constitutional rights, I have answered you by stating that I exercise articles I, II, and III of the Constitution; and further decline to answer because I refuse to give testimony against myself; and I invoke the fourth and fifth amendments; and further because the question is not relevant or pertinent to the investigation.

Senator McCARTHY. Mr. Beck, I do not want to argue this point with you. You say you are a layman, not a lawyer. But article I, as I recall, and I hope I am not wrong on this, provides that the legislative branch shall have the right to investigate for the purpose of passing legislation, legislation concerning the people of America. You represent a vast number of them.

I just wonder why you feel that you are above the law insofar as article I is concerned.

Mr. BECK. Mr. McCarthy—Senator McCarthy, excuse me. I point out to you again that I not for one second feel that I am above the law.

I have pointed out to you that I have been served notice by the Federal Government that I will face tax income procedure, and upon advice of counsel that I am following, I am invoking the amendments that I have read to you, in order to make certain that I will protect my constitutional rights, and that I will have an opportunity, without imposing upon them in any way, when and if ever a trial is held under the auspices of our judicial structure, with a right to cross-examine witnesses, with a right to the presentation of evidence in accordance with court procedure, with a right to face my accusers in the court, and all of the other judicial requirements, and also I point out to you that the fifth amendment was not written into this Constitution simply for the purpose of it ever protecting the guilty. It is also there for the purpose of protecting the innocent. It is for that reason that I exercise it.

The CHAIRMAN. Just a moment.

You know, there comes a time when patience can cease to be a virtue. I want us to ask this witness direct questions about his acts, conduct. If he wants to take the fifth amendment, that is a privilege. In doing so, in my opinion he violates a much higher duty. Let him make the record as he chooses.

Let us proceed and ask him direct, positive questions about his conduct, as this record indicates.

Senator McCARTHY. Mr. Chairman, these questions are not being asked in a spirit of levity. The witness invokes articles I, II, and III of the Constitution. I believe before the Chair can intelligently rule he must know what he has in mind. I do not have any idea what he has in mind when he invokes those three articles of the Constitution.

The CHAIRMAN. The Chair has overruled them each time, every time.

Senator McCARTHY. I accede to the Chair.

The CHAIRMAN. The Chair was not impatient at the Senator. I want that definitely understood. I did not mean any such implication. But I am getting pretty tired of listening to a broken record. If we want to continue this, I want to get the questions direct and positive about this man's conduct or his lack of conduct, and let him take the fifth amendment and get any dubious glory out of it he thinks he can get.

Proceed.

Mr. KENNEDY. Mr. Chairman, we have had some of the bills that were paid by union funds put in the record this morning. Mr. Adlerman, assistant chief counsel, is there with some of those bills. I would like to have Mr. Beck identify them.

(The witness conferred with his counsel.)

Mr. ADLERMAN. Mr. Beck, I show you exhibit No. 119, consisting of a bill of the Yorozu Gardening Co., and I call your attention to the fact that there is an attachment to it in your handwriting with the notation "From the desk of Dave Beck." Will you identify your signature on that or your handwriting?

Mr. KENNEDY. Will you identify your signature on there, please?

Mr. CONDON. Before he answers, why not show him all the exhibits, before he answers? It might save time.

Mr. KENNEDY. I want him to answer that one.

Mr. CONDON. One at a time?

Mr. KENNEDY. Yes.

Mr. BECK. I must decline to answer the question because this committee lacks jurisdiction or authority under articles I, II, and III of the Constitution; further, I decline to answer because I refuse to give testimony against myself and invoke the fourth and fifth amendments; and further, because the question is not relevant or pertinent to the investigation.

The CHAIRMAN. The Chair overrules the objections and refusal to answer, and, therefore, orders and directs the witness to answer the question.

Mr. BECK. I decline to answer on the grounds stated in my last answer.

The CHAIRMAN. Proceed.

Mr. KENNEDY. Mr. Beck, do you feel that if you gave a truthful answer to that question it might tend to incriminate you?

(The witness conferred with his counsel.)

Mr. BECK. It might; yes.

Mr. KENNEDY. What was that bill for, there, Mr. Adlerman, the first one you showed him?

Mr. ADLERMAN. It is from the Yorozu Gardening Co., and the amount on the face is \$1,918.15.

Mr. KENNEDY. Was that bill paid out of union funds for your benefit, Mr. Beck?

Mr. BECK. I must decline to answer the question because this committee lacks jurisdiction or authority under articles I, II, and III of the Constitution; further, I decline to answer because I refuse to give testimony against myself, and invoke the fourth and fifth amendments; and further, because the question is not relevant or pertinent to the investigation.

The CHAIRMAN. The Chair overrules again the objection of the witness, and his refusal to answer, and orders and directs him to answer, with the approval of the committee.

Mr. BECK. I decline to answer on the grounds stated in my last answer.

The CHAIRMAN. Proceed.

Mr. KENNEDY. Do you feel, Mr. Beck, that a truthful answer might tend to incriminate you?

Mr. BECK. I definitely feel that it might; yes.

Mr. KENNEDY. Will you show him the next bill, please?

Mr. ADLERMAN. There are a series of four bills, marked "Exhibits 120-A, 120-B, 120-C, and 120-D," from the Yorozu Gardening Co., to Dave Beck, at 16747 Shore Drive, in various amounts.

Do you want me to specify the amounts?

Mr. KENNEDY. No. They are in the record already.

Mr. ADLERMAN. On the last page of exhibit 120D there is a handwritten note on the stationery of "from the desk of Dave Beck," which reads "Nate, please send check on this. DB." I believe this was identified as the handwriting of Mr. Beck by the previous witness.

Mr. KENNEDY. Do you identify that, Mr. Beck?

Mr. BECK. I must decline to answer the question because this committee lacks jurisdiction or authority under articles I, II, and III of the Constitution; further, I decline to answer because I refuse to give testimony against myself, and invoke the fourth and fifth amend-

ments; and further, because the question is not relevant or pertinent to the investigation.

The CHAIRMAN. The objections are overruled, and the refusal to answer is rejected.

The witness, with the approval of the committee, is ordered and directed to answer the question.

Mr. BECK. I decline to answer on the grounds stated in my last answer.

Mr. KENNEDY. Do you feel that a truthful answer might tend to incriminate you?

Mr. BECK. It might, yes.

Mr. KENNEDY. Were union funds used, Mr. Beck, to pay for your gardening, at your home?

Mr. BECK. I must decline to answer the question, because this committee lacks jurisdiction or authority under articles I, II, and III of the Constitution: further I decline to answer because I refuse to give testimony against myself and invoke the fourth and fifth amendments; and further because the question is not relevant or pertinent to the investigation.

The CHAIRMAN. The objection is overruled, and the refusal to answer is rejected. With the approval of the committee, the Chair orders and directs you to answer the question.

Mr. BECK. I decline to answer on the grounds stated in my last answer.

Mr. KENNEDY. Do you feel a truthful answer might tend to incriminate you? If you gave a truthful answer to that question as to whether union funds were used to pay your gardening, do you feel that might tend to incriminate you?

Mr. BECK. It might, yes.

Mr. ADLERMAN. Mr. Beck, I show you exhibit No. 121, which is a bill of Prentice Nursery & Decorating Co., addressed to you, dated July 22, 1952, in the amount of \$2,159.77.

(Document handed to witness.)

Mr. KENNEDY. Would you identify that, please?

Mr. BECK. I must decline to answer the question because this committee lacks jurisdiction or authority under articles I, II, and III of the Constitution: further, I decline to answer because I refuse to give testimony against myself, and invoke the fourth and fifth amendments; and further because the question is not relevant or pertinent to the investigation.

The CHAIRMAN. The Chair overrules the objections and rejects the witness' refusal to answer.

With the approval of the committee, the Chair orders and directs the witness to answer the question.

Mr. BECK. I decline to answer on the grounds stated in my last answer.

Mr. KENNEDY. Mr. Beck, do you feel that if you gave a truthful answer to that question, that it might tend to incriminate you?

Mr. BECK. It might, yes.

Senator McCARTHY. Mr. Beck—Mr. Chairman, if I might interpose—

The CHAIRMAN. Yes, Senator.

Senator McCARTHY. I am not acting as your lawyer or anything, but I just wonder if you would not reconsider. You are head of the most powerful union in the country. By your answer, when you say "I refuse to tell whether I misused union funds because the answer would tend to incriminate me," you are telling the union members that you did misuse the funds, and by doing that, you are tearing down a powerful union, a union that has done a lot of good, and you are building up a goon over in Detroit. Do you not realize that?

Mr. BECK. Senator McCarthy, I say to you that I am confronted, and have been notified by the Government, and there is a possibility, a great possibility, that I will have to face income-tax litigation in the courts. I am a layman. I am not a legal luminary. I am following out the advice of what I consider competent counsel. It is for that reason that I must decline to answer the questions, and exercise the privileges of the Constitution that I have outlined, and the Bill of Rights.

Mr. KENNEDY. You feel that truthful answers to these questions would tend to incriminate you? You feel that yourself, do you not, Mr. Beck?

Mr. BECK. It might tend to incriminate me; yes.

Mr. KENNEDY. All right. You feel that, yourself, that truthful answers to these questions about your use of union funds, some \$320,000 worth of union funds, you feel that giving truthful answers about your use of those funds might tend to incriminate you?

Mr. BECK. With litigation that I think confronts me, it might; yes.

Mr. KENNEDY. Did you take from the union some \$320,000 of union funds?

Mr. BECK. I must decline to answer the question because this committee lacks jurisdiction or authority under articles I, II, and III of the Constitution; further, I decline to answer because I refuse to give testimony against myself and invoke the fourth and fifth amendments; and further because the question is not relevant or pertinent to the investigation.

Mr. KENNEDY. Do you feel that if you gave a truthful answer to this committee on your taking of \$320,000 of union funds, that that might tend to incriminate you?

Mr. BECK. It might.

Mr. KENNEDY. It might tend to incriminate you?

Mr. BECK. Yes; it might.

Mr. KENNEDY. You know enough about your use, or your taking of the \$320,000, that if you gave a truthful explanation and answer to that, it might tend to incriminate you?

Mr. BECK. It might.

(The witness conferred with his counsel.)

Mr. KENNEDY. Is that right?

Mr. BECK. It might.

Mr. KENNEDY. You feel that yourself?

Mr. BECK. It might.

Mr. KENNEDY. I feel the same way.

The CHAIRMAN. We will have order, please.

Mr. KENNEDY. I want to know, breaking that money down, Mr. Beck, did you use union funds to purchase 5 dozen diapers for some of your friends at \$9.68?

Mr. BECK. I must decline to answer the question because this committee lacks jurisdiction or authority under articles I, II, and III of the Constitution; further I decline to answer because I refuse to give testimony against myself, and invoke the fourth and fifth amendments, and further because the question is not relevant or pertinent to the investigation.

Senator McCARTHY. I might say, Mr. Counsel, that I have——

The CHAIRMAN. The Chair overrules the objections in toto of the witness, and his refusal to answer, and, with the approval of the committee, orders and directs him to answer the question.

Mr. BECK. I decline to answer on the grounds stated in my last answer.

Mr. KENNEDY. Does the general president of the International Brotherhood of Teamsters, Chauffeurs, Warehousemen, and Helpers of the United States feel that giving a truthful answer to whether he used \$9.68 to buy 5 dozen diapers, \$9.68 of union funds to buy these 5 dozen diapers, it might tend to incriminate him?

Mr. BECK. I must decline——

Mr. KENNEDY. Do you feel that that might tend to incriminate you?

Mr. BECK. It might.

Off the record, Senator, you are assured it is not for myself, those diapers.

The CHAIRMAN. Some might question that last statement.

Let us proceed.

Mr. KENNEDY. Were union funds, Mr. Beck, used to pay the personal bills also of your son, Mr. Dave Beck, Jr.?

Mr. BECK. I must decline to answer the question because this committee lacks jurisdiction or authority under articles I, II, and III of the Constitution; further I decline to answer because I refuse to give testimony against myself, and invoke the fourth and fifth amendments; and further because the question is not relevant or pertinent to the investigation.

The CHAIRMAN. The Chair overrules the objections interposed by the witness and his refusal to answer, and, with the approval of the committee, orders and directs him to answer the question.

Mr. BECK. I decline to answer on the grounds stated in my last answer.

Mr. KENNEDY. Do you feel that a truthful answer might tend to incriminate you?

Mr. BECK. It might.

Mr. KENNEDY. Were two aluminum boats, at the cost of \$196.50, purchased for your son, Dave Beck, Jr., out of union funds?

Mr. BECK. I must decline to answer the question because this committee lacks jurisdiction or authority under articles I, II, and III of the Constitution; further I decline to answer because I refuse to give testimony against myself, and invoke the fourth and fifth amendments; and further because the question is not relevant or pertinent to the investigation.

The CHAIRMAN. The Chair overrules the objections interposed by the witness, and his refusal to answer, and, with the approval of the committee, orders and directs him to answer the question.

Mr. BECK. I decline to answer on the grounds stated in my last answer.

Senator MUNDT. Mr. Chairman?

The CHAIRMAN. Senator Mundt?

Senator MUNDT. To break up the routine temporarily on these questions and answers about the arithmetic involved, I would like to ask Mr. Beck a somewhat different question.

I want to read you the first paragraph, Mr. Beck, of an article in the New York Herald Tribune of this morning, Wednesday, March 27, written by a man whom I consider to be a great American and a fine newspaperman, Mr. David Lawrence.

I hope that you agree with me in my high regard for him. He has been here a long time. He is objective. He edits a magazine which most of the Senators read each week, and I hope you read it, U. S. News & World Report.

I want you to listen to the first paragraph. The heading is—

BECK CALLED MORALLY BOUND TO MAKE A FULL DISCLOSURE

(By David Lawrence)

Dave Beck, head of the Teamsters Union, has a legal right to avoid giving testimony that could be used against him in a future trial. But in the courts of public opinion, he is bound by a moral obligation to make a full disclosure of what he has done with the funds entrusted to him by his labor union members.

Do you agree with me that there is a lot of validity, commonsense, and equity in what Mr. Lawrence wrote in that column this morning?

Mr. CONDON. Mr. Chairman?

The CHAIRMAN. All right, Counsel.

Mr. CONDON. Before the witness answers that question, may I make an observation on Senator Mundt's question?

It occurs to me, and perhaps it has to Senator Mundt, too, that the author of that article may not realize that the immunity statute that existed on our books until sometime in 1954, under which Mr. Beck couldn't possibly find himself in the predicament he is in now, facing imminent prosecution, indictment, for Federal income tax alleged violations, it occurs to me that you may have taken that into account, too, that the immunity statute, as you know, was repealed some 3 years ago, and the immunity statute now on the books is of an entirely different nature and does not provide the protection to a man in Mr. Beck's situation that that one did.

It occurs to me that the writer of that article was laboring under the misapprehension that citizens still have the protection when they testify before these congressional committees, of the type of immunity that they had 3 years ago, and before that time, under which, as you know, their testimony could not be used against them in subsequent actions or prosecutions or litigation.

Senator MUNDT. Mr. Condon and Mr. Beck, the immunity statute in no way involves a witness whose honest testimony can be freely given on pertinent questions in such a way that he does not get himself involved in some kind of legal entanglement. It has been my hope throughout these hearings that Mr. Beck could make a full disclosure, could give honest, factual, and forthright replies, and that he was free enough from the allegations which have been made so that those honest answers would not involve him in litigation.

Of course, if you know, if he knows, and if Mr. Duff knows information which we do not have, which means that honest answers

to these very relevant questions would get him involved with Federal authorities, then he has the right, under the present immunity statute, to plead the fifth amendment.

I was asking the question of whether you did not feel there was a lot of good sense in what Mr. David Lawrence pointed out, and that you have a moral obligation to the teamsters themselves, whose dues have built the empire which you run, to make that kind of full disclosure.

(The witness conferred with his counsel.)

Mr. BECK. Senator Mundt, let me answer this way: I dislike very much the delay that occurs. I would like to answer questions fully and completely. But I have outlined to the committee very definitely the reasons why I am following the procedure of exercising constitutional rights. I am doing it strictly on the advice of most eminent counsel, counsel who himself was a Member of this United States Senate, and I cannot employ that counsel to advise me, in all the intricacies that are involved, and the possibility of future legal action, and disregard that advice. Because I am following that advice, in my personal opinion, I must consider the long pull, the fact that I may face court procedure.

I have no doubt in the slightest degree, in my own mind, the final determination of it, that in a court of law, with the right to face my accusers, cross-examination, and rules of evidence applying, and other things that do not handicap or impede me, that I will be able to give a full, final, and satisfactory answer to it all.

But in the interval of that time, unfairly or fairly, regardless of any sentiment or emotion that may arise, any abuse or semiabuse, or sarcasm, that may confront me, I am big enough and broad enough and able to take it, and I am going to exercise my constitutional and legal rights as has been recommended to me by my legal counsel.

Senator MUNDT. If you were big enough and broad enough and able enough, which I think you are, to answer these questions honestly and directly, we would all get through with this unhappy business a lot quicker.

Mr. BECK. Senator Mundt, may I emphasize to you that in my answers I am following out the advice of legal counsel, and I intend to follow it out. That is the reason I hired it. I think it is eminent counsel, of high-class American citizenship, and in my opinion I can do nothing but follow out that advice.

(At this point, Senator Kennedy withdrew from the hearing room.)

Senator MUNDT. The difficulty, Mr. Beck, is this, that if that advice proves to be erroneous, it is you who stands here before the American public with the full implications of the statement you are making. It is you who has the responsibility to the teamsters of America, not Mr. Duff, not Mr. Condon, not anybody else. This is your individual responsibility and decision which you can make after deliberation and counsel with your attorneys. But, after all, it is your decision that has to govern.

Mr. BECK. Senator Mundt, let me answer you this way: I fully realize all my responsibilities to this international union, and I have had some little part in building it to its present stature. I don't hire a doctor and not follow his advice, and if he makes a mistake and takes out my appendix when he should have taken out my liver, I am

the one that will suffer. I understand fully of Senator Duff and his associate counsel—

The CHAIRMAN. Can the Chair ask you to speak a little louder? It is difficult to hear you.

Mr. BECK. I will do my best to speak louder, if you desire, sir.

Mr. CONDON. Mr. Chairman?

Senator MUNDT. Mr. Beck, a lot of us have hired doctors, and if we do not get well we get a different doctor or take some different advice. I do not think you are getting well, based on the testimony you are giving. Maybe you ought to give some thought to changing counsel. I do not mean the individual counsel, but changing the reaction that you have from the counsel you are getting.

Mr. BECK. Senator Mundt, do you advocate that I get different legal counsel?

Senator MUNDT. No, sir. I advocated at the beginning, from the counsel that you have been receiving, that you give different kinds of answers, because, after all, these are your decisions.

Mr. BECK. Senator Mundt, perhaps my legal counsel's decisions and advice to me don't meet with your approval. I have no objections to that. But I am carrying out that advice and I am going to continue to carry it out, because I have every confidence in the counsel that I have retained.

Senator MUNDT. It is not important whether they meet with my approval or not. They certainly do not meet with the approval of a great many of the members of your union who are writing me letters and making telephone calls, and who are saying, "We believe that perhaps Dave Beck hasn't been properly treated by your committee. We can't believe that he can stand there and duck and dodge and refuse to answer questions about whether he has stolen the money, when we paid the dues."

These are the people who are worrying about it. I am trying to help you, if I can, to see your moral obligation to them, and to make some kind of statement other than that routine that you have been going through.

I cannot conceive that any answer that you would give would be as displeasing to us as taking the privilege of the fifth amendment.

Mr. BECK. Senator Mundt, let me answer it this way: I would be perfectly willing to place my hand on the Bible, under oath, that I have already in my possession thousands and thousands of telephone calls, communications, telegrams, et cetera, from the membership of this great organization, supporting the position that I am taking. If I am not taking the right position, I will be a candidate for general president of this international union in September; the membership of this international union, in convention assembled, will have the opportunity at that time to either approve or disapprove of my stewardship of this international union. It is a few short months away.

In the interval of that time, I intend—and I am glad to write into the record—I intend to follow the advice of my legal counsel and the procedure that I am following before this committee.

Senator MUNDT. Mr. Beck, did you use to be a member of the board of regents of the University of the State of Washington?

Mr. BECK. I was a member of the board of regents of the State University in Washington, and acted as its chairman; yes.

Senator MUNDT. I remember that, as a former educator, and I watched with great admiration some of the statements you made at that time, one which as I recall had to do with college professors accused of communism who took the fifth amendment. Do you recall that statement?

Mr. BECK. I don't recall that particular statement, but for 35 years, Senator, of my lifetime in the labor movement, I don't think there is a man in the United States of America, along with my friend here, Senator McCarthy, who has fought communism harder than I have fought it.

I disagree with Senator McCarthy on other things, but I agree with him 100 percent, that he has made a great contribution to our country in his fight on communism.

Senator MUNDT. Mr. Beck, I was in the process of commending you for some of the statements that you made and wondered if you recall your stand you then took on witnesses that took the fifth amendment.

Mr. BECK. I do not remember it, Senator Mundt. I can't possibly remember it. All I want you to say—disagree with me if you desire. You may feel that I am erring at this particular time. I want to impose upon you if I can, in your conscience and in your mind, I have been in this trade union movement for 40 years. I haven't done in my own mind one single thing that in the final days in the courts, where I have the right to face my accusers, the cross-examination and all the other privileges of the courts, that I will not be able to come out of it clean and white, 100 percent.

In the interval of time, however, I must follow the advice of my legal counsel.

Senator MUNDT. Mr. Beck, you have had the right to face your accusers here this afternoon. The accuser is the check which you signed. The accuser is the testimony that Mr. Shefferman gave about these various gifts and donations. The accuser is in the face, in the composition, of your own records. There is no witness coming in here and making statements here. We are trying to unravel some financial facts and figures that came out of the record. That is all.

Mr. BECK. Senator Mundt, let me answer you this way: Under our jurisprudence system, and under the constitutional rights vested in me and all other citizens, hiring eminent counsel of unquestioned American citizenship and ability, when they elect in a matter of legal advice to tell me to exercise the procedure I am following, in my opinion, in deference to myself, my family, and everyone else, I shall follow out that advice. And if temporarily, and I am sure it will be temporarily, if that, in your mind, creates an antagonism toward me, or in any sense feel that I am not living up to all of the responsibility of American citizenship, I will have to suffer that.

But I assure you that I am going to follow out the advice of my counsel.

(At this point, the Chairman and Senator McNamara withdrew from the hearing room.)

Senator MUNDT. Mr. Beck, would you answer this question, on which your counsel has not briefed you or advised you. This is just between two of us, now, neither one of whom in any way condones communism. Is my memory in error when I seem to recall that as a mem-

ber of the board of regents of the University of the State of Washington you spoke out vigorously in denunciation of witnesses that took the fifth amendment?

Mr. BECK. Senator Mundt, I say to you most honestly, the record is not in front of me, I think the lowest person in the United States of America, lower than the stomach on a snake, is a Communist. I have preached it and fought it in the arena of the American labor movement for 40 years. I have never retreated from it, and I don't think there are 10 Communists in the teamsters union in the United States of America. I have fought it under the rule book that they elected to fight under, any time they ever raised it.

I do not recall ever having made that statement. I may have made it, and I am not going to deny that. If I did make it, it is in the record.

Senator MUNDT. I thought you had made it and I wanted to congratulate you on having made it.

Mr. BECK. I don't know, sir.

Senator IVES. All right, Mr. Counsel, go ahead.

Mr. KENNEDY. We have some of these records that I want you to identify either your signature or your writing, Mr. Beck.

Mr. ADLERMAN. Mr. Beck, I show you exhibit No. 122, which is on the stationery "From the desk of Dave Beck" in printing, and addressed to "Nate," reading—

please forward your personal check to Prentice Nursery in the amount of \$4,534.94 airmail special delivery, Dave.

I will forward you check immediately.

Mr. KENNEDY. What is the explanation of that, Mr. Beck?

Mr. BECK. I must decline to answer the question because this committee lacks jurisdiction or authority under articles I, II, and III of the Constitution; further, I decline to answer because I refuse to give testimony against myself, and invoke the fourth and fifth amendments; and further because the question is not relevant or pertinent to the investigation.

Senator IVES. The Chair overrules your objection and directs you to answer, with the consent of the committee.

Mr. BECK. I decline to answer on the grounds stated in my last answer.

Mr. KENNEDY. Mr. Beck, in addition to taking your lawyers' advice on that answer, you also personally feel that a truthful answer to that question might tend to incriminate you?

Mr. BECK. It might, yes.

Mr. ADLERMAN. I have in my hands exhibit No. 123, which is a bill of Saks Fifth Avenue for the sum of \$90.92, addressed to Dave Beck, bearing the handwritten notation on top, "Nate, please pay this," and the initials D. B., which were identified by Mr. Shefferman as the initials of Mr. Beck. On the bottom is a notation:

Tell them their sox I purchased are terrible. Full of holes.

Mr. BECK. I must decline to answer the question—

(The witness conferred with his counsel.)

(At this point, the chairman entered the hearing room.)

Mr. ADLERMAN. Do you identify this as in your handwriting or as your signature?

Mr. BECK. I must decline to answer the question because this committee lacks jurisdiction or authority under articles I, II, and III of the Constitution; further I decline to answer because I refuse to give testimony against myself and invoke the fourth and fifth amendments; and further because the question is not relevant or pertinent to the investigation.

The CHAIRMAN. The Chair overrules the objections interposed by the witness, and his refusal to answer the question, and orders with the approval of the committee orders, and directs him to answer the question.

Mr. BECK. I decline to answer on the grounds stated in my last answer.

Mr. KENNEDY. You personally feel that giving a truthful answer to that question might tend to incriminate you?

Mr. BECK. It might.

Mr. ADLERMAN. Here is exhibit No. 124, a bill of the Haymarket Clothing Co., of Boston, Mass., sold to N. W. Shefferman, Chicago, Ill. two special coats at \$135 each, \$270, ship to Dave Beck, Woodmere Apartments, 3636 16th Street NW., and I ask you if you can identify that.

Mr. KENNEDY. I want to find out, Mr. Beck, did you purchase at union expense these two coats?

Mr. BECK. I must decline to answer the question, because this committee lacks jurisdiction or authority under articles I, II, and III of the Constitution; further I decline to answer because I refuse to give testimony against myself, and invoke the fourth and fifth amendments; and further because the question is not relevant or pertinent to the investigation.

Senator IVES. In view of the chairman's absence from the chair, I will take the privilege of rejecting your objection and ordering you to answer.

Mr. BECK. I decline to answer on the grounds stated in my last answer.

Senator IVES. You understand, that is with the full consent of the committee?

Mr. BECK. Yes, sir. Yes, Senator.

Mr. KENNEDY. Mr. Beck, you feel, you personally feel that if you told this committee whether you purchased two coats with union funds, that a truthful answer to that question might tend to incriminate you?

Mr. BECK. It might.

Mr. CONDON. Your Honor, Mr. Chairman, may I ask that you suspend for a moment while I hand you this letter to look at?

(Document handed to the chairman.)

The CHAIRMAN. The Chair will pass this letter to other members of the committee while we proceed.

Before the Chair makes any statement about it, he would like for the other members of the committee to become familiar with it.

Mr. CONDON. Thank you.

The CHAIRMAN. Thank you very much.

Counsel may proceed.

Mr. KENNEDY. I would like to pass on from Mr. Shefferman's bills to the bills regarding your home and Mr. John Lindsay. What has

been your relationship with Mr. John Lindsay, the contractor in Seattle?

Mr. BECK. I must decline to answer the question because this committee lacks jurisdiction or authority under articles I, II, and III of the Constitution; further I decline to answer because I refuse to give testimony against myself and invoke the fourth and fifth amendments; and further because the question is not relevant or pertinent to the investigation.

Senator McCARTHY. Mr. Chairman, may I make a very brief comment?

I think we are wasting a great deal of time here. I do not believe that there is any possibility of getting any evidence from Mr. Beck. I just wonder if the counsel should not put the figures into the record and drop it here. We can stay on for days and days. I know that Mr. Beck's answers will remain the same.

I assume that is right; is it not, Mr. Beck?

Mr. BECK. It is, Senator; yes, sir.

Senator McCARTHY. I would suggest we call a halt pretty soon, and get to our other business.

The CHAIRMAN. The Chair will state, as Senator McCarthy knows and other members of the committee know, that I have just conferred with them regarding a continuation of this display or performance—I do not know what else you can call it—and as soon as we complete 1 or 2 matters that should go into the record, the Chair will take appropriate action to bring this session to a close.

Does any Senator have any question?

Senator GOLDWATER. Mr. Beck, I have just a few short questions in another area. Do you know John C. Stevenson?

(The witness conferred with his counsel.)

Mr. BECK. Senator Goldwater, yes; I do know John C. Stevenson.

Senator GOLDWATER. Who is he?

Mr. BECK. John C. Stevenson is an attorney now located in southern California.

Senator GOLDWATER. How long have you known him?

Mr. BECK. I suppose I should be able to answer that easily, but I can't. My mind is running back. I first knew him when he was a county commissioner up in Seattle, Wash. I am trying to remember whether it was before or after the war. Let us say, not pinning me down to the exact years, perhaps 20 years.

Senator GOLDWATER. Did you ever know him as John C. Stockman?

Mr. BECK. I never did; no, Senator.

Senator GOLDWATER. Did you ever know that he was indicted in Buffalo, N. Y., on a charge of defrauding clients?

Mr. BECK. To answer that question truthfully, I would have to say no; I did not know that, but I have read of that in the newspapers in Seattle at the time that he was before the press and the public there.

Senator GOLDWATER. Did the teamsters lend him \$25,000 to buy a home or a ranch?

(The witness conferred with his counsel.)

The CHAIRMAN. Here we go.

Mr. BECK. I must decline to answer the question because this committee lacks jurisdiction or authority under article I, II, and III of the Constitution; further I decline to answer because I refuse to give

testimony against myself and invoke the fourth and fifth amendments; and further because the question is not relevant or pertinent to the investigation.

The CHAIRMAN. The Chair overrules the objection interposed by the witness and his refusal to answer, and, with the approval of the committee, orders and directs the witness to answer the question.

Mr. BECK. I decline to answer on the grounds stated in my last answer.

Senator McCARTHY. Mr. Chairman, the Chair has passed to members of the committee a letter from James Duff. He requests that this be read into the record. While I have no quarrel with Jim Duff, he and I have always gotten along very well, as I recall, I do think that if a lawyer wants to issue a statement, he should issue it from his own office or come here personally and issue it.

I am not impressed by one statement he makes, and that is that he feels it would not be proper for him, as a recent Member of the Senate, to participate before a Senate committee on the opposite side of matters that may have been under consideration while he was a Member of the Senate.

He is participating. His name was used 18 times yesterday, and I do not know how many times today. He is taking part. He is using his influence, whatever that may be, before this committee.

I think if Senator Duff wants to issue a statement, that it should be issued by his own office and not by a committee before which he sees fit not to appear.

So I would strenuously object to the Chair issuing this statement for him, not that there is anything of any moment in it, but it is just the principle of the matter.

I am not putting that in the form of a motion, Mr. Chairman. If the Chair would like to read it, I will certainly accede to the Chair and will not ask for a vote on it.

The CHAIRMAN. The Chair has conferred with chief counsel with respect to some other matters that this witness should be interrogated about. It is anticipated that we will get the same kind of response that we have been getting. But just so that the public will know that there is more, and yet more, I am going to indulge this session a little longer so that counsel may ask some of these very pertinent questions and let the witness continue to take the fifth amendment.

Mr. KENNEDY. Could I just make a preliminary statement about each one and why I am asking?

The CHAIRMAN. Yes. First, however, with respect to this letter, the Chair will reserve decision on that until we conclude with the witness.

Proceed.

Mr. KENNEDY. Just prior to the time I ask you, Mr. Beck, a question, we have more information on the position that you took regarding the fifth amendment of certain professors of Washington University.

He stated at that time when he was on the board of regents,

I have no time for that group of individuals who hide behind every technicality, and these were professors who took the fifth amendment, technicalities which they would destroy to hide their subversive thinking. Americans who are living the American way do not have to hide behind technicalities.

You were a member of the board of regents at that time in 1949—is that correct—of the University of Washington?

Mr. BECK. I very definitely was a member of the board of regents. The only thing I would like to ask you is, is it embodied in there that I used the language fifth amendment or technicalities?

Mr. KENNEDY. Technicalities.

Mr. BECK. I wanted to clear that up. That expresses 100 percent my sentiments towards communism at that time and it is still the same as it was for 25 years before that.

Mr. KENNEDY. This was 5 or 6 professors who were charged with communism, Mr. Beck.

Mr. BECK. I understand it very well.

Mr. KENNEDY. They appeared before a congressional committee and took the fifth amendment. The question before the board of regents was whether they should be fired because they had taken the fifth amendment and you made this statement at that time, that you felt,

Americans who are living the American way do not have to hide behind technicalities,

referring to those professors.

Mr. BECK. I subscribe 100 percent to what I said in that telegram or information that you have in front of you and I emphasize again I personally am following out the advice of counsel—

The CHAIRMAN. We concede that, you are following the advice of counsel.

Mr. BECK. All right. That is where it is.

The CHAIRMAN. Let the Chair ask you this: Did you make this statement?

Mr. BECK. I do not know whether I made that exact statement or not.

The CHAIRMAN. Do you deny you made it?

Mr. BECK. I do not deny it because I don't know. I would have to look at the record. I did not know whether I made that statement or not. Of course, I don't.

Mr. KENNEDY. What position did you take on the professors? That they should be retained?

Mr. BECK. I opposed professors that advocated the philosophy of communism.

Mr. KENNEDY. That is not the question. What position did you take on professors that took the fifth amendment?

Mr. BECK. I do not recall whether that was the particular issue or not. I do not recall that.

Mr. KENNEDY. What position did you take on the professors, generally, then?

Mr. BECK. I have taken the position against professors or anyone else—

Mr. KENNEDY. I do not care—

Mr. BECK. Let me answer the question.

The CHAIRMAN. Just a moment.

Mr. BECK. I am trying to answer it and you interrupt me. I don't interrupt you.

The CHAIRMAN. Just a moment. The Chair is interrupting. I want to get a little order.

Ask the question.

Mr. KENNEDY. Mr. Beck, I am not asking you about how you generally feel about professors that advocate communism. Wait a minute. All I am asking you is what position did you take on the six professors at Washington University?

Mr. BECK. I voted against those professors.

Mr. KENNEDY. Being retained?

Mr. BECK. Being retained.

Mr. KENNEDY. Thank you.

The CHAIRMAN. Because they took the fifth amendment?

Mr. KENNEDY. Because they were hiding behind technicalities.

Is that right?

Mr. BECK. Because they were hiding behind technicalities according to the information you have there and I do not know whether it is correct or whether it pertains to the fifth amendment or not.

"Technicalities" is a broad term that can encompass a great deal more grounds than just the fifth amendment.

The CHAIRMAN. Do you know a more effective technicality to hide behind than the fifth amendment?

This is serious. Let us have order.

Mr. BECK. My answer to you, Senator, is I am not competent to answer that question and regardless of what impact it may have on me, I am exercising the procedure I am following upon advice of legal counsel.

The CHAIRMAN. That is conceded.

Mr. KENNEDY. Mr. Chairman, we have information that out of the \$320,000 that Mr. Beck took from the union, \$196,000 of it went to the contractor John Lindsay for working at Mr. Beck's home, including the building of his swimming pool.

I would like to ask Mr. Beck if that is correct.

Mr. BECK. I must decline to answer the question because this committee lacks jurisdiction or authority under articles I, II, and III of the Constitution; further I decline to answer because I refuse to give testimony against myself and invoke the fourth and fifth amendments; and further, because the question is not relevant or pertinent to the investigation.

The CHAIRMAN. The Chair overrules the objections interposed by the witness and his refusal to answer, and, with the consent of the committee, orders and directs the witness to answer the question.

Mr. BECK. I decline to answer on the grounds stated in my last answer.

Mr. KENNEDY. Mr. Chairman, this takes on particular significance, the construction work that was done on Mr. Beck's home because in April 1955, the union paid Mr. Beck \$163,215 for that same home on which they had already done this work including building the swimming pool.

Would you explain that to the committee, Mr. Beck?

Mr. BECK. I must decline to answer the question because this committee lacks jurisdiction or authority under articles I, II, and III of the Constitution; further, I decline to answer because I refuse to give testimony against myself and invoke the fourth and fifth amendments; and further, because the question is not relevant or pertinent to the investigation.

The CHAIRMAN. The objections interposed by the witness and his refusal to answer are overruled and the Chair, with the consent of the committee, orders and directs the witness to answer the question.

Mr. BECK. I decline to answer on the grounds stated in my last answer.

Mr. KENNEDY. Mr. Chairman, on another matter, we have information that Dave Beck purchased 2 lots, 2 properties, that adjoined the Joint Council Building Association in Seattle; that he purchased these lots for \$39,000 and then sold them to the teamsters union for \$135,000.

The CHAIRMAN. Let the Chair ask you to clarify it. Was that at a time when he was an official in the union?

Mr. KENNEDY. That is correct, Mr. Chairman. He purchased the lots for \$39,000 and sold them to the teamsters union for \$135,000, based on the information that we have.

(The witness conferred with his counsel.)

The CHAIRMAN. Ask the witness whether he did it.

Mr. KENNEDY. Mr. Beck, do you do that?

Mr. BECK. I must decline to answer the question because this committee lacks jurisdiction or authority under articles I, II, and III of the Constitution; further, I decline to answer because I refuse to give testimony against myself and invoke the fourth and fifth amendments; and further, because the question is not relevant or pertinent to the investigation.

Senator MUNDT. Mr. Chairman, I would like to ask Mr. Beck a question.

The CHAIRMAN. The Chair overrules the objections interposed by the witness and his refusal to answer and, with the consent of the committee, orders and directs the witness to answer the question.

Mr. BECK. I decline to answer on the grounds stated in my last statement.

The CHAIRMAN. Senator Mundt?

Senator MUNDT. Mr. Beck, I am intrigued by the last two or three words that you use in this paper that you keep reading back at us. Will you read the last clause? I think it says, it is, "not pertinent to this inquiry."

Will you read those few words?

Mr. BECK. And further, because the question is not relevant or pertinent to the investigation.

Senator MUNDT. Let us stick to that. This inquiry is directed to ascertain whether or not there have been improper activities on the part of labor officials. Would you agree with me, sir, that if a labor official, and I am not talking about Dave Beck, but if a high labor official, a general officer, stole money from the labor union or misappropriated it for his own funds, would you agree that that would be an improper activity?

Mr. BECK. I most certainly would.

Senator MUNDT. Therefore, it seems to me that the last part of your statement, quite apart from whether you are guilty or not—for we are trying to find out only whether or not those things took place as far as you were concerned—certainly, the questions with reference to that must be pertinent or relevant to this inquiry, must they not?

Mr. BECK. My answer to you, Senator Mundt, is the entire lan-

guage. It is my counsel's language that I am quoting to you strictly from his recommendations from a legal standpoint.

Senator MUNDT. So we can understand each other, are you telling me that your particular answer is what Mr. Duff told you to say in response to those questions?

Mr. BECK. I didn't hear your question.

Senator MUNDT. Are you telling me that this last language that I am arguing about, this relevancy and pertinency, that you did not interpose that into your answer, but you are reading what Mr. Duff told you to say in response to questions along this line?

Mr. CONDON. Mr. Chairman?

Senator ERVIN. I think that is invading the confidential relationship of counsel and client.

Senator MUNDT. The witness has already volunteered the facts that he was responding in response—

The CHAIRMAN. One moment, please.

Senator ERVIN. I believe the committee ought not invade the confidential communications between attorney and clients.

Senator MUNDT. The witness volunteered this information.

The CHAIRMAN. If my colleagues will let the Chair hear the question I will be able to rule and you can appeal from the ruling of the Chair.

Senator McCARTHY. Would the Senator from North Carolina yield first?

Senator ERVIN. Yes.

Senator McCARTHY. I would like to call your attention to the fact that Senator Mundt did not inject this into the question, that it was the witness who said, "I am reading what my counsel told me to read." So he has already waived any privileges, I believe.

Senator ERVIN. I realize that may be so. However, every person is entitled to counsel and a person is very effectively deprived of the benefits which he gets by virtue of his right to counsel if inquiry is made as to what transpired between him and his counsel.

I think that the right of counsel is so essential to the protection of rights of all citizens and I also think that it is so essential that a person should be allowed to communicate freely with his counsel and his counsel with him; that that field ought not to be invaded even if the witness may take and, in a sense, open the door.

Senator MUNDT. Mr. Chairman. I have no quarrel with the completely irrelevant observations of my good friend from North Carolina. It just does not happen to apply in this particular situation.

I was interrogating Mr. Beck along the line of whether or not he felt questions dealing with the misuse of union funds could conceivably be irrelevant or lack pertinency in this inquiry because he has previously told me and he agreed with me that if a general officer in the labor union were using union funds for himself, that that would be improper practice.

We had agreed on that. I said, "That being true, how can you possibly say that a question asked about whether or not you made an improper use of union funds was not pertinent or was irrelevant." Whereupon, on his own volition, he told me that his counsel told him to answer the question that way.

I said, "Did I understand you correctly when you made that statement?" It was at that point that the Senator from North Carolina injected himself into the colloquy.

Senator ERVIN. Mr. Chairman, I would like to make one observation in reply to the statements of my good friend from South Dakota that my observations are not relevant. I think it is relevant at all times to stand up for a man's rights under the Constitution, and one of the most fundamental of these rights is the right to benefit of counsel and that right can only be preserved where the rule is observed so that there can be free communication between an attorney and clients.

I make this statement, that regardless of whether a person is guilty or innocent, regardless of what he is charged with, I would stand up for this same principle in favor of a Communist.

Senator MUNDT. I have no quarrel with that statement. I simply point out that the Senator from South Dakota has no control over what this witness says or refuses to say. He voluntarily injected that into his reply when I was trying to find out from him how he could conceivably figure out that these questions were not pertinent and were not relevant when they dealt with the subject which he himself has said was a relevant point of inquiry, and that was with regard to the misappropriation of funds.

The CHAIRMAN. Now, if the Chair may have the question, I will try to rule on it.

Senator MUNDT. There is no question, I think, before you, Mr. Chairman.

The CHAIRMAN. If there is no question, let us proceed.

Senator IVES. Mr. Chairman—

Senator MUNDT. I would like to say, though, in view of the voluntary answer which was made by Mr. Beck, as to his reason for trying to outlaw these questions as being irrelevant or not pertinent to the inquiry, that then I, too, believe that the letter we received from Senator Duff should not be made part of the record because certainly it does not occur to me that a witness should be receiving counsel in absentia and that the counsel should then communicate with this committee by way of letters.

The CHAIRMAN. The Chair would remind all of his colleagues, and others interested, that in each instance, the Chair has overruled the reasons that are posed by the witness for not answering questions, including that part of his reason that refers to irrelevancy and non-pertinency to this inquiry. They have, in each instance, been overruled. I do not know anything further the Chair can do about that. The witness did open the door to some extent by saying that he believed that it would be pertinent, as I interpreted his answer it would be pertinent, if this committee were inquiring into the matter that Senator Mundt referred to and that is exactly what this committee is doing and the duty it is charged with.

So the witness stands, by his own answer, in a contradictory position from the form objection that he reads and the reasons that he gives in answering the questions and the answer that he gave under oath to Senator Mundt as to his belief that they would be relevant and pertinent if applied to someone else.

I think we can let the record stand on that.

Senator IVES. I have a couple of questions, Mr. Chairman, I would like to ask Mr. Beck.

First, Mr. Beck, do you think it proper for labor organizations to lend money to companies with which they are engaged in collective bargaining?

Mr. CONDON. Mr. Chairman, may I ask of Senator Ives?

Your question is of general purport; is it not?

Senator IVES. General purport. It is just a matter of general policy, general principle I am asking about.

Mr. CONDON. Would you repeat the question?

Senator IVES. Yes. Do you think it proper for labor organizations to lend money to companies with which they are engaged in collective bargaining?

Mr. BECK. Senator, I want to answer that question. I don't think I can answer that yes or no. I don't think I can do it.

Senator IVES. Answer it anyway you want to, I just want to get your philosophy.

Mr. BECK. Well, Senator, I, myself, as chairman of the finance committee of our International Brotherhood of Teamsters, loaned \$1½ million to the Fruehauf Corp. that was repaid in 14 months. They employ some of our teamsters, not very many, and the loan was made because in my judgment, it was a contribution of a financial nature, sound in an investment structure, to a great employing corporation that needed assistance that at that particular moment did not have a credit rating good enough, under existing conditions to get it at the banks or through the bonding houses or insurance companies.

In other instances, I would say that exercising the keen judgment that you should have when you invest the moneys of the organization, weighing all factors considered, I think there is times when you should not loan it, and it is for that reason that I say to you that I don't think you give a yes or no answer.

Senator IVES. In other words, you think it depends upon the exigency of the moment?

Mr. BECK. The circumstances, yes.

Senator IVES. Thank you. Do you believe it proper for union officials to have personal business relationships with insurance brokers who invest union funds or pension or welfare funds?

I think you know what I mean by that.

Mr. CONDON. May I ask a question of Senator Ives? This question, Senator, I take it is also one of general scope?

Senator IVES. General policy. I am not trying to trap Mr. Beck.

Mr. CONDON. I was sure of that, Senator.

The CHAIRMAN. Let the Chairman point out something, gentlemen, this will be for the benefit of the witness.

If the witness goes to answer general questions, it will be as to his belief, his judgment, and his policy. He will open the door.

If you want it open, open it. I will be glad to have it open.

Mr. BECK. Can I answer the chairman this way? I do not want to open the door, and I emphasize that I am a layman and not a legal mind. I have enough confidence, regardless of any disagreement that may exist between us, that no member of this committee would take advantage of the fact that I do not possess legal knowledge and impose upon it.

The CHAIRMAN. We all know that. Proceed.

Senator IVES. I will tell Mr. Beck, I am not trying to trap him.

Do you want to answer that question?

Mr. BECK. I don't think you are, sir.

The CHAIRMAN. Let us answer the question or refuse.

(The witness conferred with his counsel.)

Mr. BECK. I must decline to answer the question because this committee lacks jurisdiction or authority under articles I, II, and III—

The CHAIRMAN. Consider it read. The Chair overrules it. It can be incorporated into the record just as it has been read here before.

Mr. BECK. I decline to answer on the grounds stated in my last answer.

The CHAIRMAN. The Chair overrules it. It will be printed in the record in full at this point.

I am trying to expedite this to a conclusion.

The Chair, with the approval of the committee, orders and directs the witness to answer the question.

(The witness conferred with his counsel.)

Mr. BECK. I decline to answer on the grounds stated in my last answer.

The CHAIRMAN. Proceed.

Senator McCarthy.

Senator McCARTHY. Do you have money deposited in any European banks?

Mr. BECK. I do not, no, Senator McCarthy.

Senator McCARTHY. You do not?

Mr. BECK. I do not. Not 5 cents.

Senator McCARTHY. Thank you.

Senator GOLDWATER. May I ask one question?

The CHAIRMAN. Senator Goldwater.

Senator GOLDWATER. Continuing Senator Ives' question, do you believe that tax-free organizations should pay taxes on any earned income from the organization funds?

(The witness conferred with his counsel.)

Senator GOLDWATER. Let me tie it down. You loaned Freuhauf a million dollars. They paid you interest on it. You earned money on tax-free money. Do you feel it would be right for us to consider legislation which would allow the Federal Government and the State governments to tax that earned income?

Mr. BECK. I have no objection to answering that question, as my judgment dictates, if I have the assurance of the committee I am not opening the door.

The CHAIRMAN. The committee will give you no assurances.

Mr. BECK. Then, I must decline to answer the question because this committee lacks jurisdiction or authority—

The CHAIRMAN. All right. Consider it read. It is overruled.

You are ordered and directed to answer the question.

Mr. BECK. I decline to answer on the grounds stated in my last answer.

Senator GOLDWATER. Mr. Beck, out of these hearings—not these particular ones, exclusively, but out of the entire series of hearings—there will undoubtedly come some legislation.

This could possibly be one of the points of legislation. I am not trying to trap you. I am trying to get some information, over and

above what we have been trying to get from you, that will enable us to act intelligently on labor legislation when the time comes to do it.

It seems to me that you could answer that question. It is not going to incriminate you.

Mr. BECK. Can I put it this way: I do not desire to open the door, but I will be very happy to meet with you in your offices or anywhere else after this committee has released me and I am not under oath, and go into a general discussion of the subject matter and give you all of my opinion as I honestly believe it.

Senator GOLDWATER. Would you meet with me and discuss the right-to-work question on the same basis?

Mr. BECK. I will meet with you, Senator Goldwater, and discuss anything that you can bring up, hoping that in a small measure I may contribute something to your knowledge of it in any way, shape or manner.

Senator GOLDWATER. I hope that I can contribute something to your knowledge of it.

Mr. BECK. I am sure you can.

The CHAIRMAN. Counsel, proceed.

Mr. KENNEDY. Mr. Chairman, on Mr. Beck's answers on the Freuhauf, which he answered, it was of particular interest.

I was wondering if after the teamsters union, through you, loaned \$1.5 million to the Freuhauf Trailer Co., did you receive any moneys, directly, you, personally, Mr. Dave Beck receive any moneys, directly or indirectly, from the Freuhauf people?

Mr. BECK. I must decline to answer the question, because this committee lacks jurisdiction or authority under articles I, II, and III of the Constitution; further I decline to answer because I refuse to give testimony against myself and invoke the fourth and fifth amendments; and further because the question is not relevant or pertinent to the investigation.

The CHAIRMAN. The objections interposed by the witness are overruled. His refusal to answer is overruled.

With the consent of the committee, he is ordered and directed to answer the question.

Mr. BECK. I decline to answer on the grounds stated in my last answer.

Mr. KENNEDY. Tell me if this is true, that in March 1954 you came under income-tax investigation; that you found then that you were in difficulty because of the fact that you had taken some \$320,000 from the union, so that you went to Fruehauf and asked them to give you some money so that you could stick it back into the treasury; that you arranged through Fruehauf to loan or borrow \$200,000, and that you gave that money to the union in August of 1954?

Would you tell me if that is true?

Mr. BECK. I must decline to answer the question because this committee lacks jurisdiction or authority under articles I, II, and III of the Constitution; further I decline to answer because I refuse to give testimony against myself, and invoke the 4th and 5th amendments; and further because the question is not relevant or pertinent to the investigation.

(At this point, Senator Goldwater withdrew from the hearing room.)

The CHAIRMAN. The Chair overrules the objections interposed by the witness and his refusal to answer, and, with the consent of the committee, orders and directs the witness to answer the question.

Mr. BECK. I decline to answer on the grounds stated in my last answer.

Mr. KENNEDY. Let me ask you this: Was it true that the Fruehauf Co. was unable to raise the money themselves so that they went to Brown Equipment Co., a trucking company, and they secured for you 4 checks amounting to \$50,000 apiece, that you took those 4 checks in 1954 and deposited them in the B. & B. Investment Co., and then from the B. & B. Investment Co. you gave a check for \$200,000 to the union?

The CHAIRMAN. Identify B. & B. Investment Co.

Mr. KENNEDY. B. & B. Investment Co. is one of Mr. Dave Beck's companies in Seattle, Wash.

Here are the four checks.

The CHAIRMAN. The clerk will present to the witness four photo-static checks for his examination and identification.

(Documents handed to witness.)

(The witness conferred with his counsel.)

Mr. BECK. I must decline to answer the question because this committee lacks jurisdiction or authority under articles I, II, and III of the Constitution; further I decline to answer because I refuse to give testimony against myself, and invoke the 4th and 5th amendments; and further because the question is not relevant or pertinent to the investigation.

The CHAIRMAN. The checks will be made exhibit—they bear his signature, do they?

The checks will be made an exhibit for reference.

The witness' refusal to answer and the objections he has interposed will be overruled. With the consent of the committee, he is ordered and directed to answer the question.

Mr. BECK. I decline to answer on the grounds stated in my last answer.

The CHAIRMAN. The checks will be made exhibit No. 130 for reference.

(The document referred to was marked "Exhibit No. 130" for reference and will be found in the appendix on pp. 1722-1725.)

Mr. KENNEDY. Mr. Chairman, as I stated, in March 1954 was the interview Mr. Beck had with the Internal Revenue Department. He was then unable to tell exactly how much he had taken from the union. So he sent the \$200,000 in in August of 1954 and signed an agreement with the union at that time that the \$200,000 would be a downpayment on account and that the rest of the money would be repaid at a later day, when they could determine, by tracing Mr. Dave Beck's use of the union funds, how much money he had taken from the union treasury. I want to ask him if that is a correct recitation of the facts.

Mr. BECK. I must decline to answer the question because this committee lacks jurisdiction or authority—

The CHAIRMAN. All right. Consider it all read. Insert it into the record at this point.

The Chair will overrule the objections interposed by the witness, and his refusal to answer, and, with the consent of the committee, orders and directs him to answer the question.

Mr. BECK. I decline to answer on the grounds stated in my last answer.

Mr. KENNEDY. Mr. Chairman, let me also ask Mr. Beck if it is not true that the Brown Equipment Co. was not being repaid as quickly as they expected to be, so that then Mr. Dave Beck had to go around to try to find a way to raise some new money. He then found the idea or had the idea of selling his house to the union, which, of course, the union had paid for originally, or at least a part of it, and also selling the furniture, which the union had paid for, through Mr. Nathan Shefferman. He came up with that idea of selling the house to the union, to raise the money and repay the loan to the Brown Equipment Co.

Is that a correct recitation of the facts?

Mr. BECK. I must decline to answer the question, because this committee lacks jurisdiction or authority under articles I, II, and III of the Constitution—

The CHAIRMAN. All right. Consider the statement read, the objections read.

The Chair overrules the objections interposed by the witness, and his refusal to answer, and orders and directs him to answer the question, with the consent of the committee.

Mr. BECK. I decline to answer on the grounds stated in my last answer.

The CHAIRMAN. The Chair presents to you a check in the amount of \$163,215, dated April 7, 1955, check No. 136, drawn on the American Security & Trust Co., signed by Dave Beck, as president, and John F. English, general secretary and treasurer, and drawn on the International Brotherhood of Teamsters, Chauffeurs, and so forth. The Chair asks you to examine the check and state whether or not you identify it, and if your signature appears thereon.

(Document handed witness.)

(The witness consulted with his counsel.)

Mr. BECK. I must decline to answer the question, because this committee lacks jurisdiction or authority under articles I, II, and III of the Constitution—

The CHAIRMAN. All right. Consider your objections fully stated, the same as they have been before.

The Chair overrules your objections, and your refusal to answer, and, with the consent of the committee, orders and directs you to answer the question.

Mr. BECK. I decline to answer on the grounds stated in my last answer.

Senator McCARTHY. Mr. Chairman, could I make a suggestion? That is, that counsel give a résumé of the balance of the questions he intends to ask. We know what the answer will be. It is getting late, and we all have a lot of work to do in our office.

The CHAIRMAN. The Chair wishes to make this statement. We have a witness here that is refusing to answer, and who is hiding behind the fifth amendment. The only reason I have continued is to let the country know, let the teamsters of this country know, the character of transactions that have transpired, about which this witness is unwilling to make disclosures under oath. For that reason, I have indulged the interrogation to this point.

Senator McCARTHY. I had in mind, Mr. Chairman, that counsel would read at this time, here in public, a résumé of the rest of the type of checks and financial transactions, and make them part of the record. We know what the answer will be.

The CHAIRMAN. The check just presented will be made exhibit No. 131.

(The document referred to was marked "Exhibit No. 131" for reference and will be found in the appendix on p. 1726.)

The CHAIRMAN. Mr. Counsel, if you can sum up a number of them, let us do so in order to expedite the hearings. I am convinced that we will continue to get the same resistance and lack of cooperation in the committee's efforts to discharge its duties and carry out its assignment.

If we can in any way expedite it, let us try to do so.

Mr. KENNEDY. Mr. Chairman, Mr. Dave Beck and the union, after this first accord was reached in December 1954, in which Mr. Beck paid the \$200,000—he paid it in August 1954—this accord was reached, that he should pay more after they found out how much he owed, there was another accord reached and it was found he should pay another \$50,000. Since that time he has repaid \$20,000, making a total of \$270,000 that he has restored. When he made the accord in December 1954, he stated that his accountants and attorneys had already spent over 700 hours on the books and records to try to determine how much money he had taken from the union.

The CHAIRMAN. Who made that statement?

Mr. KENNEDY. Dave Beck.

The CHAIRMAN. Go ahead and recite the facts.

Mr. CONDON. Mr. Chairman, I didn't follow that. Who said what to whom?

Mr. KENNEDY. I will read you from the second paragraph. It is a letter signed "Yours very truly, Dave Beck," December 30, 1954. It is addressed to the Joint——

Mr. CONDON. I just wanted to know to whom is the letter supposed to be written?

Mr. KENNEDY. Joint Council 28, Building Association and Western Conference of Teamsters.

Mr. CONDON. I understand.

The CHAIRMAN. This purports to be Mr. Beck's statement over his signature.

(The witness consulted with his counsel.)

The CHAIRMAN. We will give him a chance to see it.

Mr. KENNEDY. It says:

Today my attorneys and said accounting firm have advised me, after spending over 700 hours in examining my books and records and other sources of information, pertaining to my financial affairs, that to the best of their judgment and belief they have determined that the total amount due you as of December 31, 1953, amounts to \$250,000.

Is there any question about that?

So Mr. Beck——

The CHAIRMAN. Ask Mr. Beck if he wrote the letter.

Senator MUNDT. Your client will be given a chance to deny that letter, Mr. Condon, if he wants to.

I will ask him: Did you write that letter?

Mr. BECK. I must decline to answer the question, because this committee lacks jurisdiction or authority under articles I, II, and III, of the Constitution; further, I decline to answer because I refuse to give testimony against myself, and invoke the fourth and fifth amendments; and further, because the question is not relevant or pertinent to the investigation.

The CHAIRMAN. The Chair overrules the objection and the refusal of the witness to answer, and, with the consent of the committee, orders and directs the witness to answer.

As I do so, I present to you the letter, a photostatic copy of it, and ask you to look at it and see if the reading of it was not correct.

(Document handed witness.)

(The witness consulted with his counsel.)

Senator MUNDT. Does counsel for Mr. Beck have any further objections now to the introduction of the evidence?

Mr. CONDON. I made no objection. I asked for some information.

Senator MUNDT. Is it complete and clear now that you have the letter in your possession?

Mr. CONDON. It is.

Senator MUNDT. So if you care to advise your client to answer it, it would be helpful to the committee.

Mr. CONDON. He has already answered that he declines to answer.

Senator MUNDT. He declines to answer?

Mr. CONDON. He declines to answer. That is what I understood.

Mr. BECK. I must decline to answer the question—

The CHAIRMAN. Consider your objections interposed as heretofore, and the Chair overrules them, and, with the consent of the committee, orders and directs you to answer the question.

Mr. BECK. I decline to answer on the grounds stated in my last answer.

The CHAIRMAN. The letter will be made exhibit No. 132.

(The document referred to was marked "Exhibit No. 132" for reference and will be found in the appendix on pp. 1727-2728.)

The CHAIRMAN. The Chair presents to you an accord and satisfaction agreement, signed by Frank Brewster and yourself, and others representing the Western Conference of Teamsters and Joint Council 28 Building Association, dated July 7, 1954. I will ask you to examine in that agreement and accord and see if you signed that.

(Document handed to witness.)

(The witness consulted with his counsel.)

Mr. BECK. I must decline to answer the question—

The CHAIRMAN. Consider your objections interposed as heretofore, and the Chair overrules them, and, with the consent of the committee, orders and directs you to answer.

Mr. BECK. I decline to answer on the grounds stated in my last answer.

The CHAIRMAN. That will be made exhibit No. 133.

(The document referred to was marked "Exhibit No. 133" for reference and will be found in the appendix on pp. 1729-1930.)

The CHAIRMAN. The Chair presents you another letter dated December 29, 1955, signed Dave Beck and addressed to Joint Council 28 Building Association and Western Conference of Teamsters. I ask you to examine that letter and see if you signed it.

(Document handed witness.)

(The witness consulted his counsel.)

Mr. BECK. I must decline to answer the question because this committee lacks jurisdiction or authority under articles I, II, and III of the Constitution—

The CHAIRMAN. All right, consider your objections interposed, and the Chair overrules the objections. With the consent of the committee, the Chair orders and directs you to answer the question.

Mr. BECK. I decline to answer on the grounds stated in my last answer.

The CHAIRMAN. The letter will be made exhibit No. 134.

(The document referred to was marked "Exhibit No. 134" for reference and will be found in the appendix on p. 1731.)

Mr. KENNEDY. That, Mr. Chairman, about summarizes the evidence on the reimbursing to the union, the restitution of the \$270,000.

The CHAIRMAN. I think our records show there is still about \$50,000 missing.

Mr. KENNEDY. Well, that explains the \$270,000 that he has given back so far, and these accords and satisfactions are agreements that have been signed with the union. Our records show that Mr. Beck took approximately \$320,000 from the union. We have one other matter that is of considerable importance in view of Mr. Beck's answers to questions yesterday that I would like to spend a minute on, if I may.

The CHAIRMAN. Proceed.

Mr. KENNEDY. In answer to your question, Mr. Chairman, he stated that the financial records of the International Union showing its receipts and its disbursements would reflect the loans made to him.

I want to ask you, Mr. Beck, for the explanation of this check.

It is the public relations account. That is the same public relations account, payable, \$5,629, to the public relations account in Los Angeles, which we have discussed before.

The CHAIRMAN. Is this the same amount that was then paid to Mr. Shefferman?

Mr. KENNEDY. To Mr. Shefferman. It was withdrawn from the public relations account shortly afterward and then given to Mr. Nathan Shefferman.

The CHAIRMAN. The Chair presents to you the check to which counsel has referred, dated October 9, 1953, public relations division, in the amount of \$5,629, signed by John English, general secretary and treasurer, of the International Brotherhood of Teamsters, together with a note attached, which I will read: It is on stationery showing "from the desk of Dave Beck, reimbursed authorized expense."

"Bill, send check in amount of \$5,629 payable to public relations division. Mail to Ray Leheny, personal, 846 South Union Avenue, Los Angeles."

I may say that the writing appears to be in your hand.

I will ask you to examine both the check and note and determine whether you identify them.

(Document handed witness.)

Mr. BECK. I must decline to answer that question because this committee lacks jurisdiction or authority under articles I, II, and III of the Constitution and further I decline to answer because I refuse to give testimony against myself and invoke the fourth and fifth amendments,

and further, because the question is not relevant or pertinent to the investigation.

The CHAIRMAN. All right, Mr. Beck, the objections are overruled and your refusal to answer is overruled and with the consent of the committee the Chair orders and directs you to answer the question.

Mr. BECK. I decline to answer on the grounds stated in my last answer.

The CHAIRMAN. Now, I am going to read from your record of yesterday and then ask you another question. I read this as a premise for the question I am going to ask you.

This is your testimony on yesterday :

The CHAIRMAN. This publication that you said that carries this information as to financial reports showing the financial status of the International Union, showing its receipts and disbursements, would such a statement reflect loans made to you or loans made to other officers of the union, or money that they may have taken out of the treasury?

Mr. BECK. Of the International Union, you are asking now?

The CHAIRMAN. Yes.

Mr. BECK. It most certainly would.

The CHAIRMAN. They would reflect it?

Mr. BECK. Yes.

The CHAIRMAN. Now, Mr. Beck, I want to ask you if what has been presented to you there and which you now have in front of you is not a part of the record of the International Union of Teamsters?

Mr. BECK. I must decline to answer the question because this committee lacks jurisdiction or authority under articles I, II and III, of the Constitution.

The CHAIRMAN. You are refusing, are you, to answer whether you recognize that as a part of the records of the teamsters, that you testified yesterday would reflect it?

Mr. BECK. I must decline to answer the question because this committee lacks jurisdiction or authority under articles I, II and III of the Constitution and further I decline to answer because I refuse to give testimony against myself, and invoke the fourth amendment and fifth amendment and further, because the question is not relevant or pertinent to the investigation.

The CHAIRMAN. The Chair overrules the objection and your refusal to answer holds that by reason of the answer you gave yesterday, you waived the right to refuse to answer and to invoke the fifth amendment. Therefore, the Chair orders and directs you to answer the question.

Mr. BECK. I decline to answer on the ground stated in my last answer.

Mr. KENNEDY. Mr. Chairman, I might say that that money was deposited in this "Special account, public relations," in Los Angeles and shortly, within several days, was withdrawn and deposited in the bank account of Mr. Nathan Shefferman and was part of the \$85,000 of union funds that Mr. Shefferman used to pay Mr. Dave Beck's personal bills.

The CHAIRMAN. All right. That check and the document attached to it will be made exhibit No. 135.

(The document referred to was marked "Exhibit No. 135" for reference and will be found in the appendix on pp. 1732-1734.)

Mr. KENNEDY. I want to read this again. It is to reimburse authorized expense, and it is, "Send check in the amount of \$5,629, payable

to public-relations division, mail to Ray Leheny, personal," and Mr. Beck said at that time it was to reimburse authorized expense.

The CHAIRMAN. Thank you. Is there anything further? Is there anything further, Mr. Counsel?

Now, gentlemen, we have before us the problem about the letter from Senator Duff. There has been some discussion about it. The Chair will entertain a motion either to place it in the record or withhold it.

Senator McCARTHY. Mr. Chairman, I would suggest that in view of the fact that this is representation in absentia, we take this up at executive session, and that any decision be withheld at this time.

The CHAIRMAN. Is there any objection to the request?

Senator IVES. Rather than get into a controversy over the matter here in public, I think it would be well to take it up in executive session.

The CHAIRMAN. The letter will be received and placed in the file and taken up at the next executive session the committee has.

Are there any further questions?

The CHAIRMAN. The Chair wishes to make a brief statement.

I said earlier that there are times when patience ceases to be a virtue. We have labored here diligently for the last few days, and, in fact, for the past month, trying to carry out our assignment and perform the duties with which this committee is charged.

We have encountered, as those who have had the opportunity to witness will readily agree, very difficult circumstances, reluctant witnesses, fifth-amendment witnesses, and probably others who testified, testify falsely.

It is a demonstration of the arduous labors that this committee and its staff is going to have to put forth and the expense that this Government today is being put to and caused to expend because of the lack of cooperation and in some respects lack of good citizenship and proper moral standards which are causing us to have to do this labor and expend this money.

It had been hoped that when Mr. Beck appeared before this committee he would be a cooperative witness, that he would come in a spirit of trying to assist and aid the committee in performing its functions and rendering the service to the Government that it is his duty to render.

Unfortunately and unhappily, that has not been the case. It did not materialize in that way. This witness in my opinion has shown utter contempt for this committee, for the Congress of the United States, and for his Government.

Whether that contempt is actionable or not, I am not at the moment prepared to say, but this committee will give consideration to the question of whether it is actionable.

If it is found to be, I have no doubt what the judgment and action of the committee will be. Mr. Beck has shown flagrant disregard and disrespect for honest and reputable unionism and for the best interests and welfare of the laboring people of his country.

Above all, he has shown arrogant contempt for the million and a half members, the honest laboring people in the teamsters union. Since he is so anxious to get into court, it is my sincere hope that in due time the witness will be judged accordingly.

Now, I regret that proper propriety and common decency dictates that I should not spread here on the record any further substance of my opinion.

The witness is excused, subject to continuing under subpoena and to be recalled and returned if and when the committee desires further testimony from him upon reasonable notice being given.

Do you accept that recognizance?

Mr. BECK. Definitely, Mr. Chairman, and I would like to ask you one question.

The CHAIRMAN. Does the attorney accept for him, also?

Mr. CONDON. Yes.

The CHAIRMAN. You may ask me one question.

Mr. BECK. Because of illness at home, I would like to return immediately to the west coast. Can you give me some idea of how long it would be before I would be needed?

The CHAIRMAN. That request is granted but I cannot at this time indicate to the witness when his presence may again be required. But you may return to the west coast.

Mr. BECK. It would not be within the next few days?

The CHAIRMAN. I do not think so.

Mr. BECK. Thank you.

The CHAIRMAN. The committee stands in recess, subject to the call of the Chair.

(Whereupon, a recess, subject to the call of the Chair, was taken at 5:05 p. m.)

(Present at the taking of the recess were Senators McClellan, Ives, Ervin, McCarthy, and Mundt.)

APPENDIX

EXHIBITS

EXHIBIT No. 117

CHICAGO, July 25 194 9 NO

HARRIS TRUST AND SAVINGS BANK
CHICAGO, ILLINOIS

PAY TO THE ORDER OF **8** \$ 8,000.00

Eight Thousand and no/100 : : : : : DOLLARS

John W. Hoffmann

Jane Beck

PAID THROUGH CHICAGO CLEARING HOUSE

TO THE FIRST BANK OF CHICAGO

JUL 30 1949 97500

5

ANY BANK OR BANKER

FOR DEPOSIT OR CASH

1

212680

1949

CHICAGO *January 17th* 1950 No. *2-28*

HARRIS TRUST AND SAVINGS BANK
CHICAGO, ILLINOIS

PAY TO THE ORDER OF *Paul Beck*

Four Thousand \$ *4000⁰⁰* ⁰⁰/₁₀₀ DOLLARS

John H. Shefferman

Paul Beck

HICAGO CLEARING HOUSE
 THROUGH CLEARING HOUSE OF SEATTLE
 ALL BANK ENDORS-MENT REQUIRED
 1925

JAN 30 1950

JAN 27 50 1005

19-25 SEABOARD BRANCH 1925
 THE FIRST NATIONAL BANK
 WASHINGTON

PAY TO THE ORDER OF

L 212680

PAT. D. No. 1,737,705

EXHIBIT No. 119

98-1
 STATEMENT
 Seattle, Wash., July 3, 1952
 M. *Mr. Beck*
 \$1918.15

T. YOROZU GARDENING CO.

Landscape Designer & Contractor
 Maintenance by the Day or by the Month
 WE SUPPLY FERTILIZER AND MANURE
 SHRUBS AND FLOWERS

PHONE PROS ~~52800~~ *52800*
 Logan 7700
 1906 YERWER WAY
 13335 - 32ND AVE. S.W.

48-2

from the desk of
DAVE BECK

Note:

I would appreciate
 your sending check 1918.15
 to J. H. Brown, Gardening Co.
 Please advise amount of check
 you paid at Seattle plus
 this check's

Yours,

Paid 8/11/18 ✓
 H. H. Beck

EXHIBIT No. 120A

STATEMENT

100 West 11th St.

Mr. Lee Brock

10147 1/2 Ave

T. YOROZU GARDENING CO.

Maintenance by the Day or by the Month
WE SUPPLY FERTILIZER AND MANURE
SHRUBS AND FLOWERS

PHONE PROSPECT 5214

1425 YESLER WAY

IC 1700

100 West 11th St.

Mr. Linn

4/5²⁴ 17¹⁰ of 1940

68

Plant

- 1. 2
- 2. 3
- 3. 4
- 4. 5
- 5. 6

1/10/40
Linn

EXHIBIT No. 120B

RECEIVED

601 S. 1552

BEET GARDENING CO.

INCORPORATED
IN THE STATE OF ILLINOIS

1718 YEDLER WAY

51

52

EXHIBIT No. 1200

STATEMENT

Seattle, Wash

700 00 1000

Mrs. [unclear] [unclear]

T. YOROZU GARDENING CO.

Landscape Designer & Contractor

Maintenance by the Day or by the Month

WE SUPPLY FERTILIZER AND MANURE

SHRUBS AND FLOWERS

PHONE PROSPECT, 5214

LOGAN 7700

1425 YESLER WAY

SEATTLE, WASH. 98101

Previous Balance

my Service

8, 2 3 2 3 3 20 2

EXHIBIT No. 120C—Continued

from the desk of
DAVE BECK

95-2

Note:

I would appreciate
your sending check to
lover

Dave

EXHIBIT No. 120D

46-1

STATEMENT

Seattle, Wash., SEP 30 1952 19

Mr. *Dr. Beck*

6747 - Shore Dr. N.E.

T. YOROZU GARDENING CO.

Landscape Designer & Contractor

Maintenance by the Day or by the Month

WE SUPPLY FERTILIZER AND MANURE

SHRUBS AND FLOWERS

PHONE PROS ~~LOGAN 7700~~

LOGAN 7700

1425 YESLER WAY

13335 - 32ND AVE. SO.

Previous Balance

Sept. Services

9/3¹⁵ 10¹⁰ 17²⁰ 22²⁵ 24¹³

91.00

184.00

EXHIBIT No. 120D—Continued

96-2

from the letter of
DAVE BECK

Mails

Please read check

on this

DB

EXHIBIT No. 121

STATEMENT

49



PRENTICE
Nursery & Decorating Co.

PHONE RAINIER 0842



9252 EAST MARGINAL WAY

SEATTLE 8 WASHINGTON

To Mr. Dave Beck

DATE July 22 1952

labor July 4 to July 22
 plants

549 39

1347 50

2096 89

Tax

4288

2159 77

PAID
MAIL ROOM

CLARENCE PRENTICE

Clarence Prentice
Charles

TERMS CASH ON DELIVERY

This is a firm order and not subject to cancellation

50.2
from the desk of
DAVE BECK

Notes:

Please forward your
personal check to Peattie
Nursery in amount of \$4584.94
air mail Special delivery
Tax

I will forward you check
immediately

EXHIBIT No. 123



7-11-18

HAYMARKET CLOTHING CO.

Makers of Fine Men's Clothes

NO. 437

4-11-18

27000

11-11-18

EXHIBIT No. 125

from the desk
DAVE BECK

129-1

Mats:

Please say
this account check
it and if it is mine
take care of it
Dave

the said Queen
Piquette Aug 17-47

EXHIBIT No. 125—Continued

| DATE | ITEMS | CHARGES | TAX | CREDITS | PAY LAST AMOUNT IN THIS COLUMN |
|--------|------------------|---------|-----|----------------|-----------------------------------|
| | ACCOUNT RENDERED | | | 159 | 62 50 |
| MAY 23 | 1 CRAVAT | | | 7 50 | |
| | 3 CRAVATS | 8 50 | | 25 50 | |
| | 2 CRAVATS | 15 00 | | 30 00 | |
| | 6 UNDERSHIRTS | 9 00 | | 54 00 | 54 50 |
| | | | | | 125.00 |
| | | | | | 177.50 |

A. Sulka & Company

280 MICHIGAN AVENUE CHICAGO 3

NEW YORK
LONDON
PARIS

DATE PAID

CHECK NUMBER

EXHIBIT No. 126A

SAMPLES OF ITEMS PURCHASED FOR DAVE BECK
for Dave Beck, the wild man
 BY NATHAN SHEFFERMAN WITH TEAMSTER UNION FUNDS

| | |
|----------------------------------|-----------|
| Shirts | \$ 217.30 |
| 2 Coldspots and 2 radios | 926 80 |
| Golf balls | 54.00 |
| Golf clubs | 129 00 |
| Nylons - white | 35 52 |
| 2 silk shirts | 39.18 |
| sheets and cases - Bendix washer | 413.50 |
| 2 dozen sheets | 72.00 |
| 5 shirts | 23.76 |
| 2 white silk shirts | 34.00 |
| 4 football tickets | 14.40 |
| 21 pair nylons | 25 20 |
| 5 dozen diapers | 9.68 |
| 2 cases shells | 64.00 |
| Watch for golf clubs | 26.77 |
| Hose | 124.00 |
| Shells | 61.50 |
| 1 dozen sheets | 18.24 |
| Bendix | 235.00 |
| Diapers | 15.00 |
| White hose | 17.40 |
| Royal typewriter | 132.10 |
| Jayson shirts | 175.33 |

EXHIBIT No. 126A—Continued

-2-

| | |
|--|---------|
| Hathaway shirts | 56.68 |
| Sear's type outboards | 149.31 |
| Johnson outboard | 157.50 |
| Shavemasters | 46 40 |
| Radio combination | 216 25 |
| Hoover vacuum | 99.04 |
| Hotel - New York | 75.82 |
| Shoes & shirts - Seattle bunch | 57.50 |
| 5 $\frac{1}{2}$ HP motor | 144.15 |
| Coldspot freezer 19' | 266.66 |
| Automatic washer | 166.49 |
| 6 pr Kneedrawers | 27.54 |
| 1 bow tie | 3.50 |
| Kaiser roofing sheet | 1431.27 |
| Custommade tie | 14.00 |
| 12 prs "Magna" Binoculars | 354.00 |
| Chairs, table, loveseats, settee, etc. | 1242.45 |
| Lamps, tables, chow bench, smoke, etc. | 245.50 |
| Sulka ties and shirts | 192.65 |
| 2 coats | 303.60 |
| Rugs from Strauss-Rose Carpet Corp. | |
| 1 Cheviot | 571.99 |
| 1 Friezette | 672.07 |
| 1 Renaissance | 991.19 |
| 1 pump to be used on sprinkling unit | 242.40 |
| 1 chestnut divan | 273.00 |
| Gravy boat, cruet set, biscuit box | 124.00 |

EXHIBIT No. 126A—Continued

-3-

| | |
|-----------|-----------|
| TV set | \$ 371.95 |
| Gardening | 1918.15 |

SAMPLES OF ITEMS PURCHASED FOR DAVE BECK, JR.
BY NATHAN SHEFFERMAN WITH TEAMSTER UNION FUNDS:

| | |
|----------------------------|--------|
| Washing machine | 85.50 |
| 20' Deep Freeze | 250.90 |
| Automatic Deluxe Washer | 142.82 |
| 2 aluminum boats | 196.50 |
| Model 70 - 30.06 gun | 73.10 |
| Vacuum cleaner | 57.00 |
| Chestnut living room | 979.50 |
| 3 mattresses and 3 springs | 222.69 |

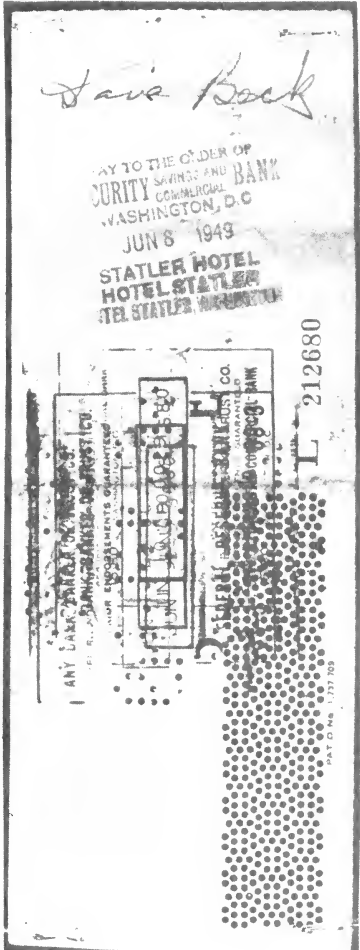
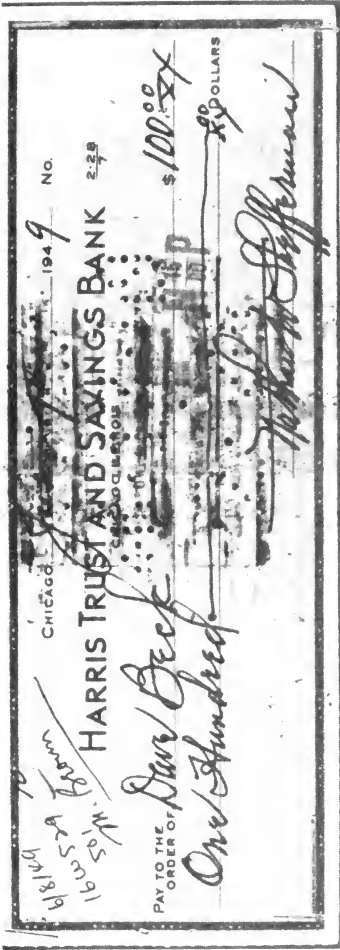
The total of purchases for Dave Beck and Dave Beck, Jr.
by Nathan Shefferman with Union funds is over \$85,000
for the years 1949 through 1953.

EXHIBIT No. 126B

DAVE BECK, JR.

| | | | |
|--|-----------|---------------|-------------------|
| Washing Machine..... | | \$ | 85.50 |
| 20' Deep Freeze..... | | | 250.90 |
| Automatic Deluxe Washer..... | | | 142.82 |
| 2 Aluminum Boats..... | | | 196.50 |
| Model 70 - 30.06 Gun..... | | | 73.10 |
| Vacuum cleaner..... | | | 57.00 |
| Chestnut living room..... | | | 979.50 |
| 3 Mattresses and 3 springs..... | | | 222.69 |
| 20" TV..... | | | 324.40 |
| One 1-HP G. E. Compressor..... | \$ | 217.00 | |
| One $\frac{1}{2}$ -HP Currier Compressor..... | | 125.00 | |
| One $\frac{1}{2}$ -HP G. E. Compressor less motor..... | | 106.00 | |
| | | <u>448.00</u> | |
| 2% sales tax..... | | 8.96 | 456.96 |
| 11 Axles for compressors..... | | | 340.30 |
| Motor #01978..... | | | 17.74 |
| Submersible sump pump, Fairbanks Morse..... | | | 56.64 |
| Camera Equipment..... | | | 590.91 |
| 2 lenses..... | | | 107.37 |
| Tools, etc..... | | | 215.54 |
| Tools, etc. | | | 13.14 |
| Tools, etc..... | | | 22.61 |
| Washer..... | | | 184.62 |
| Thing a ma jig for the camera..... | | | 2.31 |
| TV set..... | | | 218.99 |
| Camera Case..... | | | <u>32.83</u> |
| | | | <u>\$4,592.37</u> |
| | T O T A L | | |

EXHIBIT No. 128A



CHICAGO, *October 28th* 1945 No. *2-29*

HARRIS TRUST AND SAVINGS BANK
CHICAGO, ILLINOIS

PAY TO THE ORDER OF *Ray L. ...* \$ *300.00*
Three Hundred and No/100 DOLLARS

John W. ...

John ...

NOV 3 1950
FEDERAL RESERVE BANK
OF CHICAGO

NOV 3 1950
Seattle-First National Bank
Seattle, Wash.

NOV 11 SIXTH AND DENNY BRANCH
PAY TO THE ORDER OF
ANY BANK OR BANKER OR THROUGH
CLEARING HOUSE ASSOCIATION OF SEATTLE
ALL PROVE ENDORSERS' GUARANTEED

100

NO THE CRED

L 212680

CHICAGO, *February 15th* 19*60* No. *238*

HARRIS TRUST AND SAVINGS BANK
CHICAGO, ILLINOIS

PAY TO THE ORDER OF *Lawrence Beck*

Three Hundred 300 ⁰⁰/₁₀₀ *XX* DOLLARS

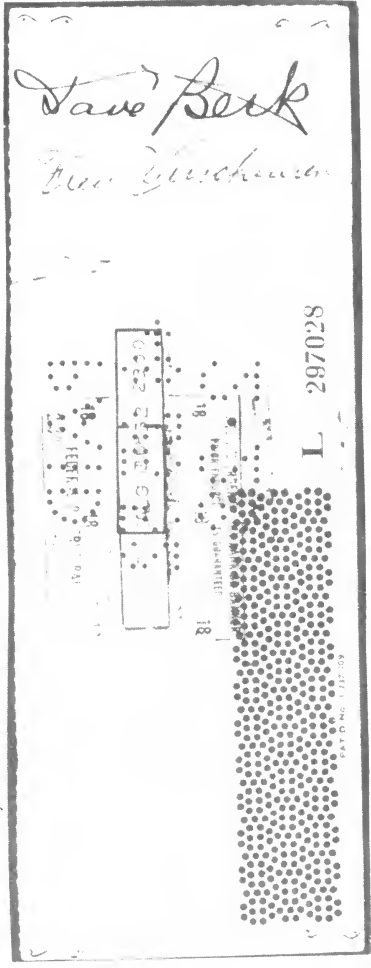
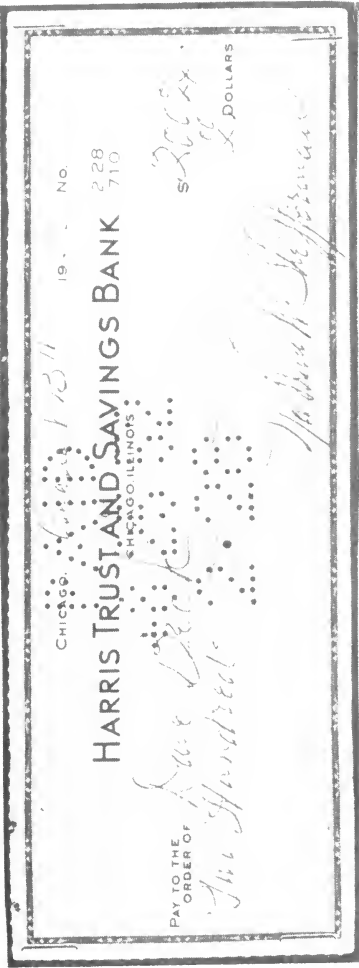
Arthur H. Hoffmann

Lawrence Beck

HOWARD K. HURWITH
Management Account
ROBERT RICHTER HOTEL

CHICAGO CLEARING HOUSE
3
FEB 15 1960
PAY TO THE ORDER OF
HARRIS TRUST AND SAVINGS BANK
CHICAGO, ILLINOIS
UNION NATIONAL BANK
OF COMPANY
2-31
L 212680

PAY TO NO. 1-237705



CHICAGO: September 19th 1952 No. 2-28
710

HARRIS TRUST AND SAVINGS BANK
CHICAGO, ILLINOIS

PAY TO THE ORDER OF *David Beck*

Seven Hundred and Fifty

Wm. H. Thefferman

\$ *750.00* DOLLARS

David Beck
Chicago

SEP 20 1952

CHICAGO, ILLINOIS

SEP 20 1952

AMERICAN BANK OF AMERICA

1457 6th Ave. S.W. S.W. 1109

CONTINENTAL ILLINOIS NATIONAL BANK

297028

EXHIBIT No. 1281

CHICAGO, September 17 1932

HARRIS TRUST AND SAVINGS BANK
CHICAGO ILLINOIS

NO. 2-28
710

PAY TO THE ORDER OF
Save Book
Two Hundred

Two Hundred

Richard Hoffmann

\$200.00
200 DOLLARS

ON 1100
ANY BANK, BANKS OR BANKERS
OR THROUGH CLEARING HOUSES
ALL OVER THE UNITED STATES

SEP 24 OCT 1 5 1509

BANK 21
ANY BANK OR BANKER
90 1109
COMMERCIAL BANK OF ILLINOIS
CHICAGO

Save Book

10 No. 1100

23

L 297028

PAY TO NO. 1737 785

CHICAGO, September 24th 1951 No. 2-28
710

HARRIS TRUST AND SAVINGS BANK
CHICAGO, ILLINOIS

PAY TO THE ORDER OF
Mrs. Andrew Beck

Two Hundred \$200⁰⁰/₁₀₀

to the order of the person and

100 DOLLARS

PAID IN CASH
ACCOMMODATION ONLY
Not Applicable to Account

Andrew Beck

THE ORDER OF
First National Bank

SEP 26 1951

100 27.51 20 21

2-1

PAY TO THE ORDER OF
ANY BANK OR BANKER
THE FIRST NATIONAL BANK
OF CHICAGO

SEP 28 1951

L 297028

PAY TO No. 1737 708

Chicago, *January 15th 1953* No. *228*
HARRIS TRUST AND SAVINGS BANK 710
 CHICAGO, ILLINOIS

PAY TO THE ORDER OF *Mr. Andrew J. Beck*

100.00
 \$ *100* ⁰⁰/₁₀₀ *XX* DOLLARS

John H. Harris

Andrew Beck

1523 Pay to the Order of 1523
 THE NATIONAL BAPTIST CONVENTION OF SEATTLE
 BRIDGE DRIVERS, SALESMEN
 & HELPERS LOCAL #195

100
 FEDERAL RESERVE NOTE
 JAN 26 1953
 100

100
 PAY TO THE ORDER OF
 FEDERAL RESERVE BANK OF CHICAGO

L 297028

PAY TO NO. 1,731,705

EXHIBIT No. 1280

CHICAGO: *February 14th* 19*33* No. *228*
HARRIS TRUST AND SAVINGS BANK
 CHICAGO ILLINOIS

PAY TO THE ORDER OF *John W. Hoffmann*

446.24

446.24 S. *446.24* DOLLARS

John W. Hoffmann

FOR DEPOSIT ONLY
 HOTEL ACCOUNT OF
 MONTE CARLO HOTEL, INC.

John W. Hoffmann

08701-10
 FEB 14 1933
 HARRIS TRUST AND SAVINGS BANK
 CHICAGO, ILL.

TRUST COMPANY

1. 297028

CHICAGO, ILL. *July 13/14* 19*33* No. 228
 HARRIS TRUST AND SAVINGS BANK 710
 CHICAGO, ILL. 60602

PAY TO THE ORDER OF *Caro Beck and Family* \$ *150*⁰⁰ *XX*

Caro Beck

Frank Hoffmann

CC
XX DOLLARS

Caro Beck

PAY TO THE ORDER OF
 THE BANK OF CALIFORNIA, INC.
 2452 OF SEATTLE WASH FOR DEPOSIT ONLY 2452
 HOTEL OLYMPIC
 THE OLYMPIC INCORPORATED

230 OF CHICAGO 2-30

261 OF 215 265 27 281
 1936-0 59 000 000 000

FABRIKATION UNTERBROCHEN MIT BEWEIS ODER STRAFB
 PRICE SHOULD BE PAID

L 297028

PAID BY No. 1737-200

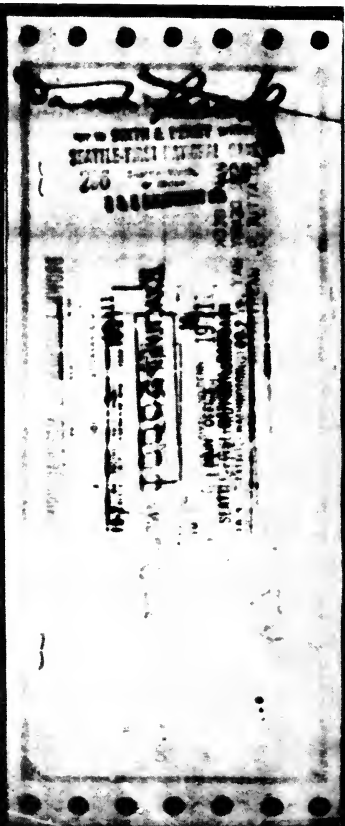
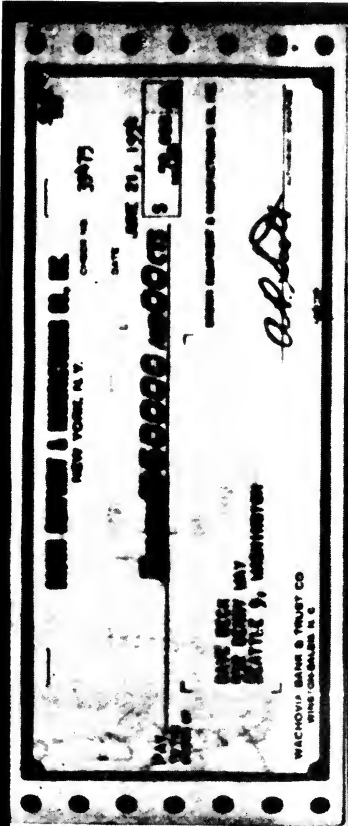


EXHIBIT No. 130—Continued

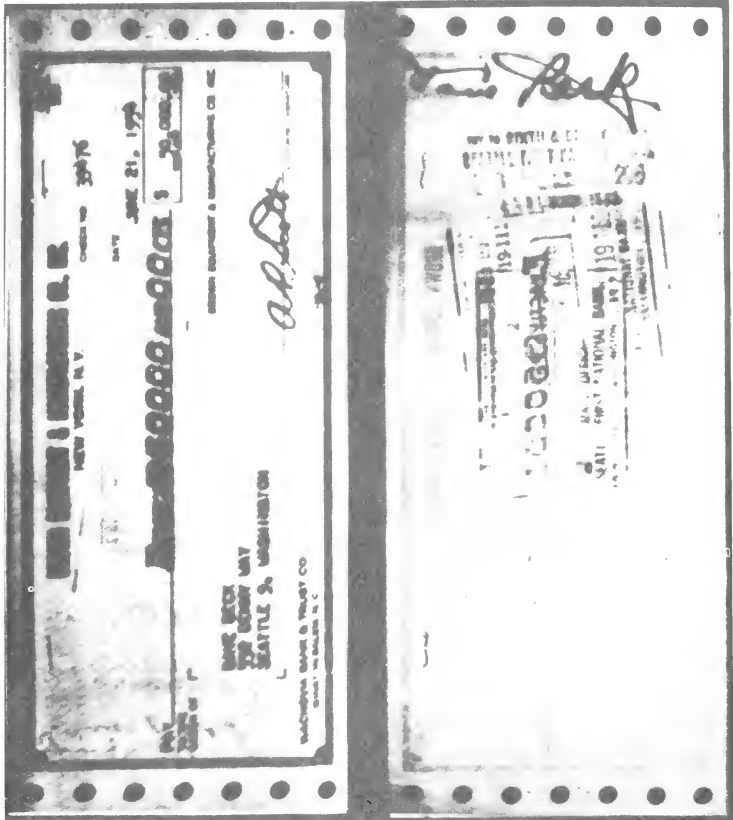




EXHIBIT No. 130—Continued



15-52
5-11

136

No. 136

10-11-55

APR 7 1955

136

AMOUNT

••163215 00•

PAY TO THE ORDER OF

NATIONAL MORTGAGE, INC.

163215 AND 00/100

James B. ...

AMERICAN SECURITY AND TRUST COMPANY
WASHINGTON, D. C.

GENERAL PRESIDENT

GENERAL SECRETARY/TREASURER

1955

666

666

NATIONAL MORTGAGE, INC.

WASHINGTON, D. C.

10-11-55

136

163215 00

AMERICAN SECURITY AND TRUST COMPANY
WASHINGTON, D. C.

GENERAL PRESIDENT

GENERAL SECRETARY/TREASURER

EXHIBIT No. 132

December 30, 1954

Joint Council 28, Building Association, and
Western Conference of Teamsters
552 Denny
Seattle, Washington

Gentlemen:

Reference is made to that certain written Accord and Satisfaction Agreement which we entered into on July 7, 1954 whereby in payment to you of the sum of \$200,000.00 by me, I was given a complete settlement and discharge of any and all indebtedness as of December 31, 1953 to either or both of you. At that time said Accord and Satisfaction Agreement was based upon the premises that the records of each of us were not in sufficient detail to, among other things, adequately determine the exact amounts due from me to you as of December 31, 1953, and that the sum of \$200,000.00 was the best estimate that we could determine as of that date as to the amounts due from me to you.

Since that time I authorized my attorneys to employ certified public accountants to make an independent audit of my financial affairs from 1942 through December 31, 1953, to ascertain, in so doing, the amounts due you as of December 31, 1953. Today my attorneys and said accounting firm have advised me, after spending over 700 hours in examining my books and records and other sources of information pertaining to my financial affairs, that to the best of their judgment and ability, they have determined that the total amount due you as of December 31, 1953 amounts to \$250,000.00.

As it was always the understanding between you and me that all amounts advanced by you for my account should be fully repaid, I hereby offer to amend the said Accord and Satisfaction Agreement in the following respects:

1. That the amount of money to be paid to you be increased from \$200,000.00 to \$250,000.00, payable as follows: \$200,000.00 in cash as of July 7, 1954, and the balance, to-wit, \$50,000.00, in cash on or before December 31, 1955, said balance to be evidenced by a promissory note which I have executed and enclose herewith.

2. In the event that my accountants above named, and such accountants of your selection, jointly determine within one year from date hereof that the balance due you

EXHIBIT No. 132—Continued

Joint Council 28, Building Association
and Western Conference of Teamsters
December 30, 1954
Page 2

as of December 31, 1953 is more or less than the said \$250,000.00, there will be a corresponding adjustment made between us.

If the foregoing arrangement is satisfactory to each of you, will you please signify your acceptance on the duplicate of this letter and return the same to me for my files.

Yours very truly,

Dave Beck
Dave Beck

Accepted and agreed to this 31 day of December, 1954.

JOINT COUNCIL 28 BUILDING ASSOCIATION

ATTEST:

By *Frank H. Brewster*
its *President*

WESTERN CONFERENCE OF TEAMSTERS

ATTEST:

By *Frank H. Brewster*
its *President*

EXHIBIT No. 133

ACCORD AND SATISFACTION AGREEMENT

1
2
3 THIS AGREEMENT OF ACCORD AND SATISFACTION made and entered
4 into this 7th day of July, 1954, by and between JOINT COUNCIL 28
5 BUILDING ASSOCIATION, a corporation, and WESTERN CONFERENCE OF
6 TEAMSTERS, an unincorporated voluntary association, hereinafter
7 called "First Parties", and DAVE BECK, of Seattle, Washington,
8 hereinafter called "Second Party",

W I T N E S S E T H :

9
10 WHEREAS, First Parties, both individually and jointly have
11 over a period of years advanced funds in various amounts at
12 different times to Second Party; a part of said advances being
13 made for use by Second Party for the benefit of one or both of the
14 First Parties, and the remainder as a loan and for the benefit of
15 Second Party; and

16 WHEREAS, the books and records of all parties are not in
17 sufficient detail (1) to clearly and adequately distinguish be-
18 tween funds advanced for the benefit of First Parties and those
19 advanced as loans for the benefit of Second Party and (2) to de-
20 termine the exact amount due from Second Party to First Parties,
21 as of December 31, 1953; and

22 WHEREAS, Second Party is desirous of making a final settle-
23 ment of his indebtedness to First Parties and has offered to
24 forthwith pay to First Parties the sum of Two Hundred Thousand
25 Dollars (\$200,000.00) in cash, providing that a full accord and
26 satisfaction is reached between the parties hereto with respect to
27 the indebtedness of the Second Party to the First Parties up to
28 and including December 31, 1953; and

29 WHEREAS, First Parties deem it to their best interest to
30 accept such offer on the terms and conditions hereinafter set forth;

31 NOW, THEREFORE, in consideration of the mutual covenants
32 herein contained, and for other good and valuable consideration,

EXHIBIT No. 133—Continued

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32

the parties do mutually covenant and agree as follows:

1. Second Party shall pay to the joint order of First Parties the sum of Two Hundred Thousand Dollars (\$200,000.00) in lawful moneys of the United States upon execution of this agreement.

2. First Parties hereby agree jointly and severally to accept the said \$200,000.00 payable to their joint order in full, final and complete settlement and discharge of any and all indebtedness, up to and including December 31, 1953, of Second Party to either or both of First Parties.

IN WITNESS WHEREOF the parties hereto have executed this Accord and Satisfaction Agreement the day and year first above written.

JOINT COUNCIL 28 BUILDING ASSOCIATION

ATTEST:

Fred Werschwend
Secretary acting Secretary

By Frank H Brewster
Its President

WESTERN CONFERENCE OF TEAMSTERS

ATTEST:

Fred Werschwend
Secretary acting Secretary

By Frank H Brewster
Its President

FIRST PARTIES

James Beck

SECOND PARTY

EXHIBIT No. 134

December 29, 1955

Joint Council 28, Building Association, and
Western Conference of Teamsters
552 Denny
Seattle, Washington

Gentlemen:

Reference is made to that certain written Accord and Satisfaction Agreement which we entered into on July 7, 1954, signed by the undersigned and accepted by you.

By the execution of this letter in the space here-inbelow provided, paragraph numbered 2 in said letter of December 30, 1954, is hereby by mutual agreement of all of us, amended to read as follows:

"In the event that my accountants above named and such accountants of your selection, jointly determine within eighteen (18) months from date hereof that the balance due you as of December 31, 1953 is more or less than the said \$250,000.00, there will be a corresponding adjustment made between us."

In all other respects said Accord and Satisfaction Agreement as amended by said letter agreement of December 30, 1954, is in full force and effect.

If the foregoing amendment is satisfactory to each of you, will you please signify your acceptance on the duplicate of this letter and return the same to me for my files.

Yours very truly,

Dave Beek
Dave Beek

Accepted and agreed to this _____ day of December, 1955.

JOINT COUNCIL 28 BUILDING ASSOCIATION

By *John J. [unclear]*
Its _____

WESTERN CONFERENCE OF TEAMSTERS

By *John J. [unclear]*
Its _____

ATTEST:

ATTEST:

Donald H. McDonald

EXHIBIT No. 135—Continued

from the desk of

DAVE BECK

reimburse authorized
expense.

PR
/

Bill:

Send check in
amount of \$ 5619 ⁰⁰/₁₀₀

Payable to

Public Relations Division

mail to Kay Lehoney

personal

846 So Union Ave.
Los Angeles

BOSTON PUBLIC LIBRARY



3 9999 06352 019 9

