

No 9331.113^a 315

Pt. 34-37



GIVEN BY

**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

SECOND SESSION

PURSUANT TO SENATE RESOLUTIONS 74 AND 221, 85TH CONGRESS

AUGUST 5, 6, 7, 8, AND 12, 1958

PART 36

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



**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
SECOND SESSION

PURSUANT TO SENATE RESOLUTIONS 74 AND 221, 85TH CONGRESS

AUGUST 5, 6, 7, 8, AND 12, 1958

PART 36

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



UNITED STATES
GOVERNMENT PRINTING OFFICE
WASHINGTON : 1958

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

FRANK CHURCH, Idaho

KARL E. MUNDT, South Dakota

BARRY GOLDWATER, Arizona

CARL T. CURTIS, Nebraska

ROBERT F. KENNEDY, *Chief Counsel*

RUTH YOUNG WATT, *Chief Clerk*

CONTENTS

JAMES R. HOFFA AND THE INTERNATIONAL BROTHERHOOD OF TEAMSTERS, CHAUFFEURS, WAREHOUSEMEN, AND HELPERS OF AMERICA

	Page
Appendix.....	13707
Testimony of—	
Adlerman, Jerome S.....	13445, 13578, 13700
Balkwill, William H.....	13322, 13338
Belles, Ernest G.....	13616
Bellino, Carmine S.....	13336, 13702
Bitonti, John.....	13620
Brennan, Owen Bernard.....	13398, 13488
Brennan, William J.....	13548
Bushkin, Jack.....	13365
Davidson, Embrel.....	13458
DeLucia, Paul (Ricca).....	13575, 13583
Feldman, Samuel.....	13565
Finazzo, Sam.....	13483
Fitzgerald, George.....	13439
Fitzsimmons, Frank E.....	13588
Grosberg, Herbert L.....	13410, 13448
Heid, George.....	13598
Hoffa, James R. 13277, 13379, 13407, 13495, 13533, 13629, 13666, 13667,	13695
Kelly, James P.....	13666
Lantz, Conrad.....	13316
LoCicero, Thomas.....	13357
Marroso, Samuel J.....	13452
Meissner, John C.....	13344
Miller, William H.....	13297
Morgan, Arthur L.....	13609
O'Carroll, Patrick P.....	13477
Quasarano, Raffaele.....	13483
Roberts, Robert D.....	13532
Rose, Lulubelle.....	13562
Salinger, Pierre E. G.....	13349, 13481, 13582
Scott, Robert P.....	13673
Stern, Max.....	13569
Watkins, Vincent B.....	13312

EXHIBITS

	Introduced on page	Appears on page
1. Check No. 1352, dated May 2, 1949, payable to Conrad S. Lantz, in the amount of \$1,000 drawn on account of Detroit Institute of Laundering.....	13319	13707
2A. Check No. 1203, dated September 30, 1948, payable to cash, in the amount of \$1,000 drawn on account of Detroit Institute of Laundering.....	13332	13708
2B. Check No. 1538, dated April 17, 1950, payable to cash, in the amount of \$2,000 drawn on the account of Detroit Institute of Laundering.....	13332	13709
2C. Check No. 1347, dated April 24, 1949, payable to W. H. Balkwill, in the amount of \$1,000 drawn on the account of Detroit Institute of Laundering.....	13332	13710
3A-O. Fifteen checks in various amounts drawn on the account of Detroit Institute of Laundering from June 2, 1948, through April 27, 1951.....	13338	(*)

*May be found in the files of the select committee.

	Introduced on page	Appears on page
3P-DD. Check stubs and ledger sheets, "legal expenses" and "travel and entertainment"-----	13338	(*)
4. Contract, agreement, and scale of wages between Detroit Institute of Laundering and Laundry and Linen Drivers Union, Local 285-----	13350	(*)
5A. Check dated March 15, 1955, payable to cash, in the amount of \$500, signed by Benjamin Dranow and endorsed by Wilbur Clark's Desert Inn-----	13371	13711
5B. Check dated March 15, 1955, payable to cash, in the amount of \$1,500, signed by Benjamin Dranow and endorsed by Wilbur Clark's Desert Inn-----	13371	13712
5C. Check dated March 15, 1955, payable to cash, in the amount of \$1,100, signed by Ben Dranow and endorsed by Hotel Flamingo, Inc-----	13371	13713
6A. Check No. 1010, dated March 17, 1956, payable to Sam Marroso, in the amount of \$250, drawn on special account of Herbert L. Grosberg-----	13437	13714
6B. Check No. 1011, dated March 17, 1956, payable to Sam Marroso, in the amount of \$50, drawn on special account of Herbert L. Grosberg-----	13437	13715
6C. Check No. 1015, dated April 16, 1956, payable to Sam Marroso, in the amount of \$300, and drawn on special account of Herbert L. Grosberg-----	13437	13716
6D. Check No. 1029, dated January 29, 1957, payable to Sam Marroso, in the amount of \$208.17, and drawn on the special account of Herbert L. Grosberg-----	13437	13717
7. Picture of Jimmy Quasarano-----	13468	(*)
8. A group picture marked "Truck bombers" in which appears the picture of Bernard Brennan-----	13492	(*)
9. Field report dated August 12, 1948, re Herman Kierdorf by Philip H. Collins, parole officer, Division of Pardons, Paroles and Probation-----	13507	(*)
10. Check No. 1810, dated June 21, 1956, payable to Samuel Feldman, in the amount of \$750, drawn on the account of Dewey's Famous, Inc-----	13567	13718
11. Photograph of the home formerly occupied by Paul DeLucia at Long Beach, LaPorte County, Ind-----	13577	(*)
12. Plat of a survey made by Richard R. Frame, professional engineer for the State of Indiana, consisting of 8 lots which involves property of DeLucia or the Teamsters-----	13579	(*)
13. Trust Agreement No. 96 transferring property in tract B, lots 37, 38, 39, and 40 to Teamster locals and back to Paul DeLucia and back to Teamsters-----	13581	(*)
14. Trust Agreement No. 97 transferring tract A, lots 35, 36, 41, and 42 from DeLucia to the Teamsters-----	13581	(*)
15. Minutes of the executive board meeting of local 337, January 4, 1957-----	13582	(*)
16. The Long Beach zoning ordinance-----	13586	(*)
17. Decision by the National Labor Relations Board: Report and Recommendation on Objections to Conduct Affecting the Results of the Election of Teamsters Union-----	13613	(*)
18. Letter dated September 26, 1957, addressed to Mr. Arthur Morgan, Minneapolis, Minn., from Elmer J. Ryan, attorney at law, St. Paul, Minn-----	13613	13719
19. Letter dated January 5, 1943, addressed to Manpower Branch, Civilian Personnel Division, War Department, Washington, D. C., re induction of Roland Boyne McMaster, signed by James R. Hoffa-----	13639	(*)

*May be found in the files of the select committee.

	Introduced on page	Appears on page
20. Document, prospectus of North American Rare Metals, Ltd.....	13656	(*)
21A. Check No. 1318, dated April 19, 1956, payable to Ahmed Abass, drawn on local 299 in the amount of \$12,000.....	13662	13720
21B. Check stub No. 1318, dated April 19, 1956, payable to Ahmed Abass for "Personal, 2d mortgage" in the amount of \$12,000.....	13662	13721
22. Check dated August 6, 1956, payable to Benjamin Dranow, in the amount of \$4,430, signed by Jack Bushkin.....	13664	13722
23. Withdrawal card issued to Robert P. Scott: "Not active in business," by local 50, Barbers Union.....	13686	13723
24. Ledger sheet showing the years Robert P. Scott paid dues to Local 50, Barbers Union: 1943, 1944, 1945, 1956, and part of 1947.....	13686	13724
25. Telegram received by Robert Scott from Elmer Albrecht, secretary-treasurer, local 552.....	13689	13725
26. Check No. 415 dated February 21, 1955, payable to Joint Council 43, in the amount of \$3,000 and signed by Frank Collins, Joint Council 43, defense fund.....	13704	13726
Proceedings of—		
August 5, 1958.....	13275	
August 6, 1958.....	13377	
August 7, 1958.....	13451	
August 8, 1958.....	13547	
August 12, 1958.....	13629	

*May be found in the files of the select committee.

INVESTIGATION OF IMPROPER ACTIVITIES IN LABOR OR MANAGEMENT FIELD

TUESDAY, AUGUST 5, 1958

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

The select committee met at 10:30 a. m., pursuant to Senate Resolution 74, agreed to January 30, 1957, in the caucus room, Senate 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 Sam J. Ervin, Jr., Democrat, North Carolina; Senator Frank Church, Democrat, Idaho; Senator Irving M. Ives, Republican, New York; Senator E. Mundt, Republican, South Dakota; Senator Carl T. Curtis, Republican, Nebraska.

Also present: Robert F. Kennedy, chief counsel; Paul T. McClellan, assistant counsel; John J. McGovern, assistant counsel; Carmine Bellino, accountant; Pierre E. Salinger, investigator; Ruth Y. Salinger, chief clerk.

(At the convening of the session, the following members were present: Senators McClellan, Ives, Ervin, Kennedy, Curtis, and Church.)

The CHAIRMAN. The committee will come to order.

Good morning.

Mr. HOFFA. Good morning, Senator.

The CHAIRMAN. The Chair will make a brief opening statement. Today the committee resumes its inquiry into the policies, practices, and activities of the International Brotherhood of Teamsters, Chauffeurs, Warehousemen, and Helpers of America, and particularly with respect to the same under the leadership and direction of James R. Hoffa, general president of this labor organization.

At the time Mr. Hoffa appeared before this committee last year, he did not hold the top position in the Teamsters Union. Since then, however, at a convention in Miami, Fla., he was elected to the position with attending circumstances that raised serious questions about the propriety and validity of his selection.

Nevertheless, he now heads the Nation's most powerful union. The potential for good and evil in the position he holds is tremendous. The teamsters have both the capacity and the opportunity to be a mighty driving and constructive force for the welfare of its members and for the betterment of the American economy. If the power and ability of the International Teamsters Union should be improperly directed and misused, then it could become an extremely evil

destructive force in the social, political, and economic life of our country.

Obviously, the direction of this international union will depend upon the integrity and the motivation of that leadership. This is of great concern, not only to this committee and the Congress but to all decent, law-abiding American citizens everywhere.

On the basis of previous testimony before this committee, replete with improper practices and conduct on the part of Mr. Hoffa and some of his associates, a serious question has arisen in the minds of the committee as to Mr. Hoffa's motivation and the direction and leadership he proposes to give this great and important union.

As spelled out in the committee's interim report, the evidence had shown that in numerous instances Mr. Hoffa has alined himself with certain underworld characters, who are a part and parcel of the criminal elements and most sinister forces in this country.

When he testified before the committee, Mr. Hoffa said he would attempt to divest himself of some of his associations and give this union the character and quality of leadership and administration worthy of the importance and high purposes of this great labor organization.

In these hearings the committee will be interested in ascertaining whether he has been successful—or what efforts and progress he has made in that direction.

It will be recalled that when Mr. Hoffa testified before, he suffered seriously from "lack of memory," and thus avoided answering many pertinent questions seeking information, about which he had knowledge and in which the committee was interested.

It is to be hoped that his memory has improved and that he can now give the committee the cooperation and assistance it is entitled to receive and that he, as an American citizen and the leader of this great union, is under obligation to give.

This series of hearings will not be of 1 day's duration. The affairs of this union and its top officers are so intricate and complex that it may well engage the attention of the committee here in public hearings for several weeks.

Mr. Hoffa will be expected to remain here during that time to answer all pertinent questions, to give explanations, or to refute any testimony the committee may hear of improper practices, or that which may be derogatory to him personally.

We have a right to expect from him candid and truthful answers. For him to do less would seriously compromise his position and cast further doubt upon his integrity and the propriety of his union leadership.

I believe Mr. Hoffa observed recently in Seattle, Wash., that the Teamsters have the power to shut down the economy of this Nation at its will. That I think we can concede. Any union in which such tremendous power is reposed also bears equal obligation and responsibility to the people and to the Government of the United States.

It is unthinkable that the leaders of any such powerful organization should have an alliance or understanding in any area of its activities with racketeers, gangsters, and hoodlums.

Such an alliance or any working arrangements with such characters and elements places a dangerous force at the jugular vein of America's economic life.

The committee is convinced that the great mass—the million and a half members of the Teamsters Union—are honest, law-abiding citizens. The committee is interested in serving them—in protecting their interest and their welfare.

The committee is also interested in ascertaining the truth regarding policies, activities, and practices associated with this union and its leadership and with labor-management relations generally that need to be corrected or prohibited.

To that end the committee seeks information with a view of submitting recommendations to the Congress for appropriate remedial legislation.

Notwithstanding Mr. Hoffa's reported remarks of contempt for this committee, its source of authority, the United States Senate, and the purposes and objectives for which the committee labors, the committee will pursue its duty and carry out the mandate in the resolution creating it.

In this, we hope to have, and have every right to expect, Mr. Hoffa's cooperation and assistance.

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

This is something he owes to the great mass of working people—dues-paying members whose interest he is supposed to represent, whose welfare he is supposed to promote, and whose rights he is dutybound to protect.

The committee shall now proceed as faithfully and diligently in the course herein set forth as it is within its capacity to do so.

Senator Ives. Mr. Chairman, before you start, I would like to commend you upon that statement. It is an excellent presentation. I think it expresses the feeling of every single one of us. Before we get through with this series of hearings, at which Mr. Hoffa will be present, I have a few questions I expect to ask him.

The CHAIRMAN. Thank you, Senator Ives.

Are there any other comments?

Senator Curtis?

Senator CURTIS. No statement.

The CHAIRMAN. Senator Kennedy?

Senator KENNEDY. No statement.

The CHAIRMAN. Thank you very much.

Mr. Hoffa, will you be sworn, please, sir?

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

Mr. HOFFA. I do.

**TESTIMONY OF JAMES R. HOFFA, ACCOMPANIED BY COUNSEL,
EDWARD BENNETT WILLIAMS, GEORGE FITZGERALD, AND
DAVID PREVIANT**

The CHAIRMAN. State your name, your place of residence, and your business or occupation.

Mr. HOFFA. My name is James R. Hoffa, 16154 Robeson, Detroit, Mich., and I am president of the International Brotherhood of Teamsters, Chauffeurs, Warehousemen, and Helpers of America.

The CHAIRMAN. You have counsel.

Mr. Counsel, identify yourself.

Mr. HOFFA. Yes, sir, I have counsel today, and I desire my counsel to make a statement prior to the hearing also.

The CHAIRMAN. Mr. Counsel, identify yourself for the record.

If you have more than one—

Mr. WILLIAMS. My name, sir, is Edward Bennett Williams of Washington, D. C.

So that there will be no misunderstanding about my role here, I would like to say for the record that I appear here as general counsel for the International Brotherhood of Teamsters, Chauffeurs, Warehousemen, and Helpers of America, to counsel with the president during his appearance here. I should like to just take one minute, Mr. Chairman, to say a few—

The CHAIRMAN. May I ask before you do that if there are other counsel representing him?

Mr. WILLIAMS. Yes, sir.

Mr. George Fitzgerald of Detroit, Mich., and Mr. David Previant, of Milwaukee, Wis., also appear here as counsel.

Mr. Chairman, I should like to say just a couple of words relative to the subject that you spoke on a minute ago. I think in order to evaluate the pertinency of this interrogation, it is necessary to state a little of the background that has shifted since the witness' last appearance here on August 23d. As the Chair indicated, he has become president of the International Brotherhood of Teamsters.

The CHAIRMAN. Is there any objection on the part of the committee to permit counsel to make a brief background statement?

Without objection, you may proceed.

Mr. WILLIAMS. On January 23, of this year, Mr. Chairman, as the direct result of an order of the United States District Court for the District of Columbia, the witness became seated as president of this union; on January 31, just 8 days later, this international union voluntarily did unto itself what no union has done. It submitted itself to the equity jurisdiction of the United States District Court for the District of Columbia, acting through a court-appointed board of monitors. That board of monitors, Mr. Chairman, was appointed to advise the president and his executive board on matters of democratic procedures, financial procedures, on questions of conflict of interest, and on the removal of trusteeships in local unions.

It is exactly 6 months to the day since that board of monitors has been in operation. I can report to you, Mr. Chairman, that there has been no recommendation that has been made by this outside, impartial board of monitors which has been refused. I say this to point out to the chairman and the committee that many of these matters which may be pertinent here are under the equity jurisdiction of the United States District Court for the District of Columbia, and that they are matters which are under the continuing scrutiny of the court and its appointed officers.

I feel that this is a very important piece of information against which to assess the pertinency of this interrogation because I am sure that this committee does not want to intrude itself as a part of the legislature into a case which is actively under the scrutiny of the judiciary.

The CHAIRMAN. The committee will not intrude upon the prerogatives of the court. We have no intention of doing that. The re-

sponsibility and authority vested in the court does not conflict, necessarily, in any instance, so far as I know, with the purposes and objectives of this committee to ascertain what improper practices may be current or may have occurred in the past that may warrant and command the attention of the legislative branch of the Government with respect to laws to remedy such conditions, if they exist.

Senator MUNDT. Mr. Chairman?

The CHAIRMAN. Senator Mundt.

Senator MUNDT. Mr. Williams—I would like to ask counsel a couple of questions about this board of monitors, so that I can be sure that I understand the picture in my own mind.

What is the anticipated life expectancy of this board of monitors?

Mr. WILLIAMS. Senator Mundt, the consent decree, which was entered into voluntarily by this international union, provides that the board of monitors shall sit for no less than 1 year, and that they shall sit, unless discharged by the court, in any event until the next convention of the International Brotherhood of Teamsters.

In the normal course of events, under the constitution, the next convention of the international brotherhood would be in 1962.

Senator MUNDT. So they have a minimum life of a year?

Mr. WILLIAMS. Yes, sir.

Senator MUNDT. And a maximum life until the next convention?

Mr. WILLIAMS. Yes, sir.

Senator MUNDT. And would you give just a quick, brief rundown of what their responsibilities are and what their authority is, if any?

Mr. WILLIAMS. Yes, sir.

Senator—

Senator MUNDT. It would be helpful, too, I think, to have in the record the identity of the members.

Mr. WILLIAMS. Under this consent decree, and I repeat this international under the presidency of the witness entered into this voluntarily, the board of monitors is given jurisdiction over, first of all, democratic procedures within the union. They have the right to counsel with and make recommendations to the general executive board of the Teamsters on these matters: On the election of officers, on the right to honest advertised elections, on the right to fair uniform qualifications to stand for office, and, furthermore, on the right to freedom to express views at meetings.

In other words, they have been given the jurisdiction voluntarily by the IBT to police intraunion democracy.

Secondly, they have been given jurisdiction voluntarily by the international under the presidency of the witness to police financial and accounting controls and procedures of the international.

They are authorized to and they have already, Senator Mundt, made an audit of the international, through Price, Waterhouse and they are continuing to make other audits at the local levels through this same accounting firm.

In addition, they have been empowered to see that no officer of the international has any conflict of interest in the performance of his duties. In other words, if any officer of the international has anything which can be construed as an investment which might conflict or an interest which might conflict with the full performance of his duties to the international, they have the authority to police this and

bring it to the attention of the court. I might say to you, Senator, that the past 6 months during the existence of this board of monitorship, every investment, every interest, that any international officer has had, has been divested, several months ago, which could possibly be at war with the letter or spirit of this provision of the decree.

Again, they are authorized and empowered to look into the situation of trustee locals. The last time that this witness appeared here, Senator MUNDT, I believe there were some 118 locals in trusteeship. As of this morning, my best information is that the figure is 45. In other words, the number of locals in trusteeship have been more than halved.

They are now less than 50 percent of what they were. During the existence of this board of monitorship, which originally was headed by Chief Judge Nathan Cayton, formerly chief judge of the Municipal Court of Appeals for the District of Columbia, and which was filled further by Godfrey Schmidt, of New York, and L. N. D. Wells, of Dallas, Tex., all the recommendations which were made by the board of monitors to the president and the general executive board were abided by.

Every recommendation was adhered to. I may say to you, sir, that there were scores and scores of these. Chief Judge Cayton resigned in April of this year, and he was succeeded by a District of Columbia lawyer, Martin F. O'Donoghue. Since Mr. O'Donoghue assumed the chairmanship of the board of monitors, again there have been numerous recommendations. I can report to you that as of this moment none has been declined. There are some still under advisement, but none has been declined by the president of the general executive board.

Senator MUNDT. Is Mr. Schmidt still a member of the board of of monitors?

Mr. WILLIAMS. Mr. Schmidt is still a member.

Senator MUNDT. The only change is the judge who has been replaced by Mr. O'Donoghue.

Senator MUNDT. Is that former District of Columbia Jiggs Donoghue?

Mr. WILLIAMS. No; it is not, Senator Mundt. They are two different men. The chairman of the board is Mr. O'Donoghue.

Senator MUNDT. I would like to ask a question about the consent decree, under the terms of which this voluntary arrangement was made.

Is there anything in that arrangement whereby the recommendations of the board of monitors have to be accepted? Or what happens under the consent decree if the board of monitors unanimously recommend to the Teamsters that this be done and the Teamsters say, "We don't think this is right, we can't do it, or we wouldn't do it."

If you have an impasse, what happens?

Mr. WILLIAMS. As of this moment, Senator, that situation has not taken place.

Senator MUNDT. I understood that you said they had all been followed. But this is a conceivable contingency. I am wondering, under the terms of the consent decree, what happens then?

Mr. WILLIAMS. Under the consent decree, if there were an arbitrary pattern of noncooperation by the general executive board and its president, with the recommendation of the board of monitors, and arbitrary

pattern of ignoring the board and failure to cooperate, the board has taken the position, through the chairman, Mr. O'Donoghue, that it could go to Judge Letts, who is the judge who signed the consent decree, and call these facts to his attention for what action he would take.

Senator MUNDT. In other words, you are telling us that this board does have some power, that there are some teeth in it, that if over a period of some time a pattern were developed that they could enforce it, or they could go to the judge and ask him to enforce it?

Mr. WILLIAMS. I am saying that under the decree they have recommendatory and advisory powers only. As of this date, the question of whether they have teeth or not is a moot question because it has not arisen. Everything has been abided by.

Senator MUNDT. Is there any question in your mind but what the court, if it desired, could enforce the recommendations of the board if the board found that there were this arbitrary unwillingness, which, happily, does not exist, but which could exist?

Mr. WILLIAMS. I don't want to leave you with the impression for a moment, Senator, that the general executive board has surrendered the autonomy of this international to the board of monitors.

Senator MUNDT. I am trying to find out what the facts are.

Mr. WILLIAMS. I don't want to suggest to you for a moment that the board of monitors can run this union under the decree, because we have not given them that kind of power. We have given them advisory and recommendatory power, and we have adhered to their recommendations.

If we should refuse to accept their recommendations in an isolated case here and there, certainly there would be nothing that they could do about it, because we retain in the executive board and in the president the final power to act in the administration and control of this union. But I did say to you that if there were an arbitrary flaunting as a pattern of the advice and recommendations of the board of monitors, then they have taken the position, and I suppose the chairman of the board is in a better position to answer than I what he conceives his own functions and powers to be, but they have taken the position that they could go to the United States district court and seek relief there.

Senator MUNDT. What I am trying to establish primarily, Mr. Williams, in my own mind, is whether or not this board has a decree of administrative responsibility and authority which would indicate that perhaps some of the questions that we propose to ask should be directed to them instead of Hoffa and Bennett, or Hoffa counseled by Bennett.

It appears clear to me then from what you have said that whatever questions are pertinent to this inquiry can appropriately be directed to Mr. Hoffa, that he continues to function as president of the Teamsters, and he has not flaunted these things arbitrarily; he is the man in control and can also speak with authority and is a free agent. Is that correct?

Mr. WILLIAMS. Senator, may I say to you I hope that this committee will, in the exercise of its functions, and in the spirit of fairness, call the two chairmen of the board of monitors who have sat in office over the past 6 months during Mr. Hoffa's administration, and ask them, as impartial officers of the court, whether or not this union has

been conducted in the spirit of this decree, which decree, I may say, encompasses more reforms, I think, than any legislation that has been proposed in either House of Congress, looking toward the restoration of union democracy and the control of finances of the international.

Senator MUNDT. Why do you call them 2 instead of 3?

Mr. WILLIAMS. Well, call all four of them, if you wish, Senator. But I suggested the chairmen.

Senator MUNDT. I thought there were three members.

Mr. WILLIAMS. I suggest that you call the chairman who resigned in April because of the pressure of other business and the chairman who succeeded him, because they would be in a position to speak for the board.

Senator MUNDT. I thought you were talking about the entire board.

May I say, speaking for myself, I think that is a very appropriate suggestion, provided this inquiry dips back into the general affairs of the Teamsters Union, and I am not sure whether it is going to or not. But if so, I would think that would be a very helpful suggestion. You do agree with me, then, that Mr. Hoffa appears here free from any legal restraints or restrictions in his capacity as a Teamster to freely respond to the questions?

Mr. WILLIAMS. Senator, I will make that decision with Mr. Hoffa as each question is propounded.

Senator MUNDT. You must have some general idea of the degree in which he is exercising his authority now and the degree it is circumvented by the court. That is the purpose of my inquiry, not being a lawyer.

Mr. WILLIAMS. I don't have any general idea, Senator, what questions are going to be propounded.

Senator MUNDT. I don't either, but I am trying to get a general idea of his status, vis-a-vis the court and vis-a-vis his office.

The only thing I understand is that they entered into a voluntary consent decree and that Mr. Hoffa is here to accept or reject recommendations that are made by the board of monitors and, to his credit, you have testified that he has accepted all of them.

But I thought you said he had the right to reject them. That would indicate to me that he was a free agent.

Mr. WILLIAMS. Senator, perhaps this would answer your question. Mr. Hoffa is here to cooperate with this committee and answer any questions that are asked bona fides, which are relevant and germane to a legislative purpose, which is the sole function for which this committee sits.

He will answer questions which are pertinent and germane to a bona fide legislative purpose.

Senator MUNDT. I think that is a big enough kimona to cover all of the questions we are going to ask.

Mr. WILLIAMS. I certainly hope so.

The CHAIRMAN. Senator Curtis.

Senator CURTIS. Mr. Williams, these monitors who are officers of the court, as I understand it, are they confining their function to the current operation of the union?

They are not exercising any powers of investigation over past acts, are they?

Mr. WILLIAMS. Senator, I would have to say to you that it was my concept of this decree, when it was entered into, that they would con-

fine themselves to the current operation of this union, but the fact is otherwise because they have looked into grievances which are very, very old. As a matter of fact, they have dipped back into grievances of rank and filers that are as old, to my knowledge, as 10 years, in some instances, and they have screened some cases which antedate the administration which is now in office.

So that it isn't accurate to say that they are concerning themselves solely and exclusively with the current operation of the union.

Senator CURTIS. Did the monitors contend that there was a current problem by reason of some complaint, even though it was 10 years ago?

Have they taken jurisdiction in regard to anywhere it was admittedly it was a closed case and had no relevancy to any current operations?

Mr. WILLIAMS. Yes; they have. I have a case in mind.

Of course, it is in my mind because it struck me as being so fantastic. A rank and filer claimed that certain welfare benefits had not been paid to him, which were owing to him since 1948. The board of monitors went into that case and we conducted a thoroughgoing investigation of it, we conducted a field investigation of it, at the instance of the general president, and satisfied the board of monitors on the case.

They have gone back into cases——

Senator CURTIS. But that man claimed as of this date that he had something coming?

Mr. WILLIAMS. As a result of something that happened 10 years ago.

Senator CURTIS. But he alleged that he had a current claim?

Mr. WILLIAMS. He alleged a current claim, yes.

Senator CURTIS. Could you provide me with a copy of that decree?

Mr. WILLIAMS. Yes, sir; I will provide you with a copy of it as soon as we have a break in the recess. I will have a photostat made for you.

Senator CURTIS. That is all.

Senator IVES. I would like to get something cleared up with counsel. He said that he was advising Mr. Hoffa to reply to all questions within the limitations of what is called appropriate legislative domain. Is that the term that you used?

Mr. WILLIAMS. It is not the term I used but I will adopt your term.

Senator IVES. What term did you use?

Mr. WILLIAMS. I said that I would advise the witness and he is free, of course, to accept or reject my advice, but I shall advise him to answer all questions which are relevant and germane to what I regard as a bona fide legislative purpose.

Senator IVES. All right, I will accept that.

Now, will you kindly tell me, that being the case, what you consider not to be a bona fide legislative purpose?

Mr. WILLIAMS. If this committee, for example, and I am sure or I certainly hope this isn't the case, were conducting a personal vendetta against Mr. Hoffa for the sole purpose of getting him removed from office, I would not think that that was a bona fide legislative purpose, Senator. In other words, if the committee had as its objective to humiliate and expose and castigate and degrade Mr. Hoffa in public

here, I would think it was outside of its legitimate function as a committee.

I would then advise him, sir, not to cooperate in a vendetta against himself.

Senator IVES. May I ask a question? In that connection, has there ever been any evidence of anybody on this committee trying to do that to Mr. Hoffa?

Mr. WILLIAMS. Senator, I am not under oath—

Senator IVES. Now wait a minute. There were times when some of us got kind of disgusted because he ducked questions. As I said once before, he has the most convenient forgettery of anybody I have ever known. Now, just because we nail him on that account doesn't mean we are trying in any way to injure him. He brings that on himself. There is no vendetta here. Now go ahead.

Mr. WILLIAMS. You asked me a question.

Senator IVES. Go ahead and answer it.

Mr. WILLIAMS. I would like to have the opportunity to answer it.

Senator IVES. Go ahead.

Mr. WILLIAMS. I feel, Senator, and I have examined the record very carefully that there were areas which were gone into during the life of the interrogation of this witness which could have no real relationship to a legislative purpose. I feel, Senator, and I must say this in all candor to you since you asked me, and I assume you will respect my views as a lawyer.

Senator IVES. I certainly respect your views and I regard you very highly as a lawyer.

Mr. WILLIAMS. I feel there were areas of interrogation when it appeared to me, at least, as a lawyer looking over the record when the questions were designed more to humiliate the witness than they were to elicit information that would be helpful to this committee in proposing legislation to the United States Senate.

Senator IVES. Now, just a minute. I know of no question that could possibly have been asked him during the previous hearing, a year ago this month, which in any way could humiliate him, that wasn't brought on by himself.

Anybody who ducks questions the way he did is bound to bring on that kind of questioning, and he deserves it. It does have a legislative purpose. The way he acted here the last time is almost contempt of the Senate. The questions definitely had a legislative purpose. You and I may not agree.

Mr. WILLIAMS. We don't.

Senator IVES. I am very broad in this matter. I don't think that there is a thing in kingdom come that doesn't come within the purview of legislative activity or scope. Even if it is outside of the Constitution, it is not really outside because perhaps it calls for a constitutional amendment. So anything we do is within our limitations.

Mr. WILLIAMS. I thought that was your view.

Senator IVES. It is my view and it always has been.

The CHAIRMAN. Is there anything further?

The Chair will make this observation: It is inherent in the law profession for lawyers to disagree and honestly so many times, and to make objections to the court as to the relevancy or pertinency of testi-

mony. So the fact that counsel may feel that some questions were not relevant or not pertinent or that the committee may feel they were is something that is not unordinary or unusual.

It occurs daily in the trial of cases everywhere. While this is not a trial, the committee, of course, in this instance has the final judgment and final authority to rule as to whether a question is pertinent or whether it will serve the legislative purpose. I can assure counsel and his client that insofar as I am concerned, and I believe I speak for every member of the committee, there is no comfort or measure derived from this character of an investigation, insofar as I am concerned. But we do have a duty, and a very high duty, and a very responsible mission here or function to perform because we all know that there are practices going on, and it has been demonstrated, and it has been placed on the record over and over again that there are practices going on in management-labor relations which need legislative attention.

We will try to conduct these hearings with propriety and dignity becoming the United States Senate committee. We may disagree, and we will proceed. As long as the witness and his counsel respect the committee, I intend, so far as the Chair can control it, for the committee to treat all who come before us accordingly.

Proceed, Mr. Counsel.

Senator ERVIN. I wish to make an observation: If I ever should have occasion to need an advocate, I wouldn't want one who would regard things which affected me in a judicial manner. I would want him to be a little bit prejudiced in my favor. That is all.

The CHAIRMAN. Now, there is one question, or one thing, I think we should get straight for the record. Counsel, you stated a few moments ago that you appeared here as general counsel for the international union. Now, there is some question might arise as to whether that conforms or comes within the rule of the committee. So far as the Chair is concerned, he is willing to waive any technicality in that respect so long as counsel desires to act and Mr. Hoffa desires to have him act as his adviser in the course of these proceedings. He has a right to counsel of his choice, and the fact that you may represent the international union would not, in my opinion, in any way disqualify you, but you must place yourself in the position here at this time of representing Mr. Hoffa.

Mr. WILLIAMS. I understand that.

The CHAIRMAN. And not as counsel for the union.

All right, with that record straightened out now, we may proceed.

Mr. KENNEDY. Mr. Hoffa, did you know Mr. Joseph Holtzman?

Mr. HOFFA. Yes, I did.

Mr. KENNEDY. He was a close friend of yours, was he?

Mr. HOFFA. I knew Joe Holtzman.

Mr. KENNEDY. He was a close friend of yours?

Mr. HOFFA. I knew Joe Holtzman.

Mr. KENNEDY. He was a close friend of yours?

Mr. HOFFA. I knew Joe Holtzman.

Mr. KENNEDY. He was a close friend of yours?

Mr. HOFFA. Just a moment. I knew Joe Holtzman, and he wasn't any particular friend of mine.

Mr. KENNEDY. Just answer the question.

The CHAIRMAN. Let us start off right here. This is public business. The question is whether he was a close friend seems proper, and you know a lot of people who may not be close friends, and may just barely be acquaintances. In order to show the association and throw light on testimony that may be forthcoming, it is quite proper the witness to answer as to his acquaintanceship, whether it is one of friendship or one of business association, or any other pertinent factor that might help us to evaluate testimony as we proceed.

Go ahead, Mr. Counsel.

Mr. KENNEDY. Was he a close friend of yours?

Mr. HOFFA. I say he was an acquaintance.

Mr. KENNEDY. An acquaintance?

Mr. HOFFA. Yes, sir.

Mr. KENNEDY. You used to visit with him?

Mr. HOFFA. Occasionally.

Mr. KENNEDY. And he came to visit you?

Mr. HOFFA. Occasionally.

Mr. KENNEDY. What was his business, Mr. Hoffa?

Mr. HOFFA. He had a dry-cleaning concern, and he was a labor-relations consultant.

Mr. KENNEDY. How long have you known him, or had you known him?

Mr. HOFFA. Probably since 1934.

Mr. KENNEDY. Did he have a partner?

Mr. HOFFA. Yes.

Mr. KENNEDY. What was the partner's name?

Mr. HOFFA. Jack Bushkin.

Mr. KENNEDY. Is he still alive?

Mr. HOFFA. Yes.

Mr. KENNEDY. He is a friend of yours?

Mr. HOFFA. Yes.

Mr. KENNEDY. Is he a close friend of yours?

Mr. HOFFA. An acquaintance.

Mr. KENNEDY. Just an acquaintance?

Mr. HOFFA. He is a person that I know and he is a friend, but a friendly acquaintance.

Mr. KENNEDY. A friendly acquaintance?

Mr. HOFFA. Yes, sir.

Mr. KENNEDY. Did you visit with him occasionally?

Mr. HOFFA. Yes, sir.

Mr. KENNEDY. And he visited with you occasionally?

Mr. HOFFA. Yes, sir.

Mr. KENNEDY. Mr. Holtzman and Mr. Bushkin were in this labor-relations business together; were they?

Mr. HOFFA. I believe they were.

Mr. KENNEDY. Did you ever discuss any contracts with them?

Mr. HOFFA. I certainly did.

Mr. KENNEDY. You did on occasion?

Mr. HOFFA. That is right.

Mr. KENNEDY. Did you negotiate any contracts with them?

Mr. HOFFA. That is right.

Mr. KENNEDY. You did do that?

Mr. HOFFA. Yes, sir.

Mr. KENNEDY. Did you receive any money from Mr. Holtzman?

Mr. HOFFA. I borrowed money from Holtzman and Bushkin both.

Mr. KENNEDY. When was this?

Mr. HOFFA. I believe I will have to refer to the record because I testified to that the last time I was here—did you say “when”?

Mr. KENNEDY. Yes.

Mr. HOFFA. Some time in 1952 or 1953.

Mr. KENNEDY. How much money did you receive?

Mr. HOFFA. \$5,000.

Mr. KENNEDY. From each one?

Mr. HOFFA. That is correct.

Mr. KENNEDY. And I believe the record shows that that was in cash that you got from them?

Mr. HOFFA. That is correct.

Mr. KENNEDY. And that there was no note on it?

Mr. HOFFA. That is correct.

Mr. KENNEDY. And did you pay them both back?

Mr. HOFFA. I did.

Mr. KENNEDY. And there was no interest paid?

Mr. HOFFA. That is right.

Mr. KENNEDY. So they at least were close enough friends that they would loan you money without interest in cash and without any evidence that there was in fact a loan; is that correct?

Mr. HOFFA. They did.

Mr. KENNEDY. Now, do you know or did you know Mr. John Paris?

Mr. HOFFA. I did.

Mr. KENNEDY. How long ago did he die?

Mr. HOFFA. Three or four years.

Mr. KENNEDY. How long had you known him?

Mr. HOFFA. Probably 15 or more years, 10 or 15 years or more.

Mr. KENNEDY. You were a close friend of his?

Mr. HOFFA. Not necessarily.

Mr. KENNEDY. Did he used to visit you?

Mr. HOFFA. You mean at home?

Mr. KENNEDY. Yes.

Mr. HOFFA. I don't think that he ever did.

Mr. KENNEDY. He was a business agent of the Laundry Workers' Union, was he?

Mr. HOFFA. That is right.

Mr. KENNEDY. He was married to a woman by the name of Sylvia?

Mr. HOFFA. Yes, sir.

Mr. KENNEDY. She is a friend of you and your family?

Mr. HOFFA. That is right.

Mr. KENNEDY. And they have a son?

Mr. HOFFA. That is right.

Mr. KENNEDY. What is his name?

Mr. HOFFA. Charles O'Brien.

Mr. KENNEDY. And he is with your union, is he?

Mr. HOFFA. That is right.

Mr. KENNEDY. He used to be with the Retail Clerks' Union?

Mr. HOFFA. That is right.

Mr. KENNEDY. And the Retail Clerks' Union had its headquarters in the Teamsters' Building?

Mr. HOFFA. That is right.

Mr. KENNEDY. In Detroit?

Mr. HOFFA. Yes, sir.

Mr. KENNEDY. And he is now working for your union, local 299?

Mr. HOFFA. That is right.

Mr. KENNEDY. He is a business agent for 299?

Mr. HOFFA. That is right.

Mr. KENNEDY. Now, on Mr. Holtzman and Mr. Bushkin, did they represent on any occasion the Detroit Institute of Laundry?

Mr. HOFFA. They may have, and I believe they did.

Mr. KENNEDY. Did you have some discussions with them about that?

Mr. HOFFA. I don't think that I discussed it with them.

Mr. KENNEDY. Did you discuss the Detroit Institute of Laundry with Mr. Holtzman?

Mr. HOFFA. I may have.

Mr. KENNEDY. Can you remember that?

Mr. HOFFA. No; I don't.

Mr. KENNEDY. You don't remember?

Mr. HOFFA. No; I don't.

Mr. KENNEDY. In 1949, did they make arrangements for you to visit with any of the representatives of the Detroit Institute of Laundry?

Mr. HOFFA. I don't know whether they did or not, and I met some representatives of the laundry and I don't know who arranged the meeting.

Mr. KENNEDY. You don't know how that was arranged?

Mr. HOFFA. No.

Mr. KENNEDY. What did they come to see you about?

Mr. HOFFA. With the question of the dispute between their organization and our organization.

Mr. KENNEDY. Could you tell us about what conversations you had with them?

Mr. HOFFA. Well, how long ago was that?

Mr. KENNEDY. I said 1949.

Mr. HOFFA. I believe that the contract was open for negotiations, and there arose a question between the employers and our union as to whether or not there was a right to strike or a necessity to arbitrate the differences when they couldn't agree.

Mr. KENNEDY. This is not then, this is back in 1949. That was in 1951 when there was a question about that. That is when the contract was up for renewal, and I believe the man conducting the negotiations was Mr. Isaac Litwak, of Local 295 of the Teamsters.

Mr. HOFFA. Let us go back a step. You have asked me whether or not Holtzman had ever talked to me about the question of the laundry institute?

Mr. KENNEDY. Yes.

Mr. HOFFA. To the best of my knowledge the only time that I ever knew Holtzman was engaged or involved in any way with the laundry institute was the one incident where he was involved with Litwak.

Mr. KENNEDY. In 1951?

Mr. HOFFA. That could have been, and I am not sure of the date.

Mr. KENNEDY. Did they come to see you on two different occasions then, the representatives of the Detroit Institute of Laundry?

Mr. HOFFA. I don't know if it was once or twice, and they did come to see me.

Mr. KENNEDY. Going back to 1949 when the contract was up, and Mr. Litwak was negotiating the contract, do you remember they came to see you on that occasion?

Mr. HOFFA. I think that your facts are wrong. I think when they came to see me there was a question involving the contract as to whether or not he could strike because I believe, and this is only from me, there were certain sections open for negotiations. When they got into a deadlock, I believe it was a question whether they could strike or had to arbitrate. And I don't recall any other incident that I discussed with them.

Mr. KENNEDY. Mr. Hoffa, all I asked you was whether in 1949, when this contract was up, and there were negotiations going on between Mr. Isaac Litwak and this representative of the Detroit Institute of Laundry, they came to visit you on that occasion.

Mr. HOFFA. I say they came to visit me, and the best I can recall was one contract. Whether it was the one you mentioned first or the second one, I don't recall but it seems to me that the question involved, as I stated before—

Mr. KENNEDY. We have gone through that, and it was a 3-year contract. Let me see if this refreshes your recollection. It was a 3-year contract, I believe, signed in 1949, and in 1951 there was a question, as you explained, as to whether local 285 could strike. I believe that they came to see you on that occasion for you to make a determination as to whether local 285 had the right to strike at that time.

Now, I am trying to find out, prior to that, in 1949, when there were negotiations on this contract, whether representatives of the Detroit Institute of Laundry came to see you?

Mr. HOFFA. It seems to me unless you refresh my memory in some other direction, it seemed to me I only had one dealing with the question of the laundry institute and Litwak, and that was the question of the arbitration or the strike. I don't recall, and I don't think that I did meet with the laundry owners concerning the contract when it expired, because I don't remember any incident where there was a threat of strike other than the one time.

Mr. KENNEDY. Do you remember the representatives of the Detroit Institute of Laundry coming to your office and complaining about the difficulties that they were having with Isaac Litwak?

Mr. HOFFA. I believe they did come to my office once or twice, and we did discuss it but it seems to me again that that was the particular time of the dispute whether you could or couldn't strike.

Mr. KENNEDY. Did Mr. Holtzman arrange one or both of those meetings?

Mr. HOFFA. No; I believe an attorney arranged it if I recall rightly, and I don't think Holtzman arranged it, and I don't recall offhand, but I think there must have been an attorney.

Mr. KENNEDY. What was Mr. Holtzman doing in this matter?

Mr. HOFFA. Well, I wouldn't know.

Mr. KENNEDY. You said that you had talked to Mr. Holtzman about it.

Mr. HOFFA. I didn't say that.

Mr. KENNEDY. Mr. Hoffa, you said that you thought originally that Mr. Holtzman was involved in this.

Mr. HOFFA. I said if they employed him and I understood they did, why you would have to ask them what they employed him for.

Mr. KENNEDY. I want to ask you what conversations you had.

Mr. HOFFA. You can't ask me, because I don't know.

Mr. KENNEDY. I can ask you what conversations you had with them, and I can ask whether he arranged any of the meetings.

Mr. HOFFA. If he arranged them, and I don't think that he did. I think a lawyer arranged them.

Mr. KENNEDY. That is a slight change, with you that is all right.

Mr. HOFFA. It might be a slight change, but it is the truth. In any event we had the meetings, put it that way.

Mr. KENNEDY. I understand that, and now I want to find out Mr. Holtzman's involvement, and did he have any conversations with you about this?

Mr. HOFFA. I think Holtzman represented them.

Mr. KENNEDY. Did other people come when Mr. Holtzman was there?

Mr. HOFFA. No, I don't believe Holtzman was present when they were in my office.

Mr. KENNEDY. Mr. Holtzman just had his conversations alone with you then, is that right?

Mr. HOFFA. I don't think he had any conversations with me concerning the contract except the fact that his people wanted or may have wanted to meet. I don't know if he arranged it or not.

Mr. KENNEDY. What conversations did you have with Mr. Holtzman about this contract?

Mr. HOFFA. Well now, what conversations I had would probably concern the question of the dispute. Now what the exact conversation was, I certainly couldn't recall. It wasn't that important.

Mr. KENNEDY. You can't remember whether he arranged the meeting and you think it is possible, though?

Mr. HOFFA. I don't know if he did or not, either him or an attorney, and I don't know which one arranged it, and it seemed to me it was an attorney that arranged it.

Mr. KENNEDY. When you had your conversations with Mr. Holtzman, the representatives of the Detroit Institute of Laundry were not present, is that right?

Mr. HOFFA. I don't know if I had a discussion with Holtzman or not.

Mr. KENNEDY. I thought that you said that you did.

Mr. HOFFA. No; I didn't say that at all.

Mr. KENNEDY. You found out Mr. Holtzman was representing the Detroit Institute of Laundry?

Mr. HOFFA. He may have been.

Mr. KENNEDY. You understood that, Mr. Hoffa, and you must have understood it from what Mr. Holtzman said?

Mr. HOFFA. I think that you are right.

Mr. KENNEDY. So then any conversations that you had with Mr. Holtzman about this was just between you and Mr. Holtzman, and no one else present?

Mr. HOFFA. Not necessarily, and we may not have had a conversation, no more than the fact of arranging a meeting; I don't know.

Mr. KENNEDY. Did you have any conversations about the Detroit Institute of Laundry or about the contract with Mr. Holtzman when anyone else was present?

Mr. HOFFA. I don't recall having a discussion with Holtzman about the contract.

Mr. KENNEDY. Did Mr. Holtzman arrange it?

Mr. HOFFA. He may have had.

Mr. KENNEDY. Did you participate in any of the contract negotiations for the contract in 1949?

Mr. HOFFA. I don't think that I ever met with the negotiating committee of the Laundry Institute.

Mr. KENNEDY. Do you ordinarily go to meetings of the locals?

Mr. HOFFA. Where there is a question involving a serious strike, that can involve other local unions, as president of the council, I do many times; yes.

Mr. KENNEDY. Did you go in 1949 to these negotiations?

Mr. HOFFA. I don't recall whether I did or not. I don't think that I did.

Mr. KENNEDY. Do you remember coming into the Detroit Leland Hotel in 1949, in connection with those negotiations?

Mr. HOFFA. No; I don't remember. If I did, I don't remember.

(At this point, the following members were present: Senators McClellan, Ives, Ervin, Church, Kennedy, Mundt, and Curtis.)

Mr. KENNEDY. You don't remember that?

Mr. HOFFA. No.

Mr. KENNEDY. Do you remember giving instructions to Mr. Litwak to sign the contract at that time?

Mr. HOFFA. I never did instruct Litwak to sign the contract to my recollection. I told Litwak, the time that I can recall, that in my opinion he was bound by arbitration. I can't recall any other meeting I had with the Laundry Institute.

Mr. KENNEDY. I am talking about a meeting in 1949 at the Detroit Leland Hotel, Mr. Hoffa. Did you come into the meeting at the Detroit Leland Hotel when Mr. Litwak was meeting with the Detroit Institute of Laundry and have discussions with him at that time about signing the contract?

Mr. HOFFA. I could have easily, but don't recall. There would be nothing unusual about it. I go into hundreds of meetings every—

Mr. KENNEDY. How many meetings of the Detroit Institute of Laundry did you ever go to when they were carrying on negotiations with your union representative?

Mr. HOFFA. I don't recall, and I don't believe I did, attend any meetings of the full negotiating board of the laundry companies. I believe that I met with the representatives of the association.

Mr. KENNEDY. So that your recollection is that you never went, is that right?

Mr. HOFFA. My recollection is that I met with the representatives of the association, but I do not recall, and I don't think I did, meeting with the laundry owners. I possibly could have.

Mr. KENNEDY. I am talking about the representatives of the association, and a meeting of it at the Detroit Leland Hotel. Did you go to such a meeting?

Mr. HOFFA. If I did, I can't recall it and I don't believe I did.

Mr. KENNEDY. Did you ever go to any meeting where there were negotiations on the contract between the Detroit Institute of Laundry and your union representative?

Mr. HOFFA. I don't think I ever met the negotiating committee of the Laundry Institute. I don't believe I did.

Mr. KENNEDY. You never did? You never went to a meeting between the representatives of the Detroit Institute of Laundry and your own union representative, Mr. Isaac Litwak?

Mr. HOFFA. Well, if I did, it escapes my memory.

Mr. KENNEDY. You don't remember that?

Mr. HOFFA. No, I don't. I met the representatives of the council, but I do not recall any negotiating meeting.

Mr. KENNEDY. Would it refresh your recollection that you told Mr. Litwak at that meeting that if he did not sign a contract, that you were going to take over the negotiations and settle these problems yourself?

Mr. HOFFA. I never told Isaac Litwak or any other business agent that.

Mr. KENNEDY. You never said anything like that?

Mr. HOFFA. Just a moment. You asked me whether I said I would take over the negotiations. I had no authority as president of the council at that time, or president of my own local union, to take any such action.

Mr. KENNEDY. Do you deny that you had such a conversation, Mr. Hoffa?

The CHAIRMAN. The witness says he has no authority to do that or he never did it.

The question is specific: Do you deny that you did it or did not do it?

A man may say "I have no authority to do that" and yet would do it. To clarify, did you do it or did you not do it?

Mr. HOFFA. I don't recall the conversation or the meeting at all.

But if I would have said any such a thing it would have been to the effect that if they had made an offer, that it should be submitted to the membership, and I would be bound by the membership, with no authority to change their vote. I may have told them to submit it to a membership meeting.

Mr. KENNEDY. Do you remember telling them that at a meeting at the Detroit Leland Hotel?

Mr. HOFFA. I don't even remember the meeting.

Mr. KENNEDY. Do you remember in 1949 Mr. Litwak was disturbed about your interceding in this contract?

Mr. HOFFA. I don't believe he was.

Mr. KENNEDY. Do you remember that?

Mr. HOFFA. No, I don't. But I don't believe Isaac has ever been disturbed by what I do.

Mr. KENNEDY. Do you deny that he was disturbed at that time about your interceding in the contract?

Mr. HOFFA. He was very disturbed about the owners.

Mr. KENNEDY. What?

Mr. HOFFA. He was very disturbed about the owners.

Mr. KENNEDY. Mr. Hoffa, you have not answered any questions for the last 25 minutes.

Mr. HOFFA. That isn't true.

Mr. WILLIAMS. Mr. Chairman, I think this is a good point to ask what pertinency this 1949 negotiation in an intricacy dispute has to do with the legislative purpose of this committee. I don't see the pertinency of it.

I have not objected, because I don't want to interrupt the continuity of this interrogation, but I seriously challenge the pertinency of this line of questions.

The CHAIRMAN. The Chair will make this observation and ruling:

As counsel well knows, in presenting a case, you cannot present everything in one sentence or with one witness. There are going to be witnesses here, I understand, who will testify regarding what occurred at that time. It will involve, I may say for your information, what appears on the face of it to be corruption. This committee and the Congress is interested in the administration of affairs of unions with respect to whether they are corrupt, or whether those who have the responsibility of representing unions keep faith with their responsibilities.

That will be involved throughout these hearings as a part, only, of what the committee is interested in. Proceed.

Mr. KENNEDY. In 1949, Mr. Hoffa, Mr. Isaac Litwak, was disturbed at your intercession in the contract, was he not?

Mr. HOFFA. Well, if he was, he didn't express it to me.

Mr. KENNEDY. You never knew about that?

Mr. HOFFA. He was disturbed about the general president, if I recall, intervening in this dispute.

Mr. KENNEDY. He was disturbed about what?

Mr. HOFFA. I believe, now that I recall it, I believe he was disturbed about the general president intervening in this dispute.

Mr. KENNEDY. Who was the general president?

Mr. HOFFA. Dave Beck.

Mr. KENNEDY. He intervened in this dispute in Detroit?

Mr. HOFFA. If my memory serves me right, Dave Beck refused to grant strike authority. I am doing this from memory, but I think that the record will show that when Litwak filed for the question of strike sanction, that he was refused the right to have strike benefits by the international, which did not keep him from striking but would have kept him from having financial benefits.

(The witness conferred with his counsel.)

Mr. HOFFA. He was executive vice president, I am informed by Lawyer Williams, but he was having the same authority as president since he was generally operating the international union.

Mr. KENNEDY. Then it was not the general president?

Mr. HOFFA. Well, it could very well have been Dave Beck who was acting as executive vice president.

Mr. KENNEDY. Was it Mr. Tobin or Mr. Beck?

Mr. HOFFA. Well, it was probably—it was Mr. Beck.

Mr. KENNEDY. I thought you said it was the general president.

Mr. HOFFA. Well, my memory happened to slip, and this is 9 years ago, and I am now correcting it, Mr. Kennedy.

Mr. KENNEDY. Did anybody give you any instructions to inject yourself into the contract negotiations?

Mr. HOFFA. I probably gave myself instructions.

Mr. KENNEDY. Why?

Mr. HOFFA. Because I am president of joint council 43.

Mr. KENNEDY. So you did inject yourself into this contract?

Mr. HOFFA. Yes, I did.

Mr. KENNEDY. Now we are making some progress.

Mr. HOFFA. That is fine.

Mr. KENNEDY. Did you go to the meeting, then, at the Detroit Leland Hotel?

Mr. HOFFA. I don't know whether I did or not. I do not recall the meeting. It is possible. It is 9 years ago, and one meeting more or less does not mean that much to me.

Mr. KENNEDY. Did you have conversations with Mr. Holtzman about this contract?

Mr. HOFFA. I may have had. I don't recall.

Mr. KENNEDY. You don't remember that at all?

Mr. HOFFA. It wasn't that important.

Mr. KENNEDY. You don't remember at all?

Mr. HOFFA. I don't even remember the contract except the one question of where we were involved in the dispute of arbitration or strike. That is the outstanding thing in my mind concerning anything to do with the laundry institute.

The CHAIRMAN. Mr. Hoffa, I believe you said you borrowed \$5,000 each from Mr. Bushkin and Mr. Holtzman.

Mr. HOFFA. That is correct, sir.

The CHAIRMAN. Do you recall when you borrowed that money?

Mr. HOFFA. I think I said it was 1952 or 1953. Yes, I testified it was 1952 or 1953, Senator.

The CHAIRMAN. All right.

Now, prior to that time, had you had any financial transactions with either of these men?

Mr. HOFFA. No, not prior to that time.

The CHAIRMAN. Did you subsequent to that time?

Mr. HOFFA. It is the only transaction I had with them concerning the loaning of money to myself.

The CHAIRMAN. I beg your pardon?

Mr. HOFFA. It is the only transaction I had of them loaning me any money.

The CHAIRMAN. All right. That is a matter of loan. Is that the only business transaction you had with them in which money was involved?

Mr. HOFFA. Concerning money, yes.

The CHAIRMAN. Either before or since?

(The witness conferred with his counsel.)

Mr. HOFFA. Yes, sir.

Concerning the loaning of money, yes.

The CHAIRMAN. I am not talking about just concerning the loaning of money. I am talking about any other financial transaction or business transaction with them in which money was involved.

Mr. HOFFA. I may have asked Bushkin or I wanted him to buy me something at wholesale. I don't know. But so far as other than purchasing something from them, that is the only financial transaction I had.

The CHAIRMAN. In other words, the borrowing of the money that you have testified to, and the possibilities that you may have asked

them to do you a favor, to get something wholesale for you, according to your testimony, are the only business transactions you have had with them involving money or other valuable considerations, is that correct?

Mr. HOFFA. That is right.

The CHAIRMAN. When were these loans repaid, Mr. Hoffa?

(The witness conferred with his counsel.)

Mr. HOFFA. Well, apparently—I want to correct the record. I have had my accountant try to straighten out some of these answers since the last time. My accountant shows here money was borrowed the latter half of 1951 and was paid back in 1953, according to his records that he has been able to reconstruct.

The CHAIRMAN. All right.

In the transaction, I believe you said the money you received in the nature of loans was all cash?

Mr. HOFFA. That is right.

The CHAIRMAN. From each one?

Mr. HOFFA. That is right.

The CHAIRMAN. How were they repaid?

Mr. HOFFA. By, I believe, a money order.

The CHAIRMAN. A post office money order?

Mr. HOFFA. My secretary had the order made out and I would assume that it was, Senator. It could have been a bank draft, but I believe that it was a money order.

The CHAIRMAN. Are there any further questions, gentlemen?

Senator CURTIS.

Senator CURTIS. Your secretary handled the repayment, the details of transmitting?

Mr. HOFFA. I believe she did. She normally does for me. That is why I said that.

Senator CURTIS. What is her name?

Mr. HOFFA. Diane Dubrescu.

Senator CURTIS. What is her current address; do you know?

Mr. HOFFA. Offhand I don't know.

Senator CURTIS. She lives in Detroit?

Mr. HOFFA. That is right.

Senator CURTIS. That is all.

Senator KENNEDY. Mr. Chairman?

The CHAIRMAN. Senator Kennedy.

Senator KENNEDY. You say, Mr. Hoffa, that your accountant produced records which described the repayment of these funds?

Mr. HOFFA. No, I did not say he produced records. I said I have had him trying to reconstruct, talking to people, about certain loans that I have made as to the dates I paid them back and the dates I borrowed the money.

Senator KENNEDY. Mr. Hoffa, how did the accountant reconstruct this if he had no records?

Mr. HOFFA. He probably talked to the people.

Senator KENNEDY. Who did he talk to?

Mr. HOFFA. I imagine he talked to the people involved.

Senator KENNEDY. He talked to you?

Mr. HOFFA. We discussed the matter; yes.

Senator KENNEDY. And you told him what had happened?

Mr. HOFFA. No, I told him when I borrowed the money, when I thought I borrowed the money and when I thought I paid it back, and he checked it, and these are the records he gave me.

This shows how your memory can slip. Instead of 1951, apparently it was 1952.

Senator KENNEDY. Who else did he talk to in making the report to you?

Mr. HOFFA. I assume the people who were involved.

Senator KENNEDY. How many people were involved?

Mr. HOFFA. Offhand, do you mean the loans?

Senator KENNEDY. Yes.

Mr. HOFFA. I would have to count them and tell you.

Senator KENNEDY. Did he talk to Mr. Holtzman?

Mr. HOFFA. Holtzman happens to be dead.

Senator KENNEDY. Who else did he talk to?

Mr. HOFFA. Probably Bushkin.

Senator KENNEDY. In other words, the people he talked to were you and Mr. Bushkin. Did he talk to others?

Mr. HOFFA. I don't know.

Senator KENNEDY. You come and make the statement that your accountant indicated that you borrowed the money in such and such a year and repaid the money in such and such a year.

When did your accountant make this study?

Mr. HOFFA. When did he make it?

Senator KENNEDY. Yes. Did he make it in the last few months?

Mr. HOFFA. In the last few days.

Senator KENNEDY. And you can't tell us who he talked to besides you, Mr. Hoffa, and the other gentleman who was involved?

Mr. HOFFA. I think you will have to ask him, Mr. Senator.

Senator KENNEDY. I am asking you. You are the one who made the report to the committee about what your accountant found, and now we find that there are no records, that he merely talked to you and the other gentleman involved, and that the whole transaction was in cash.

Mr. HOFFA. Senator, I don't see anything strange about that, and I think I have answered your question.

Senator KENNEDY. Mr. Hoffa, will you tell me? I am interested because you read a document here purporting to come from your accountant, and it looks like all your accountant relied on was your statement and the statement of the other gentleman. There are no other records in existence.

Mr. HOFFA. What else would he rely on, Senator?

Senator KENNEDY. I would think usually when a loan is made, particularly to anyone in your position, or who represents an employer association, some record would be kept, and some record would be kept of the payments back. Instead, there are no records kept.

It was a cash transaction between you and we only have your word and the word of the other gentleman as to whether the money was paid back.

Mr. HOFFA. I guess you will have to take our word.

Senator KENNEDY. I want to say to your counsel, who raised the question as to whether these were proper questions for the committee, that the bill which passed the Senate does deal with the proprietor

of an employer or employer association making a payment to a union leader.

I think it is completely within the bounds and within the legislative area of this committee that we interrogate Mr. Hoffa on this subject.

The CHAIRMAN. Are there any further questions at this time?

Mr. KENNEDY. Not right now, Mr. Chairman.

The CHAIRMAN. Mr. Hoffa, you may stand aside for the present.

You will be recalled.

Call the next witness.

Mr. KENNEDY. Mr. William H. Miller.

Mr. Hoffa might like to stand by.

The CHAIRMAN. Mr. Miller can sit over here.

I think it is fair to the witness when we have testimony that he hear it and try to clear up these points as we go along.

Mr. Miller, be sworn, please.

Do you solemnly swear 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. MILLER. I do.

TESTIMONY OF WILLIAM H. MILLER

The CHAIRMAN. All right, Mr. Miller. Be seated. State your name, your place of residence, and your business or occupation.

Mr. MILLER. William H. Miller, Watersmeet, Mich. I operate a motel and restaurant up there.

The CHAIRMAN. Do you have counsel or do you waive counsel, Mr. Miller?

Mr. MILLER. I have no counsel.

The CHAIRMAN. You waive counsel. All right.

Proceed, Mr. Kennedy.

Mr. KENNEDY. Mr. Miller, you were in the laundry business, were you, for a period of time?

Mr. MILLER. That is right.

Mr. KENNEDY. How long were you in the laundry business?

Mr. MILLER. Fifteen years.

Mr. KENNEDY. Up until when?

Mr. MILLER. 1950.

Mr. KENNEDY. Mr. Miller, there were negotiations that took place in 1949, in connection with the contract between the representatives of the Detroit Institute of Laundry and the Teamsters Union?

Mr. MILLER. That is right.

Mr. KENNEDY. That was local 285 of the Teamsters?

Mr. MILLER. That is right.

Mr. KENNEDY. And the representatives of that local was Mr. Isaac Litwak; is that correct?

Mr. MILLER. That is right.

Mr. KENNEDY. You have prepared a statement, have you not, that has been submitted to the committee, giving the background and the situation that occurred in connection with those negotiations?

Mr. MILLER. That is right.

Mr. KENNEDY. Mr. Chairman, I would like to have permission for the witness to read that statement.

The CHAIRMAN. Was that statement submitted within the rules?

Mr. KENNEDY. Yes; it was.

The CHAIRMAN. All right.

Mr. Miller, you are prepared, as you read that statement, to read it under oath, and the statements therein are your sworn testimony.

Mr. MILLER. Yes. Well, the first thing I would like to say on this is Mr. Salinger contacted me by telephone, and we had a very poor connection, so that I could not hear him on the phone, and he would have to tell the operator what he wanted to ask me, and then I would have to repeat to the operator. I believe he called me about three times, and we could not get a good connection.

Then he called me and said he would be up there. He made arrangements, and I met him there. We talked this over, and he copied it down in shorthand. After he copied it down in shorthand, he typed it out on my typewriter, and I just read it over casually, not looking it over real good. So there are some questions in here and answers that will have to be clarified a little better than they are here.

The CHAIRMAN. All right.

You may read the statement if you choose to read it, and you may point out any discrepancies in there as relate to the truth and the facts.

(The following is the affidavit submitted by Mr. Miller and ordered printed in the record at this point.)

AFFIDAVIT

STATE OF MICHIGAN,

County of Gogebic, ss:

I, William H. Miller, who resides at box 185, Watersmeet, Mich., do make the following voluntary statement to Pierre Salinger, who has identified himself to me as an investigator for the Senate Select Committee on Improper Activities in the Labor or Management Field. This statement is made as the result of no promise or threat to me and with the understanding that it may be read at a public session of the above-named committee.

I am presently the owner of Bill Miller's Riverside Inn in Watersmeet, Mich. From 1935 to 1950, I was the owner of the New Method Laundry in Detroit, Mich.

For a number of years, Local 285 of the Teamsters Union, which was headed by Isaac Litwak, attempted to organize the drivers who worked for my company. In the early 1940's, a representative of the Detroit Laundry Owners Association notified me he had had a visit from Isaac Litwak, and that unless my drivers joined the Teamsters Union, shipments of coal and soap to my place of business would be shut off. I called the men in and told them they would have the union. When some of them protested I told them I could not operate without coal and soap. Some of my drivers wanted to haul in the soap and coal on Sundays, but I told them they would get fired of that pretty soon. At any rate, at this time they became members of the union, and as an added inducement they were not required to pay the \$50 initiation fee, but rather each paid \$1.

For some years, I was a member of the labor committee of the Detroit Laundry Owners Association. Other members of this committee were Horace McKnight, who was one of the owners of the Palace-Model Laundry, and Fritz Brady, the owner of the Modern Laundry.

Also assisting us in the negotiations were Howard Balkwill, the president of the association, and John Meisner, the secretary of the association.

To the best of my belief, the contract of the Detroit laundries with the Teamsters Union came up for renegotiation in 1947. In an effort to reach a new contract with the union, a number of meetings were held with Isaac Litwak. Some of these meetings were held prior to the time the contract ran out in March and some after. I sat in on the negotiations after the contract ran out. One of the first things the managements agreed to do when the contract ran out

was to pay retroactive wages back to the expiration day for any increases we might agree to.

I attended 3 or 4 of these negotiating sessions after the contract ran out. These meetings were held at the Detroit Leland Hotel and at the Old Wayne Club in downtown Detroit. Isaac Litwak was the principal negotiator for the union. He had other representatives with him. Litwak was adamant in all of these negotiations, asking for all kinds of new provisions in the contract. Fritz Brady and Horace McKnight had worked diligently getting up a memorandum on what the laundry owners felt they could do. Litwak took one look at this document and just discarded it and said he was not interested in reading it any further.

Litwak kept meeting every request of the laundry owners with the threat of a strike.

The negotiations kept dragging on and no progress was being made. Finally a lunch was arranged at which Meisner, Balkwill and I attended. This lunch was held in the lunchroom of the Detroit Hotel. At this lunch, I suggested that perhaps we should go to someone higher up in the Teamsters and attempt to reach a settlement. Things had become critical and the union had already levied a \$10 per member assessment as a strike fund. I didn't want a strike and neither did the other laundry owners.

It was agreed by Meisner and Balkwill that something should be done. They then set up a meeting with James R. Hoffa. Either Meisner or Balkwill or both reported the outcome of this meeting to me at the offices of the association in the Detroit Hotel. I was told that at the meeting with Hoffa it had been arranged that a contract could be signed with the payment of \$90 per truck by all the members of the association to Hoffa. At that time, the association represented all the laundries in Detroit. This payment would assure a 3 year contract. I was told at this meeting by either Meisner or Balkwill or both that Hoffa told them that the laundry owners would have to make no further concessions to the union. Hoffa told them, however, that he could do nothing about the concessions that had already been made. The payment of the \$90 to Hoffa was to be made over a 3-year period, \$45 per truck the first year, \$22.50 per truck the second year, and \$22.50 per truck the third year. The payments were to be made in cash. Meisner was chosen as the man who would make the collections. Hoffa said he would appear at the next meeting with Litwak and see that the contract was settled. Meisner came to me and collected the \$450 first installment before the negotiating session was held. This first payment was made in cash in the office of the New Method Laundry. I do not have knowledge of how the other laundries made their payments or which ones did. I also made the second and third payments of \$225 each to Meisner, in cash, in the succeeding years.

I did not attend the actual session but Meisner reported to me what happened there. Firstly, Hoffa was late in appearing. In fact, Meisner expressed the thought to me that he started worrying that the payoff might have gone down the drain. Then there was a knock at the door. This meeting was being held at the Detroit Leland Hotel. When the door opened, Hoffa was there with a couple of his men. Meisner said the color drained from Litwak's face when he saw Hoffa. Hoffa wanted to know what the meeting was all about. He then read the contract which had been worked out up to then and expressed the view that it was a good contract and there was nothing wrong with it. The negotiations were then broken off and the contract signed sometime after.

It is my feeling and belief that Meisner and Balkwill were acting in the best interests of the laundry owners and that this type of arrangement had to be made to reach a contract.

I believe all the above statement to be the truth to the best of my knowledge.

WILLIAM H. MILLER.

NICKOLAS J. KOLINSKY,

Notary Public, Gogebic County, Mich.

My commission expires March 2, 1962.

Dated July 27, 1958.

Mr. MILLER. O. K. I, William—

Senator MUNDT. You should make those corrections as you read it.

Mr. MILLER. Submit those?

Senator MUNDT. As you read it, when you come to something you want to correct, you should make the correction at that point.

The CHAIRMAN. That is what the Chair indicated to him.

As you come to something in there, if it is inaccurate in any sense or needs explanation, you may pause and explain it.

Mr. MILLER (reading): I, William H. Miller, who reside at Box 185, Watersmeet, Mich., do make the following voluntary statement to Pierre Salinger, who has identified himself to me as investigator for the Senate Select Committee on Improper Activities in the Labor or Management Field. This statement is made as a result of no promise or threat to me and with the understanding that it may be read at a public session of the above-named committee. I am presently the owner of Bill Miller's Riverside Inn in Watersmeet, Mich.

From 1935 to 1950 I was the owner of the New Method Laundry in Detroit, Mich. For a number of years local 285 of the Teamsters' Union, which was headed by Isaac Litwak, attempted to organize the drivers who worked for my company. In the early 1940's a representative of the Detroit Laundry Owners' Association notified me he had a visit from Isaac Litwak, and that unless my drivers joined the Teamsters' Union shipments of coal and soap to my place of business would be shut off.

I called the men in and told them they would have the union. When some of them protested, I told them I could not operate without coal and soap. Some of my drivers wanted to haul in the soap and coal on Sundays, but I told them they would get tired of that pretty soon.

The CHAIRMAN. Let me interrupt you there. There was a threat made against you by the president of the local union of the Teamsters that unless you forced your men to join the union that they would cut off deliveries to you?

Mr. MILLER. The threat was not made directly to me. It was made through the association. They contacted the association as my plant was the last plant in the city of Detroit to have the drivers organized.

The CHAIRMAN. You were a member of the association?

Mr. MILLER. I was a member of the association, and Isaac Litwak had contacted me several times to have the drivers come into the union, and I told him it was up to the drivers. I can't tell them.

The CHAIRMAN. He had previously contacted you personally about it?

Mr. MILLER. That is right.

The CHAIRMAN. Trying to persuade you to have your employees join the union?

Mr. MILLER. That is right.

The CHAIRMAN. And when that effort failed, then he went to the association?

Mr. MILLER. That is right.

The CHAIRMAN. And he delivered, in a sense, an ultimatum to them, or to you through them, that if you did not have them join up, your supplies would be cut off?

Mr. MILLER. That is right.

The CHAIRMAN. All right.

As we go along, we will get these things clarified. Proceed.

Mr. MILLER (reading): Some of the drivers wanted to haul the soap and coal on Sundays, but I told them they would get tired of that

pretty soon. At any rate, at this time they became members of the union, and as an added inducement they were not required to pay the \$50 initiation fee, but, rather, each paid \$1. For some years, I was a member of the labor committee of the Detroit Laundry Owners Association. Other members of this committee were Horace McKnight, who was one of the owners of the Palace-Model Laundry, and Fritz Brady, the owner of the Modern Laundry.

Also assisting us in the negotiations were Howard Balkwill, the president of the association, and John Meisner, the secretary of the association. To the best of my belief, the contracts of the Detroit laundries with the Teamsters Union came up for renegotiation in 1947.

As I explained to Salinger, I was not sure of the year, as this had happened many years before. Since then I found it was 1949.

The CHAIRMAN. So that is one correction you make in your statement?

Mr. MILLER. Right there.

The CHAIRMAN. All right.

Mr. MILLER (reading): In an effort to reach a new contract with the union, a number of meetings were held with Isaac Litwak. Some of these meetings were held prior to the time the contract ran out in March and some after. I sat in on the negotiations after the contract ran out. One of the first things the management agreed to do when the contract ran out was to pay retroactive wages to the expiration day for any increases we might agree to. I attended the—

The CHAIRMAN. That was to prevent a strike? In other words, if you agreed from that time on, from the time the contract ran out, from the time it expired, whatever you agreed to later would be retroactive back to the date of the expiration of the contract?

Mr. MILLER. That is right.

The CHAIRMAN. All right.

Mr. MILLER (reading): I attended 3 or 4 of these negotiating sessions after the contract ran out. These meetings were held at the Detroit Leland Hotel and at the Old Wayne Club in downtown Detroit. Isaac Litwak was the principal negotiator for the union.

He had other representatives with him. Litwak was adamant to all of these negotiations, asking for all kinds of new provisions in the contract.

Fritz Brady and Horace McKnight worked diligently getting up a memorandum on what the laundry owners felt they could do. Litwak took one look at this document and just discarded it, and said he was not interested in reading it any farther.

Litwak kept meeting every request of the laundry owners with the threat of a strike. The negotiations kept dragging on and no progress was being made. Finally a lunch was arranged.

Well, that is wrong, we just happened to get together for a lunch. It wasn't arranged.

The CHAIRMAN. It wasn't arranged, but you were together at lunch.

Mr. MILLER. We were together.

The CHAIRMAN. That correction will be made.

Mr. MILLER (reading): It was arranged at which Meisner, Balkwill and I attended.

This lunch was held in the lunchroom of the *Detroit* Hotel.

At this lunch, I suggested that perhaps we go to someone higher up in the Teamsters and attempt to reach a settlement. Things had become critical and the union had already levied \$10 per member assessment as a strike fund.

I did not want a strike and neither did the other laundry owners.

It was agreed by Meisner and Balkwill that something should be done. Then they set up a meeting with James Hoffa.

I was not at that meeting, and I suggested that they meet Hoffa. Whether they met Hoffa or not, I don't know.

The CHAIRMAN. Well, that was your suggestion.

Mr. MILLER. That was my suggestion.

The CHAIRMAN. You may clarify it further in your statement. Was it reported back to you that such a meeting was held?

Mr. MILLER. Well, it was reported back that they had a meeting, but they did not tell me who the meeting was with.

The CHAIRMAN. All right. Proceed.

Mr. MILLER. Either Meisner or Balkwill or both reported the outcome of this meeting at the offices of the association in the *Detroit* Hotel.

Well, that is not true. It was just a chance meeting or probably a telephone conversation that they had made the contact.

The CHAIRMAN. In other words, that part is in error there, or is not accurate, that they reported it at a meeting?

Mr. MILLER. Yes.

The CHAIRMAN. They did report it, but not necessarily at a meeting?

Mr. MILLER. That is right. They had no reason to report it to me, because I was no official in the Institute of Laundering outside of the fact that I was on the labor committee and trying to work out a contract.

I was told that at this meeting with Hoffa it had been arranged—

Well, the meeting, as I say, I don't know whether it was with Hoffa.

The CHAIRMAN. You were told that a meeting had been arranged.

Mr. MILLER. A meeting had been arranged—that a contract could be signed with the payment of \$90 per truck by all the members of the association, to Hoffa.

Well, there again that is not true, because I don't know who the payments were to be made to.

Senator KENNEDY. Mr. Chairman?

The CHAIRMAN. Just a moment. You were told, though as a result of the meeting, that a settlement could be arranged by the payment of \$90 per truck?

Mr. MILLER. That is right.

The CHAIRMAN. Were you interested in knowing to whom the payments were to be made?

Mr. MILLER. Well, being as I suggested that it be made to Hoffa, I just took it for granted that that is who the payments were made to.

The CHAIRMAN. Did you ever learn anything different, that the meeting was held with anyone other than Hoffa?

Mr. MILLER. No, I did not.

The CHAIRMAN. You never heard of it being held with anyone else to this day?

Mr. MILLER. No, never did.

The CHAIRMAN. And you had suggested it with Hoffa?

Mr. MILLER. That is right.

The CHAIRMAN. And they reported to you that the meeting had been arranged?

Mr. MILLER. They did not tell me who the meeting had been arranged with.

The CHAIRMAN. They said a meeting had been arranged?

Mr. MILLER. That is right.

The CHAIRMAN. Later they told you what the terms were, that was the proposition made to them at the meeting?

Mr. MILLER. That is right.

The CHAIRMAN. Senator Curtis.

Senator CURTIS. Do you at this time know with whom the meeting was held?

Mr. MILLER. No, I don't.

Senator CURTIS. No one ever told you?

Mr. MILLER. They never told me.

Senator CURTIS. You never asked the question?

Mr. MILLER. No, I did not. I never asked the question.

Senator MUNDT. Do you know to whom the \$90 was paid?

Mr. MILLER. Well, I paid it to John Meisner.

Senator MUNDT. You paid your \$90 to John Meisner?

Mr. MILLER. To John Meisner.

Senator MUNDT. Was he a Teamster official?

Mr. MILLER. Well, I didn't pay him the whole \$90. It was \$90 per truck, and I paid him \$45 per truck at that time, and the following year I paid him \$225, and then the third year \$225. It was \$90 per truck over a period of 3 years, with half to be paid the first year, one-quarter the second, and one-quarter the third.

Senator MUNDT. Identify for me who John Meisner is?

Mr. MILLER. He was the secretary of the Detroit Institute of Laundering.

Senator CURTIS. Who is Howard Balkwill?

Mr. MILLER. He was the president.

Senator CURTIS. Are both of those men living?

Mr. MILLER. Yes.

Senator CURTIS. Where do they live?

Mr. MILLER. In Detroit.

Senator CURTIS. That is all, Mr. Chairman.

The CHAIRMAN. Proceed with your statement.

Mr. MILLER (reading): At that time, the association represented all the laundries of Detroit.

Well, they did not represent quite all of them, but nearly all of them.

This payment would assure a 3-year contract.

I have heard since that it was a 5-year contract.

I was told at this meeting by either Meisner, Balkwill or both, that Hoffa told them that the laundry owners would have to make no further concessions to the union.

Well, I don't know who they contacted, but that was the report, that they would have to make no further concessions.

The CHAIRMAN. That the laundry owners would have to make no further concessions if they carried out their plan or accepted this proposal of paying \$90 per truck?

Mr. MILLER. That is right.

Hoffa told them, however, that he could do nothing about the concessions that had already been made.

The payment of \$90 was to Hoffa, I said here, but I don't know for sure who got it, was to be made over a period of 3 years, \$45 per truck the first year, \$22.50 per truck the second year, and \$22.50 per truck the third year.

The payments were to be made in cash. Meisner was chosen as the man who would make the collections. Hoffa said he would appear at the next meeting—

That is just hearsay. He did not tell me, but it is hearsay.

The CHAIRMAN. That is what they reported to you?

Mr. MILLER. That is right. [Reading:]

At the next meeting with Litwak, and see that the contract was settled.

Meisner came to me and collected the \$450 first installment before the negotiating session was held. The first payment was made in cash in the office of the New Method Laundry. I do not have knowledge of how the other laundries made their payments or which ones did.

I also made the second and third payment of \$225 each to Meisner in cash in the succeeding years. I did not attend the actual session, but Meisner reported to me what happened. Firstly, Hoffa was late in appearing. In fact, Meisner expressed the thought to me that he started worrying that the payoff might have gone down the drain.

The CHAIRMAN. Just a moment. He reported to you that Hoffa did appear at the meeting?

Mr. MILLER. That is right.

The CHAIRMAN. And he had previously reported to you that Hoffa said he would settle it?

Mr. MILLER. Well, his contacts with Hoffa agreed they would settle it, yes.

The CHAIRMAN. In other words, as a result of these folks contacting someone higher, whom at the time you had suggested as Hoffa, and so far as you knew, you never knew anything to the contrary but what it was Hoffa?

Mr. MILLER. Well, I surmised it was Hoffa.

The CHAIRMAN. Well, you have never known anything to the contrary?

Mr. MILLER. That is right, I never knew anything to the contrary.

The CHAIRMAN. When the test came at the negotiating session, it was reported to you that Hoffa showed up there?

Mr. MILLER. That is right.

The CHAIRMAN. All right. Proceed. We will have other proof.

Mr. MILLER. This meeting was held at the Detroit Leland Hotel. When the door opened, Hoffa was there with a couple of his men.

Well, I am not sure who was with him.

The CHAIRMAN. That is what was reported to you?

Mr. MILLER. Yes, sir.

The CHAIRMAN. Say so.

Mr. MILLER (reading): Meisner said the color drained from Litwak's face when he saw Hoffa. Hoffa wanted to know what the meeting was all about. He then read the contract which had been worked out up to then, and expressed the view that it was a good contract and that there was nothing wrong with it.

The negotiations were then broken off and the contract signed some time later. It is my feeling and belief that Meisner and Balkwill were acting in the best interests of the laundry owners and that this type of arrangement had to be made to reach contract.

The CHAIRMAN. Is that still your honest belief about it from what you know and from what part you played in it?

Mr. MILLER. Yes, that is right.

The CHAIRMAN. In other words, there was no doubt in your mind but what there had to be a payoff to get this contract settled?

Mr. MILLER. Definitely. I know I paid \$450 the first year, \$225 the second, and \$225 the third.

The CHAIRMAN. And you were paying to get a contract and prevent a strike?

Mr. MILLER. That is right.

The CHAIRMAN. And you were paying it in cash?

Mr. MILLER. That is right.

Senator MUNDT. You paid it to a man by the name of Meisner?

Mr. MILLER. John Meisner.

Senator MUNDT. Who is still alive?

Mr. MILLER. That is right.

Senator MUNDT. And who should be able to tell the committee what he did with the money?

Mr. MILLER. He should be able to; yes.

Senator MUNDT. The last you saw of your money it was in the hands of Mr. Meisner?

Mr. MILLER. That is right.

Senator MUNDT. It should not be very hard to find out from him what he did with the money.

Mr. MILLER. That is right.

Mr. KENNEDY. He will be a witness, Senator.

The CHAIRMAN. Proceed.

Mr. MILLER. Well, that is all there is to it. That is the end.

The CHAIRMAN. Have you made the corrections in the written statement that you read where you found inaccuracies to be?

Mr. MILLER. Well, I never met Hoffa myself.

In fact, I never seen him in my life until today, outside of pictures in the paper. But I knew that he was Litwak's boss, and whatever negotiating we had to get a contract would probably have to go through him. That is why I made the suggestion.

The CHAIRMAN. In other words, you were under pressure about this contract, there was a strike threatened against the whole industry—

Mr. MILLER. That is right.

The CHAIRMAN. You had been negotiating with the president of the local time and again.

Mr. MILLER. That is right.

The CHAIRMAN. You were on the negotiating board, were you?

Mr. MILLER. That is right.

The CHAIRMAN. And you had done your best to get a contract, to get it settled?

Mr. MILLER. That is right.

The CHAIRMAN. And you had been unsuccessful?

Mr. MILLER. That is right.

The CHAIRMAN. Prior to Mr. Hoffa's appearance at the meeting—and I think the proof will show that, if you were not present at that

meeting—had you offered everything prior to that time that was accepted at the time that Mr. Hoffa intervened?

Mr. MILLER. That is right.

The CHAIRMAN. You had already made these proposals. What is the other man's name, the president of the local?

Mr. MILLER. Isaac Litwak.

The CHAIRMAN. Litwak was rejecting the proposals? He was turning them down. You failed to get anywhere with him?

Mr. MILLER. That is right.

The CHAIRMAN. But when Mr. Hoffa intervened, if he did intervene, it was immediately settled upon the terms that the laundry institute had offered?

Mr. MILLER. That is right.

The CHAIRMAN. But it cost a little money?

Mr. MILLER. That is right.

Senator IVES. Mr. Chairman, may I ask a question?

The CHAIRMAN. Senator Ives.

Senator IVES. I want to ask the witness if anybody has talked to him about testifying before this committee about this meeting?

Mr. MILLER. No; only Mr. Salinger.

Senator IVES. Nobody else has been in touch with you at all about testifying?

Mr. MILLER. No.

Mr. KENNEDY. Well, he talked to Mr. Meisner.

You have talked to Mr. Meisner; have you not?

Mr. MILLER. Well, I talked to Meisner and Balkwill.

Mr. KENNEDY. Also, when you say you read this statement casually, do not your initials appear on each page?

Mr. MILLER. That is right.

Mr. KENNEDY. It has been notarized?

Mr. MILLER. Yes, sir.

Mr. KENNEDY. You read it over; did you not?

Mr. MILLER. That is right.

Mr. KENNEDY. You approved of the statement at that time?

Mr. MILLER. That is right.

Mr. KENNEDY. Your changes you made regarding your conversations with Mr. Meisner and Mr. Meisner identifying the recipient as Mr. Hoffa, those changes have been made in the last 48 hours?

Mr. MILLER. Well, no, they weren't.

Mr. KENNEDY. Since last night?

Mr. MILLER. Not in the last 48 hours. I told Mr. Salinger I was not there.

Mr. KENNEDY. I am asking you if in your conversations with Mr. Meisner, Mr. Meisner identified Mr. Hoffa as the recipient of the money; did he not, to you?

Mr. MILLER. No.

Mr. KENNEDY. That is what appears in the statement?

Mr. MILLER. That is what appears there, but I wanted to correct it.

Mr. KENNEDY. As of yesterday, your statement was correct, as of the time I talked to you yesterday?

Mr. MILLER. My statement is still correct, but I don't know—

Mr. KENNEDY. John Meisner identified Hoffa as the man; did he not, to you?

Mr. MILLER. Not in that many words; no.

Mr. KENNEDY. That is what you said in the statement?

Mr. MILLER. I just took that for granted that Hoffa was the man.

Mr. KENNEDY. You did not discuss that with Meisner?

Mr. MILLER. No.

Mr. KENNEDY. That is what appears in your statement.

Mr. MILLER. That is right.

Mr. KENNEDY. And as of yesterday you stated to me in the office that that was correct?

Mr. MILLER. Well, that is true, but, as I say, that I wasn't sure of, and I am still not sure of that, because I wasn't there.

Mr. KENNEDY. But from what was reported to you, you still say that if it had not been for the intervention of Mr. Hoffa as it was related to you, this contract would not have been signed?

Mr. MILLER. That is right.

Mr. KENNEDY. And Mr. Hoffa did come to negotiation at the Detroit Leland Hotel as it was related to you?

Mr. MILLER. As it was related to me, that is right.

Mr. KENNEDY. There is one more question I would like to ask the the witness.

What caused him to change his statement?

Mr. MILLER. Change my statement?

Mr. KENNEDY. Yes, to make corrections in it as you went along. Presumably it was right yesterday and now it is wrong.

Mr. MILLER. As I told Mr. Salinger when he come up to speak to me, this happened 10 or 11 years ago. He asked me things on the telephone. He couldn't ask me direct. He relayed it to the operator and the operator had to relay it back to me. Then when he came up there, it was quite late, and I was doing other things while he was typing it out. But as far as to know John Meisner made the payments to Hoffa, that I don't know because I wasn't there.

Mr. KENNEDY. I know, but you read that statement before you signed it, did you not?

Mr. MILLER. Just casually. I only looked it over once.

Mr. KENNEDY. Well, a statement like that is an important statement. Did you not make affidavit to it?

Mr. MILLER. That is right.

Mr. KENNEDY. When you do that, is it your custom to just casually glance at an affidavit before you swear to it?

I am just curious to know what made you change that statement. Are you scared of something?

Mr. MILLER. No; I am not.

Mr. KENNEDY. You act that way.

Mr. MILLER. No; I am not a bit scared. But what I am trying to say is that I can't prove that John Meisner had any connections or paid any money directly to Hoffa.

Mr. KENNEDY. You knew that when you signed the statement, did you not?

Mr. MILLER. Sure I knew it.

Mr. KENNEDY. Why did you sign the statement?

Mr. MILLER. I told Mr. Salinger that.

Mr. KENNEDY. Mr. Salinger did not make you swear to it, did he?

Mr. MILLER. No.

Mr. KENNEDY. You swore to it yourself freely, did you not, of your own will?

Mr. MILLER. That is true.

Mr. KENNEDY. Yet you come along today and make all of these revisions in it. There is something very peculiar about this.

Senator MUNDT. This man looks like a good, honest American. He probably has not had much experience in appearing before a committee, testifying under oath and making affidavits.

How many affidavits have you made out in your lifetime?

Mr. MILLER. That is the first one.

Senator MUNDT. You get up here and testify under oath and you simply do not want to say something that you are not sure of under oath?

Mr. MILLER. That is true.

Senator MUNDT. Now you want to tell us the true facts as you understand them?

Mr. MILLER. That is true.

Senator MUNDT. I commend you for that. If there are any changes to be made, you should make them, because you are testifying under oath, and you do not want to get in trouble.

Mr. MILLER. That is true.

Senator MUNDT. I think your testimony has been helpful, and the greatest significance of it, as I see it, is that you have at least told us the name of the man who told you that they met with Mr. Hoffa in the Detroit Leland Hotel.

Mr. MILLER. That is right.

Senator MUNDT. There is no question in your mind but what they told you that?

Mr. MILLER. They were at the meeting.

Senator MUNDT. That they were at the meeting with Hoffa?

Mr. MILLER. That is right.

Senator MUNDT. And their names are Meisner and—who is the other one?

Mr. MILLER. Balkwill.

Senator MUNDT. It seems to me that that is enough contribution for one fellow to make, and I do not criticize you at all for the fact that you are simply trying to be sure that what you tell us is the absolute truth.

Mr. MILLER. That is true.

The CHAIRMAN. The Chair undertook to give the witness every opportunity to make any correction he wished to as he presented his statement. The corrections have been made, according to his testimony.

Senator Curtis.

Senator CURTIS. Mr. Miller, I want to ask you about the happenings when your drivers were first organized. You say you were the last one to have your drivers unionized?

Mr. MILLER. That is right.

Senator CURTIS. Were your supplies of coal and soap actually cut off?

Mr. MILLER. No.

Senator CURTIS. They were threatened?

Mr. MILLER. Threatened, that is right.

Senator CURTIS. Did those communications that amounted to a threat come to you or to the suppliers of coal and soap?

Mr. MILLER. Well, Mr. Litwak had made me 3 or 4 visits, and he wanted to organize the drivers. I told him to go ahead. He talked to the drivers, and said he couldn't get them organized, that they didn't want to join the union. I said, "That is up to you. What do you want me to do, put them in?"

So he contacted the institute and they give me a telephone call and told me I better join the union, because they could stop my coal and soap supplies coming in.

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

Senator CURTIS. In other words, your drivers didn't want to join the Teamsters Union?

Mr. MILLER. They definitely didn't want to.

Senator CURTIS. And the organizer reported to you that they did not want to join?

Mr. MILLER. That is right.

Senator CURTIS. Did you personally know your drivers?

Mr. MILLER. That is right; I did.

Senator CURTIS. Mr. Chairman, I wonder if we could have order in the room? I can't hear.

The CHAIRMAN. Let us have order.

Senator CURTIS. You believed that was the opinion of the majority of your drivers, they didn't want to join the union?

Mr. MILLER. That is right.

Senator CURTIS. So then the approach was made to you that you put them in the union, that is correct?

Mr. MILLER. That is right.

Senator CURTIS. And you were threatened with having your supplies of coal and soap and anything else you might use shut off if you didn't force your drivers into the union?

Mr. MILLER. That is right.

Senator CURTIS. Were any other supplies involved besides coal and soap?

Mr. MILLER. No, sir; it was just a telephone threat, and that is what it was. They said there are other supplies that could be shut off, but there was only soap and coal mentioned.

Senator CURTIS. Was your place ever picketed?

Mr. MILLER. No.

Senator CURTIS. Was anything said about picketing?

Mr. MILLER. It was never mentioned. They never mentioned any picket lines.

Senator CURTIS. Did you put your men in the union?

Mr. MILLER. I did.

Senator CURTIS. Was there reaction to that?

Mr. MILLER. Well, they were very unhappy, and their remark was that they accused me of selling them down the river.

Senator CURTIS. And they were put in the union against their will because you were threatened with being shut up if you didn't force them to join?

Mr. MILLER. That is true.

Senator CURTIS. Well, I think that is a very bad set of facts. It is not unusual, however. The law gives to workers the right to organize

and bargain collectively, and it doesn't give to unions any rights to organize somebody that doesn't want to be organized. That is just illustrative of certain elements of unlawful conduct.

That is all.

The CHAIRMAN. Are there any further questions at this time?

Senator CHURCH. Mr. Miller, in connection with the testimony that you have just given, in this telephone conversation when you were advised that unless your truckers joined the Teamsters Union these supplies would be cut off, with whom was that telephone conversation?

Mr. MILLER. Well, it came from the institute.

Senator CHURCH. Do you recall who gave you that information?

Mr. MILLER. Mr. Balkwill.

Senator CHURCH. Of the institute?

Mr. MILLER. Yes, sir.

Senator CHURCH. You had no direct communication from the representatives of the Teamsters themselves?

Mr. MILLER. No.

Senator CHURCH. But it was Mr. Balkwill, of the institute, who told you that he had been advised by the Teamsters that unless your truckers were put into the Teamsters Union, these supplies would be cut off; is that correct?

Mr. MILLER. That is true.

Senator CHURCH. There is one other aspect. Let me follow that up with this question: Then you proceeded to put these truckers into the Teamsters' local?

Mr. MILLER. That is true.

Senator CHURCH. Did I understand you to testify that as a part of that arrangement, each paid \$1 instead of the customary initiation fee?

Mr. MILLER. That is true.

Senator CHURCH. Who paid that? Did the employees pay it, or did you pay it?

Mr. MILLER. The employees paid it.

Senator CHURCH. And after you put them into the Teamsters, you had no further difficulties with regard to your supplies or any further troubles in that connection?

Mr. MILLER. No.

Senator CHURCH. Now, as far as you can personally testify of your own knowledge, you were a member of the negotiating committee of the institute that was attempting to get a new contract with the Teamsters Union for all of the members of the institute; is that correct?

Mr. MILLER. That is true.

Senator CHURCH. And certain offers had been made, and these offers had not been accepted by the president of the Teamsters' local with whom you were dealing?

Mr. MILLER. That is correct.

Senator CHURCH. And then, if I understood, and correct me if I misunderstood your testimony, you directly testified that you were advised by Mr. Meissner and Balkwill that a payment should be made by the members, and the payment was \$90 per truck.

Now, were they the ones who told you this?

Mr. MILLER. Well, I don't know how they agreed on the \$90.

Senator CHURCH. But were they the ones who told you that that would be the amount required?

Mr. MILLER. Well, when John Meissner came to me, he said it would be \$90.

Senator CHURCH. Did he tell you that this \$90 per truck would have to be paid in order to get a contract? Was that his explanation to you?

Mr. MILLER. Oh, yes; we understood that.

Senator CHURCH. It was clearly understood that this was in payment for a contract?

Mr. MILLER. That is right.

Senator CHURCH. And then later these same two men informed you that Mr. Hoffa did appear at a meeting in which these negotiations for a contract were being discussed?

Mr. MILLER. Well, as I say, we were having lunch and there was probably several of us there, and he wasn't at the meeting, but the report did come back that Mr. Hoffa came to the Leland Hotel in 1949.

Senator CHURCH. And the report came from whom? Who told you this? That is what I was trying to get.

Mr. MILLER. John Meissner told me that.

Senator CHURCH. Then you paid the \$90 per truck, in 3 installments?

Mr. MILLER. That is right.

Senator CHURCH. And to your knowledge did other laundry owners also make this payment?

Mr. MILLER. I don't know.

Senator CHURCH. But any way, you made the payment?

Mr. MILLER. I made it.

Senator CHURCH. Shortly thereafter, a contract was entered into, and the contract consisted of the same terms that had been previously offered but not accepted by the union?

Mr. MILLER. Yes, sir.

Mr. KENNEDY. And the local union official who had been conducting the negotiations, Mr. Isaac Litwak, was very upset that Mr. Hoffa had gone over his head?

Mr. MILLER. That is as they told it to me; that is right.

The CHAIRMAN. All right.

Senator CURTISS. I have one other question. At the time that this attempt was made to organize your drivers, did you have any controversy or trouble with your drivers or any dispute with them?

Mr. MILLER. None whatsoever.

Senator CURTISS. They were not complaining about their pay and their working conditions?

Mr. MILLER. No.

Senator CURTISS. Did any of them belong to the Teamsters Union at that time?

Mr. MILLER. Well, that I don't know for sure, but previous to that there had been one or two who had belonged to it, but whether any of them belonged to it at that particular time, I don't know.

Senator CURTISS. You had 10 drivers?

Mr. MILLER. That is right.

Senator CURTISS. So far as the Teamsters Union was concerned, they were just outsiders butting in, were they not, and they did not represent your drivers?

Mr. MILLER. No.

Senator CURTIS. That is all.

The CHAIRMAN. The committee will stand in recess until 2 o'clock. (Whereupon, at 12:25, the committee recessed to reconvene at 2 p. m., the same day.)

AFTERNOON SESSION

The CHAIRMAN. The committee will be in order.

(Members of the committee present at the convening of the session were: Senators McClellan and Ives.)

The CHAIRMAN. Call the next witness.

Mr. KENNEDY. Mr. Vincent Watkins.

The CHAIRMAN. Will stand and be sworn? Do you solemnly swear that the evidence, given before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. WATKINS. I do.

TESTIMONY OF VINCENT B. WATKINS

The CHAIRMAN. Mr. Watkins, state your name and your place of residence and your business or occupation.

Mr. WATKINS. Vincent B. Watkins, 587 Henley, Birmingham, Mich. I am a partner of the Grand Laundry.

The CHAIRMAN. Mr. Watkins, do you waive counsel?

Mr. WATKINS. I do, sir.

The CHAIRMAN. How long have you been in the laundry business?

Mr. WATKINS. I have been in the business about 30 years. I have owned the Grand Laundry since 1944, and I have been a partner of it since 1944.

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

Mr. KENNEDY. Now, Mr. Watkins, were you a member of the negotiating committee of the Detroit Institute of Laundry in 1949?

Mr. WATKINS. Yes, sir.

Mr. KENNEDY. The others that were on that committee with you were Mr. Horace McKnight?

Mr. WATKINS. Yes, sir.

Mr. KENNEDY. And Charles Ladides, Howard Balkwill, and John Meisner; is that correct?

Mr. WATKINS. Yes.

Mr. KENNEDY. Now, were you having difficulties reaching an agreement with Mr. Isaac Litwak of local 285 of the Teamsters?

Mr. WATKINS. Yes, sir.

Mr. KENNEDY. He was very adamant in his position about signing a contract with you?

Mr. WATKINS. Quite so.

Mr. KENNEDY. And he particularly wanted to go into a 5-day week, which you felt would be very costly; is that right?

Mr. WATKINS. Yes.

Mr. KENNEDY. Was it ultimately discussed that it would be necessary or steps should be taken to get somebody higher up in the Teamsters Union?

Mr. WATKINS. Yes, sir.

Mr. KENNEDY. That took place at a meeting of your group, did it?

Mr. WATKINS. That some arrangements should be made to approach somebody higher up in the Teamsters?

Mr. WATKINS. Yes, sir.

The CHAIRMAN. How long had these negotiations been going on before you decided to go to someone higher up?

Mr. WATKINS. If I remember correctly, it was a couple of months.

The CHAIRMAN. In the meantime had the contract expired?

Mr. WATKINS. I don't remember.

The CHAIRMAN. But you do know that the negotiations had been going on for around 2 months at least before you decided to try to go over the head of the president of the local union?

Mr. WATKINS. Yes, sir.

Mr. KENNEDY. Now, I believe the record shows that the contract expired in February and your negotiations were going on in April, May, and June of that year?

Mr. WATKINS. Yes.

Mr. KENNEDY. After you had this discussion about going to a higher up in the Teamsters Union, did a report then come back to you that it was going to cost some money?

Mr. WATKINS. It did, sir.

Mr. KENNEDY. Who gave you that report?

Mr. WATKINS. I don't remember correctly, but I remember at the meeting that the gentlemen whose names you have read off were present, and I can't say which one made the report.

Mr. KENNEDY. One of this group made a report that it was going to cost some money?

Mr. WATKINS. That is correct.

Mr. KENNEDY. Then did you discuss or did he report to you how much money it was going to cost?

Mr. WATKINS. To my recollection, not at that particular meeting.

Mr. KENNEDY. This money was to be paid to the higher up in the Teamsters Union, as you understood it?

Mr. WATKINS. Presumably so, yes.

Mr. KENNEDY. Now, were you ultimately told how much it was going to cost?

Mr. WATKINS. Yes, sir.

Mr. KENNEDY. Could you remember who told you that?

Mr. WATKINS. No; I don't remember for certain, but I would say it was probably Mr. Balkwill or Mr. Meisner.

Mr. KENNEDY. Now, how much did you understand it was going to cost each laundry owner?

Mr. WATKINS. Up to yesterday when your Mr. Willse refreshed my memory, I didn't remember exactly. But the figure that he mentioned of \$90 a truck, that has been discussed here today, sounds reasonable to me.

Mr. KENNEDY. Was that to be paid all at one time?

Mr. WATKINS. No, sir.

Mr. KENNEDY. It was \$90 a truck, to be paid over a 3-year period?

Mr. WATKINS. Yes, sir.

Mr. KENNEDY. And it was \$90 a truck for the first year?

Mr. WATKINS. No.

Mr. KENNEDY. \$45 for the first year?

Mr. WATKINS. I believe so, yes, sir.

Mr. KENNEDY. Then it was to be followed by 2 payments, the succeeding years of \$22.50, is that right?

Mr. WATKINS. That is correct.

Mr. KENNEDY. Over a 3-year period?

Mr. WATKINS. Yes, sir.

Mr. KENNEDY. Did you decide to make that payment?

Mr. WATKINS. I did.

Mr. KENNEDY. And did you collect the money?

Mr. WATKINS. Did I pay the money, you mean?

Mr. KENNEDY. Yes.

Mr. WATKINS. Yes, sir.

Mr. KENNEDY. How much money did you pay altogether?

Mr. WATKINS. I don't remember.

Mr. KENNEDY. Do you know approximately how much?

Mr. WATKINS. I think at that time we had someplace between 12 and 15 trucks.

Mr. KENNEDY. So you paid \$1,000 or \$1,200?

Mr. WATKINS. Yes, sir.

Mr. KENNEDY. To whom did you give this money?

Mr. WATKINS. Mr. Meissner.

Mr. KENNEDY. Was it explained to you that the money would have to be in the form of cash?

Mr. WATKINS. I think so, and at least that was the medium of exchange.

Mr. KENNEDY. After you paid the cash to Mr. Meissner, did the Detroit Institute of Laundry go get the contract signed?

Mr. WATKINS. I don't remember the chronology of it.

Mr. KENNEDY. But subsequently?

Mr. WATKINS. Whether it was after the payment or whether it was after the meeting where they said that they had had a discussion with someone, but nevertheless the contract was ultimately signed.

Mr. KENNEDY. And it was generally or basically on the terms that you wished to have the contract signed at that time?

Mr. WATKINS. Yes, because we had already given up so much we couldn't get back, that what was left we felt we had to keep.

Mr. KENNEDY. You did not have to give anything more?

Mr. WATKINS. No; we did not give the 5-day week.

Mr. KENNEDY. It was explained to you that the concessions already made would have to remain in effect, but you wouldn't have to give any more?

Mr. WATKINS. That is correct.

Mr. KENNEDY. And you didn't have to give in to any more points and the contract was signed, is that right?

Mr. WATKINS. That is correct.

Mr. KENNEDY. Did you understand that Mr. Litwak was upset at the fact that Mr. Hoffa had gone over his head in this matter?

Mr. WATKINS. I don't think so. I don't think I had any knowledge of that situation.

Mr. KENNEDY. Was it ever reported to you?

Mr. WATKINS. Yes, sir; I think it was discussed years afterwards, that there was some upsetment. But I don't remember exactly.

Mr. KENNEDY. Did you understand Mr. Hoffa had intervened in this contract?

Mr. WATKINS. No; I did not.

Mr. KENNEDY. That is all, Mr. Chairman.

The CHAIRMAN. Do you know whether the other laundry owners had to pay the same as you did?

Mr. WATKINS. No; I presumed that they did, but I don't know.

The CHAIRMAN. Was that the understanding that all of them would have to pay?

Mr. WATKINS. Yes, sir; I would say that substantially is correct.

The CHAIRMAN. You were not agreeing to something that was not applicable to all of your associates, were you?

Mr. WATKINS. I hope not.

The CHAIRMAN. Well, you tried to make a little certain about it at the time?

Mr. WATKINS. I expected that they were all contributing something.

The CHAIRMAN. That was the general idea?

Mr. WATKINS. That is correct.

The CHAIRMAN. What was the purpose of the contribution?

Mr. WATKINS. Presumably to get a contract closed that we were having great difficulty in closing, despite what we felt was a presentation of good facts and figures.

The CHAIRMAN. Well, placing it in another terminology, you were paying off, is that correct?

Mr. WATKINS. In the vernacular; yes.

The CHAIRMAN. Can you give any other appropriate description for it?

Mr. WATKINS. No, sir.

The CHAIRMAN. Did you regard that as a legitimate transaction?

Mr. WATKINS. No, sir.

The CHAIRMAN. Why not?

Mr. WATKINS. Because I think it is morally wrong.

The CHAIRMAN. You think, too, that it was an exploitation of the situation?

Mr. WATKINS. Yes.

The CHAIRMAN. Did you understand that money was going into the union treasury?

Mr. WATKINS. No; I don't think that I had any such understanding.

The CHAIRMAN. You never even had any such suspicion, did you?

Mr. WATKINS. No; I don't believe so.

The CHAIRMAN. Then what you actually paid it for or what you all paid it for was to keep from having further trouble with the union?

Mr. WATKINS. Yes, sir.

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

The CHAIRMAN. In other words, it was an exaction that was made of you in order to let you have peace?

Mr. WATKINS. That is right.

The CHAIRMAN. But you felt you had no other alternative under the circumstances, was that correct?

Mr. WATKINS. I am afraid so; yes, sir.

The CHAIRMAN. Well, you know how you felt about it at the time, and I don't think that you would just—

Mr. WATKINS. I had made a commitment that they would go higher up before I realized that it would cost money, and I am afraid if I knew it would cost money to start with I would not have been in favor of it.

The CHAIRMAN. In other words, if you had known that going higher

up was going to involve you in this kind of a shady deal, you wouldn't have agreed to it?

Mr. WATKINS. That is correct.

The CHAIRMAN. And you do regard it as a form of extortion, do you not?

Mr. WATKINS. Yes.

The CHAIRMAN. Are there any further questions?

Actually, if you had 12 trucks, it cost a total of more than \$1,000?

Mr. WATKINS. That is right.

The CHAIRMAN. And you paid it?

Mr. WATKINS. Yes, sir.

The CHAIRMAN. And you paid it in cash?

Mr. WATKINS. Yes, sir.

The CHAIRMAN. So that there would be no record of it?

Mr. WATKINS. That is correct.

The CHAIRMAN. Is there anything further? Are there any further questions?

All right, thank you, you may stand aside. Call the next witness.

Mr. KENNEDY. Mr. Conrad Lantz.

The CHAIRMAN. Do you solemnly swear that the evidence, given before this Senate select committee shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. LANTZ. I do.

TESTIMONY OF CONRAD LANTZ

The CHAIRMAN. State your name, and your place of residence, and your business or occupation.

Mr. LANTZ. My name is Conrad Lantz, I live in Bellriver, Ontario, and I am general manager of the LaMeasure Bros. Laundry.

The CHAIRMAN. Do you waive counsel?

Mr. LANTZ. Yes; I do.

The CHAIRMAN. Have you formerly lived in the United States?

Mr. LANTZ. Yes.

The CHAIRMAN. Are you a citizen of this country or of Canada?

Mr. LANTZ. Of the United States.

The CHAIRMAN. A citizen of the United States?

Mr. LANTZ. Yes, sir.

The CHAIRMAN. What business did you operate in this country?

Mr. LANTZ. The Pilgrim Laundry.

The CHAIRMAN. Where?

Mr. LANTZ. 1949, from 1939 and they still own it.

The CHAIRMAN. And you still operate it?

Mr. LANTZ. Yes, sir.

The CHAIRMAN. Where is it located?

Mr. LANTZ. In Detroit.

The CHAIRMAN. All right, you may proceed.

Mr. KENNEDY. You are the manager of the LaMeasure Bros. Laundry?

Mr. LANTZ. That is correct.

Mr. KENNEDY. How long have you held that position?

Mr. LANTZ. About 3 years.

Mr. KENNEDY. What position did you have in the laundry business in 1949?

Mr. LANTZ. I was an owner of the Pilgrim Laundry, and I still am.

Mr. KENNEDY. Did you have difficulties in negotiating a contract with the Teamsters Local 285, Mr. Isaac Litwak in 1949?

Mr. LANTZ. Yes.

Mr. KENNEDY. Was he taking a very adamant position in connection with the signing of the contract?

Mr. LANTZ. Yes.

Mr. KENNEDY. And you were having a great number of problems, is that right?

Mr. LANTZ. That is correct.

Mr. KENNEDY. Was it then discussed among your committee that you would make an approach to someone higher up in the Teamsters Union?

Mr. LANTZ. That is correct.

Mr. KENNEDY. And could you tell the committee what you were told then? After it was decided to make that approach to someone higher up in the Teamsters Union, was it then reported back to you that it would be necessary for some money to be paid?

Mr. LANTZ. Yes.

Mr. KENNEDY. Could you tell us how much money it was decided upon?

Mr. LANTZ. I believe it was around \$90 per truck.

Mr. KENNEDY. Now, was it explained to you as to whom the money would be given?

Mr. LANTZ. I was told it would be given to Mr. Holtzman who was engaged as labor relations man.

Mr. KENNEDY. And did you understand why it was to be given to Mr. Holtzman?

Mr. LANTZ. I presume because he had the contract with the higher-ups.

Mr. KENNEDY. Specifically were you told as to who Mr. Holtzman was close to?

Mr. LANTZ. I presume the name of Mr. Hoffa was mentioned.

Mr. KENNEDY. I am not asking what you presume, and weren't you told?

Mr. LANTZ. Frankly, I can't remember. It was quite some time ago.

Mr. KENNEDY. Weren't you told, or you remembered about 5 hours ago in my office downstairs?

Mr. LANTZ. I am sorry, Mr. Kennedy. What was that again?

Mr. KENNEDY. You remember about 5 hours ago in my office downstairs. Let me just ask you this: When it was stated that money would be paid to Mr. Holtzman, why was it explained to you that the money would go to him?

Mr. LANTZ. Well, he was in the labor-relations business, and I presume as such was entitled to a fee.

Mr. KENNEDY. What else was explained to you about Mr. Holtzman?

Mr. LANTZ. That was it.

Mr. KENNEDY. That was all that was said about Mr. Holtzman?

Mr. LANTZ. Yes, sir.

Mr. KENNEDY. Was anything said about his connection with any individual in the Teamsters Union?

Mr. LANTZ. As I said, I presume.

Mr. KENNEDY. I am not asking what you presume. I am asking what was said at that time.

Mr. LANTZ. I can't remember that far back.

Mr. KENNEDY. Didn't you tell me this morning at 9:30 in my office that the reason the money was to be paid to Mr. Holtzman is because, "he had the ear of Mr. Hoffa"?

Mr. LANTZ. Possibly, yes.

Mr. KENNEDY. Now, there is no question about "possibly." You told me that.

Mr. LANTZ. I don't remember the exact words and perhaps you have it written down, but I don't, and I didn't write them down.

Mr. KENNEDY. You told me that this morning, and isn't that correct, as to why the money was paid?

Mr. LANTZ. I believe I told you that he was in the labor relations, and he had a direct communication with Mr. Hoffa.

Mr. KENNEDY. And that was the reason the money was paid to him; was it not?

Mr. LANTZ. Well, as a consultant, yes.

Mr. KENNEDY. But also because of the fact that he was a close friend or he had the ear of Mr. James Hoffa?

Mr. LANTZ. And apparently was quite conversant with our problem in connection with the 5-day week.

Mr. KENNEDY. Isn't it correct that at least part of the reason the money was going to be paid to Mr. Holtzman, and I will say the only reason you gave me in my office downstairs, was that he had the ear of Mr. Hoffa?

Mr. LANTZ. That was probably very close to it.

Mr. KENNEDY. That is not probably very close to the truth; that is the truth; is it not?

Mr. LANTZ. Mr. Kennedy, perhaps you have it written down, and I don't remember it.

Mr. KENNEDY. That is what you told me this morning. Isn't that correct, the reason the money was paid to Mr. Holtzman?

Mr. LANTZ. Yes.

Mr. KENNEDY. Thank you.

Now, did Mr. Holtzman ever go on a negotiating session for the Detroit Institute of Laundry?

Mr. LANTZ. Not to my knowledge.

Mr. KENNEDY. Were you ever present when Mr. Holtzman had any conversations about your problems with any union official?

Mr. LANTZ. None whatsoever.

Mr. KENNEDY. He never participated in any open negotiations that you know of?

Mr. LANTZ. Not to my knowledge.

Mr. KENNEDY. And the money was to be paid in cash, was it not?

Mr. LANTZ. That is correct.

Mr. KENNEDY. To him?

Mr. LANTZ. Yes.

Mr. KENNEDY. Did you understand then that Mr. Hoffa intervened in this contract?

Mr. LANTZ. We did have a meeting with Mr. Hoffa shortly after that.

Mr. KENNEDY. After this was arranged?

Mr. LANTZ. That is correct.

Mr. KENNEDY. And Mr. Holtzman arranged for you to meet with Mr. Hoffa?

Mr. LANTZ. I can't say that.

Mr. KENNEDY. Who arranged for the meeting?

Mr. LANTZ. I am sorry, I don't know.

Mr. KENNEDY. But shortly after the arrangements were made to pay Mr. Holtzman, you did meet with Mr. Hoffa?

Mr. LANTZ. That is correct.

Mr. KENNEDY. And did Mr. Hoffa then inject himself into the negotiations for this contract?

Mr. LANTZ. Yes, we met on Trumbull Avenue, at the Teamsters headquarters.

Mr. KENNEDY. You went there, and also didn't he come to the negotiations for the contract at the Detroit Leland Hotel?

Mr. LANTZ. I don't know.

Mr. KENNEDY. Was that reported to you?

Mr. LANTZ. No, not to my knowledge.

Mr. KENNEDY. All right, but you did go to see him after the money was paid to Mr. Holtzman?

Mr. LANTZ. That is correct, yes, on Trumbull Avenue.

(At this point, the following members were present: Senators McClellan, Ives, and Church.)

Mr. KENNEDY. I would like to ask about this item.

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

The CHAIRMAN. The Chair presents to you a photostatic copy of a check dated May 2, 1949, made payable to you in the amount of \$1,000 drawn on the account of the Detroit Institute of Laundry. I ask you to examine this check and state if you identify it.

(The document was handed to the witness.)

Mr. LANTZ. Yes.

The CHAIRMAN. Do you identify the check?

Mr. LANTZ. Yes, I do, Senator.

The CHAIRMAN. That check may be made exhibit No. 1.

(The document referred to was marked "Exhibit No. 1" for reference and will be found in the appendix on p. 13707.)

Mr. KENNEDY. This is a check dated May 2, 1949, pay to the order of Conrad S. Lantz, for \$1,000. It is written on the account of the Detroit Institute of Laundry, and it is endorsed on the back by Conrad S. Lantz. You received this \$1,000?

Mr. LANTZ. I received the check, that is correct.

Mr. KENNEDY. Then you cashed the check?

Mr. LANTZ. I did.

Mr. KENNEDY. What did you do with the cash?

Mr. LANTZ. I gave it to John Meisner.

Mr. KENNEDY. For what purpose?

Mr. LANTZ. I believe it had something to do with the inside laundry workers union.

Mr. KENNEDY. This is another laundry workers union?

Mr. LANTZ. That is correct.

Mr. KENNEDY. And this money was to be given to a member of that union?

Mr. LANTZ. I believe so.

Mr. KENNEDY. You were told that?

Mr. LANTZ. It probably came up in our conversations.

Mr. KENNEDY. You were told that, were you not?

Mr. LANTZ. I would say probably, yes.

Mr. KENNEDY. This was to go to whom in that union?

Mr. LANTZ. John Paris.

Mr. KENNEDY. P-a-r-i-s?

Mr. LANTZ. I think that is the spelling.

Mr. KENNEDY. Was he receiving payments of money periodically?

Mr. LANTZ. That I don't know.

Mr. KENNEDY. Is this the only check you know about?

Mr. LANTZ. That is correct.

Mr. KENNEDY. What was the purpose of paying Mr. Paris money?

Mr. LANTZ. I believe it was pretty much we were in negotiations at that time, on the inside contract, and I believe it was to expedite the contract.

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

The CHAIRMAN. Who was Paris representing, the laundry men or the union?

Mr. LANTZ. The inside workers, the laundry workers.

The CHAIRMAN. Inside workers?

Mr. LANTZ. Yes; representing the union.

The CHAIRMAN. Well, then, let's see. This was another payoff to a union man? Is that what you are saying?

Mr. LANTZ. I say this is; yes.

The CHAIRMAN. All right. Proceed, Mr. Kennedy.

Mr. KENNEDY. How much money did you pay—I don't know whether I asked you this—how much money did you pay on the other payoff that you made?

Mr. LANTZ. I don't recall how many trucks I had, but it was probably at the rate of \$90 per truck.

Mr. KENNEDY. And you paid over a 3-year period?

Mr. LANTZ. I believe so; yes.

Mr. KENNEDY. Mr. Hoffa's name was mentioned frequently in connection with this, was it not, the meetings?

Mr. LANTZ. I can't say that, Mr. Kennedy.

The CHAIRMAN. Approximately how much did you pay on the other transactions?

Mr. LANTZ. What transaction, Senator?

The CHAIRMAN. Well, your part, at so much per truck. About how many trucks did you have?

Mr. LANTZ. I think I probably had about eight trucks.

The CHAIRMAN. About how many?

Mr. LANTZ. About nine.

The CHAIRMAN. About nine?

Mr. LANTZ. Yes. So it would be about \$800.

The CHAIRMAN. It cost you about \$800, \$400 in cash at that time and then \$400 after that time for each of the 2 years?

Mr. LANTZ. That is correct.

The CHAIRMAN. You didn't get any of this \$1,000, did you?

Mr. LANTZ. No; I did not.

The CHAIRMAN. This came out of the treasury of the Detroit Institute of Laundry.

Mr. LANTZ. That is right.

The CHAIRMAN. You were a member of that institute, were you?

Mr. LANTZ. Yes.

The CHAIRMAN. And part of this was dues or money that you had paid in for your membership?

Mr. LANTZ. Right.

The CHAIRMAN. And it was known at the time that this whole thing was a payoff, that it was extortion, that you had to do it in order to save your businesses and get a contract.

Mr. LANTZ. I would say so.

The CHAIRMAN. Is that the way you felt about it at that time?

Mr. LANTZ. Yes.

The CHAIRMAN. Is that the way all of you felt about it as you discussed it?

Mr. LANTZ. I would say so.

The CHAIRMAN. Well, there is no other explanation for it, is there? You didn't want to have to just hand out \$90 per truck to somebody, did you?

Mr. LANTZ. I sure didn't want to.

The CHAIRMAN. But you had that alternative of either doing that or continuing to have trouble over the contract and any consequences that might follow that truck?

Mr. LANTZ. I would say so.

The CHAIRMAN. Do you know any other name for this except extortion?

Mr. LANTZ. No.

The CHAIRMAN. Thank you. Are there any other questions?

Senator CURTIS. Mr. Chairman?

The CHAIRMAN. Senator Curtis.

Senator CURTIS. What would have happened if you had not paid the money?

Mr. LANTZ. We probably would have had a strike.

Senator CURTIS. What would have taken place then?

Mr. LANTZ. We probably would have gone out of business.

Senator CURTIS. What I mean is, would it have been your own employees going on strike?

Were your own employees dissatisfied?

Mr. LANTZ. Believe you me, I don't know. The union had representatives of the various plants there, and they were demanding a contract that we just could not see our way clear to fulfill.

Senator CURTIS. Did you ever go through a strike?

Mr. LANTZ. No; never have.

Senator CURTIS. Did you explore what the result would be had you refused to pay and sought some relief in court?

Mr. LANTZ. I believe it was shortly before that, Senator, when they did have a strike situation in one of the large cities. I believe it was Philadelphia. The results were pretty drastic. They could not get relief from the courts.

Senator CURTIS. That is all, Mr. Chairman.

The CHAIRMAN. Do you know why this check was not just made out to Mr. Paris to begin with?

Mr. LANTZ. No.

The CHAIRMAN. You have a pretty good idea, don't you?

Mr. LANTZ. Yes.

The CHAIRMAN. He wouldn't accept the check, would he?

Mr. LANTZ. I don't know. I don't talk to Mr. Paris. We have a contract with a different union than Mr. Paris'.

The CHAIRMAN. You must have talked to him or seen him or somebody to get this money to him.

Mr. LANTZ. I am sorry; I turned it over to Mr. Meisner.

The CHAIRMAN. Mr. Meisner?

Mr. LANTZ. That is correct.

The CHAIRMAN. You cashed the check and turned it back to Mr. Meisner?

Mr. LANTZ. That is right.

The CHAIRMAN. Who is Mr. Meisner?

Mr. LANTZ. The executive secretary of the trade institute of laundry.

The CHAIRMAN. In other words, he needed the cash?

Mr. LANTZ. That is right.

The CHAIRMAN. He couldn't handle the transaction by check?

Mr. LANTZ. That is correct.

The CHAIRMAN. So he used you as the man to get the money in cash and made the check to you?

Mr. LANTZ. That is correct.

The CHAIRMAN. All right. Are there any other questions?

If not, thank you very much. Call the next witness.

Mr. KENNEDY. Mr. William Balkwill.

The CHAIRMAN. Be sworn, please, sir. You do solemnly swear 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. BALKWILL. I do.

TESTIMONY OF WILLIAM H. BALKWILL

The CHAIRMAN. State your name, your place of residence, and your business or occupation, please, sir.

Mr. BALKWILL. William H. Balkwill, 2522 West Grand Boulevard, Detroit, executive secretary of the Detroit Institute of Laundry.

The CHAIRMAN. You waive counsel, do you, Mr. Balkwill?

Mr. BALKWILL. I do, sir.

The CHAIRMAN. Mr. Kennedy, proceed.

Mr. KENNEDY. You are an executive secretary of the Detroit Institute of Laundry?

Mr. BALKWILL. Yes, sir.

Mr. KENNEDY. You have held that position for how long?

Mr. BALKWILL. Since 1953.

Mr. KENNEDY. What position did you hold in 1949?

Mr. BALKWILL. Well, I was operating a laundry, and I was president of the Detroit Institute of Laundry.

Mr. KENNEDY. You were president at that time?

Mr. BALKWILL. Yes.

Mr. KENNEDY. What was the name of the laundry that you were operating?

Mr. BALKWILL. The Fine Arts Laundry in Detroit.

Mr. KENNEDY. The contract with Local 285 of the Teamsters came up for renewal in 1949, did it not?

Mr. BALKWILL. Yes.

Mr. KENNEDY. And Mr. Isaac Litwak was the negotiator for local 285?

Mr. BALKWILL. Yes.

Mr. KENNEDY. Were you having considerable difficulty with Mr. Litwak during the negotiations in 1949?

Mr. BALKWILL. That is true.

Mr. KENNEDY. That would be in the beginning of the year, would it not?

Mr. BALKWILL. I believe we started to discuss it in December 1948. It expired in February.

Mr. KENNEDY. February of 1949?

Mr. BALKWILL. Yes.

Mr. KENNEDY. But you went on and had discussions after that time?

Mr. BALKWILL. Yes.

Mr. KENNEDY. And Mr. Litwak indicated that he was going to strike all the laundries, is that right, unless he could get a contract?

Mr. BALKWILL. That is always his position.

Mr. KENNEDY. Well, it was his position during this period of time?

Mr. BALKWILL. Yes, it was.

Mr. KENNEDY. And you and the rest of the institute and the members of the institute were quite concerned; is that right?

Mr. BALKWILL. Yes, sir.

Mr. KENNEDY. You did not seem to be getting anywhere with them?

Mr. BALKWILL. No.

Mr. KENNEDY. Was it then decided or discussed about going then and making an approach to a higher union official?

Mr. BALKWILL. Yes.

Mr. KENNEDY. Of the Teamsters?

Mr. BALKWILL. That is true.

Mr. KENNEDY. You made the decision that you should go and see a higher union official. Could you tell us who suggested the arrangements as to how that could be handled?

Mr. BALKWILL. Well, I couldn't state the individual. Some of our committee suggested how we might approach it was through a labor councilor or labor relations man, Mr. Joe Holtzman.

Mr. KENNEDY. Who suggested that you go see Mr. Holtzman?

Mr. BALKWILL. Well, I couldn't say just who the individual was. It was one of our committee.

Mr. KENNEDY. Who was it that made the suggestion?

Mr. BALKWILL. I have never stated, and I don't know exactly the name.

Mr. KENNEDY. Have you been told as to who made the suggestion that you go see Mr. Holtzman?

Mr. BALKWILL. Yes, we were told that. We were told that Mr Holtzman might be able to do us some good.

Mr. KENNEDY. Who told you that?

Mr. BALKWILL. Well, I say I don't know just who told me at first.

Mr. KENNEDY. You knew yesterday.

Mr. BALKWILL. Well, no, I don't believe you are asking me the same question you did yesterday.

Mr. KENNEDY. Who introduced you to Mr. Holtzman?

Mr. BALKWILL. Mr. Moe Dalitz.

Mr. KENNEDY. Who is Mr. Moe Dalitz?

Mr. BALKWILL. Well, he is a man about the country, I would say. At that time he was interested and possibly still is interested in a laundry in Detroit.

Mr. KENNEDY. And he now also has the interest in Havana and in Las Vegas, is that right?

Mr. BALKWILL. I believe so.

Mr. KENNEDY. And he made the suggestion that you talk to Mr. Holtzman?

Mr. BALKWILL. Well, I don't know as he made the suggestion to me. I did not know him, you see.

But someone made a contact with Mr. Moe Dalitz, and the word was given me that we go to lunch at a place in Detroit and he would meet us there.

Mr. KENNEDY. What was the name of the lunch place?

Mr. BALKWILL. It was Charles' Chop House.

Mr. KENNEDY. Charles' Chop House?

Mr. BALKWILL. Yes.

Mr. KENNEDY. Charles Chop House that is close to the Teamsters' headquarters?

Mr. BALKWILL. Well, it is not too far.

Mr. KENNEDY. Who was going to meet you there?

Mr. BALKWILL. Well, I did not know at the time, but it was Mr. Moe Dalitz that did meet us, and he introduced me to—well, I say me, he introduced Mr. Meisner and I to Mr. Holtzman, and possibly 4 or 5 other gentlemen that were there.

Mr. KENNEDY. Was Mr. Bushkin also present at that luncheon?

Mr. BALKWILL. I did not know it. I believe he was.

Mr. KENNEDY. It was understood that it was Mr. Holtzman that was going to be able to do you some good in this matter?

Mr. BALKWILL. Yes; that is right.

Mr. KENNEDY. Did you have some conversations with Mr. Holtzman, then?

Mr. BALKWILL. Yes.

Mr. KENNEDY. What did he say he would do, what arrangements would he make?

Mr. BALKWILL. Well, he heard our story, if I remember right, and we had the contract there, the demands that Mr. Litwak had made. We outlined to him how far we had got to that time, the offer we had made, and the differences involved.

He made notes of that. I am not sure whether he took a copy of the contract with him, though I believe he did.

And that he would see what he could do about it. He was going to study it and see what he could do.

Mr. KENNEDY. Then did he come back later on and have another conversation with you?

Mr. BALKWILL. Yes.

Mr. KENNEDY. What did he tell you then?

Mr. BALKWILL. He said that—I couldn't get all the detail right now—he could get it very much as we had suggested it.

Mr. KENNEDY. How much was it going to cost you?

Mr. BALKWILL. Well, the first proposition, I believe, was \$25,000.

Mr. KENNEDY. In cash?

Mr. BALKWILL. Yes.

Mr. KENNEDY. You were to pay \$25,000 in cash, is that right?

Mr. BALKWILL. Yes.

Mr. KENNEDY. What was your reaction to that?

Mr. BALKWILL. Well, we nearly fainted. It is a lot of money. We just couldn't pay it.

The CHAIRMAN. What was that money to go for?

Mr. BALKWILL. I beg your pardon?

The CHAIRMAN. What was that money to go for, the \$25,000 in cash?

Mr. BLACKWELL. Well, it was for his expense. Just what he was going to do with it, I don't know. He naturally didn't tell us.

The CHAIRMAN. He just told you that that is what it would cost you?

Mr. BALKWILL. Yes; that is what it would cost for him to handle it.

Mr. KENNEDY. You knew he was very close to Mr. Hoffa, did you not?

Mr. BALKWILL. Yes. We knew that he knew Mr. Hoffa. He knew all the teamster fellows there.

Mr. KENNEDY. Did you tell him you couldn't pay the \$25,000?

Mr. BALKWILL. That is right.

Mr. KENNEDY. You negotiated back and forth?

Mr. BALKWILL. Yes.

Mr. KENNEDY. Did you finally reach another figure that you would pay him?

Mr. BALKWILL. We finally reached a figure. If I remember rightly, it was \$17,500.

Mr. KENNEDY. You agreed to pay the \$17,500?

Mr. BALKWILL. We couldn't pay that at that time, but we did settle on getting him, I believe, \$7,500, and then the balance in 2 annual payments.

Mr. KENNEDY. And that would be \$7,500 the first year, and \$5,000 each succeeding year, is that correct?

Mr. BALKWILL. That is right.

Mr. KENNEDY. All of those payments were to be in cash?

Mr. BALKWILL. Yes.

Mr. KENNEDY. He then said that with this payment he could deliver to you the contract, basically as you wished to have it, is that right, or as it was at that particular stage?

Mr. BALKWILL. I believe with a few adjustments that he said would be necessary.

Mr. KENNEDY. But you would not have to make any more major concessions, is that right?

Mr. BALKWILL. I guess that is correct; yes.

Mr. KENNEDY. Isn't that correct?

Mr. BALKWILL. I think so.

Mr. KENNEDY. And that you would not have a strike, that Mr. Litwak would sign the contract?

Mr. BALKWILL. That is right.

Mr. KENNEDY. Then did you have a meeting with Mr. Hoffa himself?

Mr. BALKWILL. Yes, some time after that.

Mr. KENNEDY. You went to see Mr. Hoffa?

Mr. BALKWILL. Well, there was a meeting arranged with Mr. Hoffa and some of his board, I assumed it was.

Mr. KENNEDY. That was at the Teamster headquarters?

Mr. BALKWILL. Yes.

Mr. KENNEDY. And that meeting was arranged by Mr. Holtzman?

Mr. BALKWILL. I believe so. We were not notified by Mr. Holtzman, I don't believe. I believe our attorney made the arrangements. I am not sure about that.

Mr. KENNEDY. It was either Mr. Holtzman or your attorney?

Mr. BALKWILL. Yes.

Mr. KENNEDY. Who was your attorney?

Mr. BALKWILL. Mr. Thomas LoCicero.

Mr. KENNEDY. You say that either he or Mr. Holtzman made the arrangements?

Mr. BALKWILL. I believe so; yes.

Mr. KENNEDY. But you think it is very possible Mr. Holtzman arranged for you to meet with Mr. Hoffa then?

Mr. BALKWILL. Well, he was an expensive counsel. I assume he made it possible.

Mr. KENNEDY. Well, you paid him the money. You expected to get something out of it. So shortly after you arranged to meet with Mr. Hoffa.

Mr. BALKWILL. That is right.

Mr. KENNEDY. So it would appear that Mr. Holtzman at least, whether you knew it or not, had made the arrangements.

Mr. BALKWILL. Yes.

Mr. KENNEDY. After that, you explained to Mr. Hoffa the difficulties you were having with Mr. Litwak?

Mr. BALKWILL. That is right.

Mr. KENNEDY. Did Mr. Hoffa then intercede in the contract, in the negotiations for the contract?

Mr. BALKWILL. Well, not immediately. He did discuss it with us, with our group. It was sort of a hearing.

I don't believe we got anywhere with it that day. But we went on negotiating with Mr. Litwak. We had several meetings, and we did get it boiled down closer to a conclusion.

Mr. KENNEDY. Then did Mr. Hoffa ever actually come to a negotiating session?

Mr. BALKWILL. Yes. Once.

Mr. KENNEDY. Mr. Hoffa came, himself?

Mr. BALKWILL. Yes. The last meeting we had in concluding the contract was at the Detroit Leland Hotel.

Mr. KENNEDY. This was the last meeting that you had? The last major meeting?

Mr. BALKWILL. Major meeting; yes.

Mr. KENNEDY. And Mr. Hoffa came to that meeting?

Mr. BALKWILL. Yes.

Mr. KENNEDY. Was Mr. Litwak surprised to see him there?

Mr. BALKWILL. Well, I don't know. You see, we were invited on each side, as we are here, and he come in from the other door.

He didn't come at the time the meeting started

Mr. KENNEDY. Had you requested that Mr. Hoffa come?

Mr. BALKWILL. No.

Mr. KENNEDY. Was Mr. Litwak angry that Mr. Hoffa had come and was intervening in this contract?

Mr. BALKWILL. Well, he was angry before he arrived. I don't know that that aggravated it.

Mr. KENNEDY. During this period of time after you made the payments to Mr. Holtzman, was Mr. Litwak angry at the intervention of Mr. Hoffa in this contract?

Mr. BALKWILL. Well, I believe it would be normal to say "Yes," because he did not appreciate it, I am sure.

Mr. KENNEDY. He knew about the fact that Mr. Hoffa was intervening in the contract?

Mr. BALKWILL. Well, he was there.

Mr. KENNEDY. And he indicated to you and stated to you on that occasion, or on a later occasion, that he was angry at the intervention of Mr. Hoffa, and that you had gone over his head?

Mr. BALKWILL. Not at that time he didn't; no.

Mr. KENNEDY. Subsequently?

Mr. BALKWILL. Well, subsequently, since that time.

Mr. KENNEDY. He obviously did not do it while Mr. Hoffa was present.

Mr. BALKWILL. No.

Mr. KENNEDY. But at a subsequent date he did make those statements to you; did he not?

Mr. BALKWILL. Yes.

Mr. KENNEDY. And following Mr. Hoffa's appearance at the Detroit Leland Hotel, the contract, the major matters in the contract, were signed; is that right?

They were agreed to?

Mr. BALKWILL. I am sorry, I didn't get the question.

Mr. KENNEDY. After Mr. Hoffa's appearance at the Detroit Leland Hotel, the major matters in the contract were agreed to between the Detroit Institute of Laundry and local 285?

Mr. BALKWILL. Yes; that is right.

Mr. KENNEDY. And it is your belief, is it not, that it was the intervention of Mr. Hoffa that brought about a settlement?

Mr. BALKWILL. We felt it was; yes.

Mr. KENNEDY. Did you also believe, in discussions that you had, that the payment that you had been making to Mr. Holtzman, at least a part of that went to Mr. Hoffa?

Mr. BALKWILL. Well, we wouldn't have any right to say that it did.

Mr. KENNEDY. Did you believe that?

Mr. BALKWILL. We would assume maybe it did. We had not any conversation to say that.

Mr. KENNEDY. Well, Mr. Hoffa most probably would not take the payment directly from you in a situation such as this?

Mr. BALKWILL. I am sure he would not.

Mr. KENNEDY. It would be going through a third party.

Where did you believe the money was going?

Mr. BALKWILL. Well, we knew it went to Mr. Holtzman.

Mr. KENNEDY. And you believed from there it went on to a third party?

Mr. BALKWILL. How many assistants he had, we did not know. He led us to believe, just by inference, because he did not mention any names, except to say that he had been instrumental in settling some waitress' contract, and he understood the problem so well. He didn't, as I say, mention any names, but he inferred there were a bunch of people to be paid with that money. So in the light of that, it was not so much.

Mr. KENNEDY. And he told you specifically he had to take care of somebody?

Mr. BALKWILL. Some people, yes.

The CHAIRMAN. In other words, there was never any doubt in your mind at all except that this was a payoff?

Mr. BALKWILL. No.

The CHAIRMAN. All right.

Mr. KENNEDY. Mr. Balkwill, you got generally what you paid for, did you not? The contract was signed generally on the terms that you had reached at that time?

Mr. BALKWILL. Generally speaking, yes.

The CHAIRMAN. Senator Ives.

Senator IVES. I would like to ask the witness if he realizes that, under the Taft-Hartley Act, that is a direct violation?

Mr. BALKWILL. Well, I know much better now than I did then.

Senator IVES. You know it is now?

Mr. BALKWILL. I have been told that.

Senator IVES. Well, it is a pretty serious offense. It violates section 302 of the Taft-Hartley Act, if you are operating under that act. It is a criminal offense under it. I simply wanted to point out the seriousness of all this.

Mr. KENNEDY. I have some other checks that I would like to ask you about.

Senator CURTIS. Have you completed this transaction?

Mr. KENNEDY. Yes.

The CHAIRMAN. Senator Kennedy.

Senator KENNEDY. You never believed that the money you were giving to Mr. Holtzman was going to Mr. Litwak, did you? For payment?

Mr. BALKWILL. Well, no, I would not.

Senator KENNEDY. You never assumed that from any conversations or any of the negotiating procedure which you had with Mr. Litwak?

You never assumed that he was looking for a payoff, did you?

Mr. BALKWILL. No.

Senator KENNEDY. There was no evidence of that?

Mr. BALKWILL. No.

Senator KENNEDY. You are stating very clearly in your mind what was the opinion of you and your associates, that whatever Mr. Holtzman was going to do with the money, he was not going to give it to Mr. Litwak, is that what you are telling us?

Mr. BALKWILL. Yes, sir.

Mr. KENNEDY. Just on that point, Mr. Litwak actually would not even take a cigar, as I understand it. Isn't that generally his reputation?

Mr. BALKWILL. That is true.

The CHAIRMAN. Senator Curtis.

Senator CURTIS. Mr. Balkwill, how was this \$17,500 raised?

Mr. BALKWILL. Well, it was figured out how many trucks was involved, and it was divided up, so much per truck.

Senator CURTIS. Your members were assessed for that, according to the number of trucks they drove?

Mr. BALKWILL. Yes, those that had trucks. They didn't all have trucks. That is why it was a separate fund. It was not handled through the institute, you see, because they did not all participate.

Senator CURTIS. Those that had trucks, did it run about \$90 a truck?

Mr. BALKWILL. I believe that would be about the sum.

Senator CURTIS. And they paid it in three payments?

Mr. BALKWILL. Yes, sir.

Senator CURTIS. Now, is this incident involving the \$17,500 the same incident that the witness this morning, Mr. Miller, testified about?

Mr. BALKWILL. Yes, sir.

Senator CURTIS. You were present when he testified?

Mr. BALKWILL. Yes, sir.

Senator CURTIS. How long had this strike gone along before you abandoned your efforts to try to get a settlement?

Mr. BALKWILL. It was not a strike as yet, sir.

Senator CURTIS. Or the negotiations, I meant.

Mr. BALKWILL. Yes, the negotiations. Possibly it was a couple of months.

Senator CURTIS. Then at that point, some of your members came forth with the suggestion that they ought to take it up with somebody else?

Mr. BALKWILL. That is right.

Senator CURTIS. Now, in this discussion that they ought to take it up with someone else, was any higher up in particular mentioned?

Mr. BALKWILL. Yes; I would say there was. We only know who in Detroit is higher up, Mr. Hoffa, and Mr. Brennan. We know they have associates, but we look to them as the head of the joint council, Mr. Litwak's superior.

Senator CURTIS. But instead of getting in touch with any direct officers of the Teamsters Union, you got in touch with Mr. Dalitz?

Mr. BALKWILL. Yes; it was one of those things that came up, and we didn't know Mr. Hoffa that well, to go and discuss the matter with him, and we thought Mr. Holtzman did possibly.

Senator CURTIS. Was Holtzman the man you were seeking out to contact or did that suggestion come from Mr. Dalitz?

Mr. BALKWILL. Well, I say the suggestion. Our introduction was by Mr. Dalitz. I didn't have any conversations with him, only that I met him at the Chop House. They were there at lunch and so when we came in, we sat down, or we went in there and he introduced us and he left.

Senator CURTIS. Has Mr. Dalitz been interested in the laundry business, too?

Mr. BALKWILL. Yes.

Senator CURTIS. Was he at that time?

Mr. BALKWILL. Yes; not active in Detroit, though.

Senator CURTIS. Was this arrangement to pay \$17,500 arrived at before or after your first conference with Hoffa?

Mr. BALKWILL. It was before.

Senator CURTIS. How long before?

Mr. BALKWILL. Well, I don't just recall.

Senator CURTIS. A week or two, would you say?

Mr. BALKWILL. It would be a week or two possibly.

Senator CURTIS. That is all.

The CHAIRMAN. All right, Mr. Counsel.

Mr. KENNEDY. Just in summary on this particular thing, summarizing your testimony, you had trouble with the union, that is No. 1?

Mr. BALKWILL. Yes, sir.

Mr. KENNEDY. And Litwak would not sign the contract, that is No. 2?

Mr. BALKWILL. Yes, sir.

Mr. KENNEDY. And it was then suggested that you take it up with a higher union official?

Mr. BALKWILL. Yes, sir.

Mr. KENNEDY. Which would be either Mr. Hoffa or Mr. Brennan?

Mr. BALKWILL. Yes.

Mr. KENNEDY. You saw Mr. Holtzman, and arrangements were made to pay him in cash?

Mr. BALKWILL. Yes, sir.

Mr. KENNEDY. And that he then said that he could arrange the contract?

Mr. BALKWILL. He thought he could.

Mr. KENNEDY. That shortly after these arrangements were made, Mr. Hoffa intervened in the contract, in the negotiations for the contract?

Mr. BALKWILL. Yes, sir.

Mr. KENNEDY. The contract was signed on the terms generally that were agreed, and Mr. Litwak, the local union official, was angry about the situation?

Mr. BALKWILL. Well, he didn't express too much anger in the conclusion.

Mr. KENNEDY. That is generally correct, that he was angry with the situation as it had developed?

Mr. BALKWILL. Yes; I think so.

Mr. KENNEDY. Now, I want to ask you about these other checks.

The CHAIRMAN. When you in the course of these negotiations and conferences with your associates referred to "higher ups," whom did you mean?

Mr. BALKWILL. Well, it depended on which union was involved.

The CHAIRMAN. Well, I am talking about the Teamsters Union.

Mr. BALKWILL. Well, the Teamsters, I had said Mr. Hoffa and Mr. Brennan.

The CHAIRMAN. When they referred to higher ups, whom did you understand them to mean?

Mr. BALKWILL. They mean Mr. Hoffa.

The CHAIRMAN. I mean your associates.

Mr. BALKWILL. They mean the same people; yes.

The CHAIRMAN. There wasn't any misunderstanding, was there?

Mr. BALKWILL. No; I don't think so.

The CHAIRMAN. Well, I hand you here three checks.

Senator CURTIS. I have one more question before you go into this other transaction. Did Mr. Holtzman at any time either name or indicate in any way who was to get the \$17,500?

Mr. BALKWILL. No.

Senator CURTIS. Did you have any knowledge as to who was to get it?

Mr. BALKWILL. No, not beyond Mr. Holtzman.

Senator CURTIS. That is all.

Mr. KENNEDY. Just so we get the record clear, you understood, did you not, in your discussions with one another, that the money was to go to Mr. Hoffa, or at least part of it?

Mr. BALKWILL. We only assumed that.

Mr. KENNEDY. You understood from the conversations that you had had originally, and what you wanted to accomplish, and the conversations that you had with Mr. Holtzman, that part of the money was to go to Mr. Hoffa?

Mr. BALKWILL. The conversations with Mr. Holtzman didn't influence that. He didn't mention it.

Mr. KENNEDY. He said he wanted the money in cash?

Mr. BALKWILL. Yes, sir.

Mr. KENNEDY. And he said he could get the terms of the contract and he would see somebody?

Mr. BALKWILL. That is true.

Mr. KENNEDY. Well, from the conversations that you had with him and the facts that were developed, you understood that the money, at least in part, was to go to Mr. Hoffa, isn't that right?

Mr. BALKWILL. Or someone higher up.

Mr. KENNEDY. It is Mr. Hoffa or Mr. Brennau, and you understood that it was to go to Mr. Hoffa, did you not?

Mr. BALKWILL. Well, I only had my own imagination to use.

Mr. KENNEDY. Based on the facts, and based on working with it at that time, you understood that the money was to go to Mr. Hoffa, did you not?

Mr. BALKWILL. That is what I understood, and I didn't talk to anybody about it, and I might have thought so. But there was no understanding with anybody.

Mr. KENNEDY. You believed that it was to go to Mr. Hoffa?

Mr. BALKWILL. Well, I wouldn't make that statement either.

The CHAIRMAN. You had no curiosity about it?

Mr. BALKWILL. Well, yes; I did.

The CHAIRMAN. And you kind of satisfied your curiosity in your thinking a little, didn't you?

Mr. BALKWILL. It was not much satisfaction.

The CHAIRMAN. There wasn't much satisfaction?

Mr. BALKWILL. No.

The CHAIRMAN. Because he felt that you were simply being exploited and that this was actually extortion money?

Mr. BALKWILL. Yes; that is right.

The CHAIRMAN. That is the way you felt about it?

Mr. BALKWILL. That is right.

The CHAIRMAN. And you know who the higher up was, don't you?

Mr. BALKWILL. Yes.

The CHAIRMAN. And you know the manipulations that went on that caused that higher up to walk in and settle that contract, don't you?

Mr. BALKWILL. I don't know it.

The CHAIRMAN. You were there?

Mr. BALKWILL. Well, not when that was done.

The CHAIRMAN. You were not there at the negotiations?

Mr. BALKWILL. At the negotiations?

The CHAIRMAN. The last negotiation meeting when the contract was agreed upon.

Mr. BALKWILL. Yes, sir.

The CHAIRMAN. Who came in there and influenced the decision to make that contract?

Mr. BALKWILL. Well, Mr. Hoffa.

The CHAIRMAN. All right.

Now I present to you 3 checks, photostatic copies, and 1 dated September 30, 1948, in the amount of \$1,000, drawn on the Detroit Institute of Laundering, and made payable to cash, and apparently it bears your signature as president of the Detroit Institute of Laundering. I wish you would examine that check. And then I present to you another check drawn in like manner, payable to cash, on April 17, 1950, in the amount of \$2,000, and bearing your signature as president of the Detroit Institute of Laundering. And then I present you a third check in the amount of \$1,000, dated April 24, 1949, made payable to W. H. Balkwill in the amount of \$1,000, and drawn on the Detroit Institute of Laundering, and signed by W. H. Balkwill as president of that institute.

Will you please examine the three checks that I have referred to and state if you can identify them.

(The checks were handed to the witness.)

The CHAIRMAN. You do identify each of the checks that I have presented to you?

Mr. BALKWILL. Yes, sir.

The CHAIRMAN. Are the checks drawn by you on the account of the Detroit Institute of Laundering?

Mr. BALKWILL. They are, sir.

The CHAIRMAN. Let the checks be made exhibits 2-A, B, and C, in order in which I presented them.

(Documents referred to were marked "Exhibit No. 2-A, B, and C," for identification and will be found in the appendix on pp. 13708-13710.)

The CHAIRMAN. Now, then proceed, Mr. Kennedy.

Senator KENNEDY. As I understand it, you were not told by Mr. Holtzman what union official he would intervene with; is that correct?

Mr. BALKWILL. Yes, sir.

Senator KENNEDY. But you understood that he would intervene with a higher union official, who was higher than Mr. Litwak, is that correct?

Mr. BALKWILL. Yes, sir.

Senator KENNEDY. Now, Mr. Litwak's title at that time was president of the local?

Mr. BALKWILL. He was president and business manager.

Senator KENNEDY. Now, who besides Mr. Hoffa and Mr. Brennan had authority over these negotiations, with higher union officials than Mr. Litwak? Was there anyone?

Mr. BALKWILL. I wouldn't know.

Senator KENNEDY. Is the reason that you have presumed, and we don't want to be inaccurate here, but the reason all along, or the only reason that you have presumed that Mr. Holtzman may have given the money to Mr. Hoffa is because, No. 1, he is a higher union official than Mr. Litwak, and No. 2, he did intervene in the case and Mr. Brennan did not. Is that the reason for your opinion or do you have other information?

Mr. BALKWILL. I previously stated Mr. Brennan was present at one of the meetings.

Senator KENNEDY. You think the money could have gone to either Mr. Brennan or Mr. Hoffa?

Mr. BALKWILL. It could have.

Senator KENNEDY. Who else could it have gone to or did it go to neither one?

Mr. BALKWILL. Well, I don't know the setup over there. There are quite a number of union officials, and I don't know how many might be higher than Mr. Litwak. He is just one local.

Senator KENNEDY. What is the reason that you presume that it might have gone to Mr. Hoffa?

Mr. BALKWILL. Well—

Senator KENNEDY. Because he intervened in the case, and you say Mr. Brennan did too?

Mr. BALKWILL. I didn't say that I presumed it went to Mr. Hoffa; I am sorry. I said I thought it was possible.

Senator KENNEDY. Are you of the opinion that Mr. Holtzman made some arrangement with somebody in a higher position than Mr. Litwak? Is that what you are saying?

Mr. BALKWILL. Yes; I didn't get along so good myself, and so he did better than I could in getting the settlement.

Senator KENNEDY. Who did better than you did?

Mr. BALKWILL. Mr. Holtzman, and so I assume that he did have somebody's ear more than I did.

Senator KENNEDY. In other words, it wasn't Mr. Litwak's ear in your opinion, from your experience with Mr. Litwak, and so it is higher than Mr. Litwak, and you don't know who that might be?

Mr. BALKWILL. Not for sure.

Senator KENNEDY. But the only two union officials that you know that intervened with either Mr. Brennan and/or Mr. Hoffa, is that correct?

Mr. BALKWILL. Yes, that is right.

Mr. KENNEDY. Mr. Hoffa was close to Mr. Holtzman, was he not? You understood that?

Mr. BALKWILL. Yes, I understood that.

Senator KENNEDY. Was Mr. Brennan close to Mr. Holtzman?

Mr. BALKWILL. Well, I have seen them quite often, all 3 or 5 union officials, and sometimes Mr. Holtzman at lunch, in the past, since then, and before.

The CHAIRMAN. We have presented these checks and they have been identified. Are there any questions about them? Can you give us some explanation of the checks?

You wrote 1 check for \$2,000 to cash, and another 1 for \$1,000 to cash, and those checks written to cash appear to have your endorsement on the back.

Mr. BALKWILL. Yes, it appears that I cash them, sir.

The CHAIRMAN. You identify your signature?

Mr. BALKWILL. Yes, it is my signature.

The CHAIRMAN. You cashed those two checks for cash?

Mr. BALKWILL. Three of them, sir.

The CHAIRMAN. You also cashed one that you made out to yourself?

Mr. BALKWILL. Well, yes, that was probably made direct to me. I don't believe that is my writing, is it?

The CHAIRMAN. Well, you signed the check made out to yourself.

Mr. BALKWILL. Yes, possibly if I had made it out, I would have made it out to cash, and the other part I made it out.

The CHAIRMAN. You have 3 checks involving \$4,000, and tell us what this is all about?

Mr. BALKWILL. Sir, could you tell me if the dates are all the same?

The CHAIRMAN. No, I gave you the dates, and the earliest one is September 30, 1948, \$1,000. The next one is April 24, 1949, \$1,000, and the third one is April 17, 1950, \$2,000.

Mr. BALKWILL. Those were in the same category, but to a different party.

The CHAIRMAN. In the same category, but to different parties?

Mr. BALKWILL. It was a payoff the same as the other. I mean to influence a contract, but a different union.

The CHAIRMAN. A different union?

Mr. BALKWILL. Yes, sir.

The CHAIRMAN. What other union now is that?

Mr. BALKWILL. That is the inside workers and it has been mentioned here previously.

The CHAIRMAN. The inside workers union?

Mr. BALKWILL. Yes, the AFL.

The CHAIRMAN. You cashed these checks?

Mr. BALKWILL. And I gave them the money.

The CHAIRMAN. Gave who the money?

Mr. BALKWILL. It was a man by the name of John Paris.

The CHAIRMAN. Who?

Mr. BALKWILL. Paris, P-a-r-i-s.

The CHAIRMAN. What position did he hold?

Mr. BALKWILL. He was, I believe, executive business agent of the International Laundry Workers Local 129. That was the inside workers.

The CHAIRMAN. You had to sweeten him up, too?

Mr. BALKWILL. Yes, sir.

The CHAIRMAN. How much did you pay him altogether?

Mr. BALKWILL. Well, those dates, I believe, represents all of 1 year, or possibly part of 2 years.

Mr. KENNEDY. I would like to call Mr. Bellino, if I may, at this time, and he can put the rest of the checks in.

The CHAIRMAN. At the time that you were carrying on this negotiation with the Teamsters, you also carried on the negotiation with the laundry workers?

Mr. BALKWILL. Yes. It was at different times.

The CHAIRMAN. I know at different times, but all along about the same time?

Mr. BALKWILL. It was in operation.

(At this point the following members were present: Senators McClellan, Ives, Church, Kennedy, and Curtis.)

The CHAIRMAN. So you had to make a payoff to the Teamsters to get a contract, and you also had to make a payoff to the laundry workers' representative to get a contract?

Mr. BALKWILL. Well, let's say it was necessary to employ counsel on the Teamsters.

The CHAIRMAN. This guy you paid this to was not counsel, he was representing the other side.

Mr. BALKWILL. No, but you involve the other item in your question.

The CHAIRMAN. In the other case, you say you employed counsel?

Mr. BALKWILL. Yes.

The CHAIRMAN. In this case, you say you paid it directly?

Mr. BALKWILL. That is right.

The CHAIRMAN. And you say they come in the same category? That is what you said?

Mr. BALKWILL. You are possibly right.

The CHAIRMAN. I am not possibly. Isn't it exactly what you said?

Mr. BALKWILL. Yes, I did.

Senator CURTIS. Where is Mr. Paris now?

Mr. BALKWILL. He is dead.

Senator CURTIS. What was his official position?

Mr. BALKWILL. Well, he was business manager. I am not sure he was president at that time.

Senator CURTIS. Did he represent your workers?

Mr. BALKWILL. Yes.

Senator CURTIS. He already had them organized?

Mr. BALKWILL. Yes.

Senator CURTIS. This was during the process of negotiating with them?

Mr. BALKWILL. Yes.

Senator CURTIS. He was a local official?

Mr. BALKWILL. He was a local official. He was the head of this local, and that arrangement was made direct with him. It was a consideration that was necessary for us to get any settlement on the contract at that time. It run over more than 1 year. It was more than one contract, I believe. It was a situation that we were involved in there that I just did not know any other way to do it, because he insisted on doing it that way.

I don't know what he got for it, if anything, but he insisted that it was well worth it. And he could not operate without it.

That is actually what happened.

Senator CURTIS. That is all, Mr. Chairman.

Mr. KENNEDY. Mr. Chairman?

The CHAIRMAN. Mr. Bellino, be sworn. You 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. BELLINO. I do.

TESTIMONY OF CARMINE S. BELLINO

The CHAIRMAN. Mr. Bellino, state your name, your place of residence, and your business or occupation.

Mr. BELLINO. My name is Carmine S. Bellino. I reside in Bethesda, Md. My occupation is certified public accountant.

The CHAIRMAN. How long have you been a certified public accountant?

Mr. BELLINO. Since 1932.

The CHAIRMAN. How long have you been employed by the committees of Congress in that capacity?

Mr. BELLINO. Since 1947.

The CHAIRMAN. And you have been working for this committee since it was established?

Mr. BELLINO. Yes, sir.

The CHAIRMAN. Proceed, Mr. Kennedy.

Mr. KENNEDY. Mr. Bellino, have you made a study of the Detroit Institute of Laundry books and records?

Mr. BELLINO. Yes, sir.

Mr. KENNEDY. Their financial records?

Mr. BELLINO. Yes, sir.

Mr. KENNEDY. Are there certain checks that we found which were of questionable nature?

Mr. BELLINO. Yes, sir.

Mr. KENNEDY. That is over a period of what time?

Mr. BELLINO. From 1948 through 1951.

Mr. KENNEDY. And what is the total amount involved?

Mr. BELLINO. \$16,000.

Mr. KENNEDY. For that 4-year period, is that right?

Mr. BELLINO. Yes, sir.

Mr. KENNEDY. Could you tell us about the checks we are interested in?

The CHAIRMAN. Does that include the checks here for \$4,000 that the witness has identified?

Mr. BELLINO. Yes, sir.

Mr. KENNEDY. That includes the \$4,000, and then we had a witness identify a \$1,000 check also this afternoon.

Mr. BELLINO. Yes.

Mr. KENNEDY. That includes \$5,000. It was \$16,000 altogether?

Mr. BELLINO. That is correct.

Mr. KENNEDY. Was that total amount of money paid to Mr. Paris?

Mr. BALKWILL. Yes; if the the checks are that amount.

Mr. KENNEDY. Would you tell us about the checks and how they are marked on the books and records?

Mr. BELLINO. The first check was dated June 2, 1948, payable to John C. Meissner, in the amount of \$1,500. It was shown to reimburse for check from him, indicating that Meissner may have used his own check and this was reimbursement to him.

The CHAIRMAN. It shows reimbursement or what?

Mr. BELLINO. In this case on the check stub book, it merely says to reimburse for check from him, account 21. Account 21 is legal expenses. It is charged to legal expenses.

The CHAIRMAN. So if that money went to Paris, it was charged as legal expenses?

Mr. BELLINO. Yes, sir.

The CHAIRMAN. All right.

Mr. BELLINO. The next check is No. 1159, dated June 17, 1948; that is payable to cash. It was cashed by John Meissner on June 17, 1948. The records show for extra legal expenses.

The CHAIRMAN. Extra legal expenses?

Mr. BELLINO. Yes, sir. The next one is dated September 30, 1948, check No. 1203, payable to cash, in the amount of \$1,000, and endorsed by Mr. Balkwill. That is shown for labor counsel expenses.

The CHAIRMAN. What kind?

Mr. BELLINO. Labor counsel expense.

The CHAIRMAN. O. K.

Mr. BELLINO. That was \$4,000 in 1948. In 1949, on April 24, 1949, a check to W. H. Balkwill in the amount of \$1,000, cashed by him. That is shown as special expenses for drivers contract.

The CHAIRMAN. That was a little more accurate.

Mr. BELLINO. Yes, sir. The next one was check No. 1351, dated May 2, 1949, payable to Samuel P. Baker, in the amount of \$1,000. That was shown as expenses negotiating committee. The next one, check No. 1352, dated May 2, 1949, payable to Conrad S. Lantz, \$1,000.

It is shown as reimbursed expenses in negotiating union contracts. May 2, 1949, check No. 1353, to John C. Meissner, in the amount of \$1,000. That is shown as reimbursed expenses negotiating union contracts. That makes another total of \$4,000 in 1949.

In 1950, on April 17, 1950, is a check payable to cash in the amount of \$2,000, endorsed by Mr. Balkwill. That is shown as legal. The next one is May 18, 1950, check No. 1549, payable to cash, \$1,000, endorsed by J. W. Meissner.

That is shown for legal expenses.

The next one is check No. 1563, dated June 16, 1950, payable to cash, \$1,000, endorsed by John C. Meissner. That is shown as legal expenses.

December 19, 1950, check No. 1645, John C. Meissner, \$2,000, endorsed by Meissner, shown in the books as legal expenses.

In addition, there are 4 checks issued in 1951, which were charged to travel and entertainment. Check No. 1700, dated April 27, 1951, payable to S. P. Baker, \$380.50, endorsed by Baker and cashed.

Check No. 1701, of the same date, to C. S. Lantz, \$560.25, endorsed by Lantz. Check No. 1702, dated April 27, 1951, W. H. Balkwill, \$805.75, endorsed by Balkwill; and check No. 1703, dated April 27, 1951, to John C. Meissner, \$253.50, endorsed by Meissner. The total of those 4 checks is \$2,000.

Senator CURTIS. What was that money used for?

Mr. BELLINO. According to the testimony it was used to pay off John Paris, the business agent of the inside workers laundry union.

Senator CURTIS. How much of it?

Mr. BELLINO. All of it, according to Mr. Balkwill.

Senator CURTIS. All \$16,000?

The CHAIRMAN. Let me at this moment make all those checks to which this witness has testified exhibit No. 3 A, B, C, D, and such further letters as you need.

(The documents referred to were marked "Exhibits 3 A through O" for reference and may be found in the files of the select committee.)

The CHAIRMAN. Let the photostatic copies of the check stubs and ledger be attached and further lettered accordingly.

(The documents referred to were marked "Exhibits 3P through DD" for reference and may be found in the files of the select committee.)

TESTIMONY OF HOWARD BALKWILL—Resumed

The CHAIRMAN. Senator Curtis.

Senator CURTIS. Mr. Balkwill, do you know of any payoffs to anybody where the recipient is still alive?

Mr. BALKWILL. No, I don't, Senator.

Senator CURTIS. Either in your business or any other?

Mr. BALKWILL. No, I don't know.

Senator CHURCH. Mr. Chairman?

The CHAIRMAN. Senator Church.

Senator CHURCH. Mr. Balkwill, at this time, this period under inquiry, you were president of the Detroit Institute of Laundry; were you not?

Mr. BALKWILL. Yes, Senator.

Senator CHURCH. Could you tell me something about the Detroit Institute of Laundry? Does it comprise all the operating laundries or nearly all the operating laundries in the Detroit area?

Mr. BALKWILL. The majority, the larger laundries.

Senator CHURCH. The larger portion of the laundries?

Mr. BALKWILL. Yes, the larger laundries. There are a lot of small laundries.

Senator CHURCH. Would it be a fair statement to say that your membership comprises the bulk of the laundry business, volumewise, in Detroit?

Mr. BALKWILL. It did at that time.

Senator CHURCH. These negotiations that you were conducting with the—well, let's refer to the negotiations with the Teamsters Union—these negotiations had to do with a contract that would affect all of your members?

Mr. BALKWILL. The one with the Teamsters Union only affected those that had drivers.

Senator CHURCH. Those that had drivers?

Mr. BALKWILL. Yes, sir.

Senator CHURCH. But all of those that had drivers would have been affected by these negotiations?

Mr. BALKWILL. Yes, that is right.

Senator CHURCH. In other words, in this sense it was industrywide, the negotiations?

Mr. BALKWILL. Yes; that is right.

Senator CHURCH. You referred to the payments that were made in this connection to Mr. Holtzman as a payoff. From the testimony that has come into the committee thus far, I would regard that as seemingly an accurate description of what was in fact involved.

This committee has as its objective the investigation of improper practices in the labor-management field. Very rarely have I found that all the angels are ever in one camp. A payoff is a practice that enables you to secure an objective by sweetening the pot, so to speak, with certain people with whom you can deal to secure that objective.

Now, didn't you and the other members of the institute regard that payoff that you made as a very improper practice, so far as management was concerned?

Mr. BALKWILL. Yes; we felt that way about it.

Senator CHURCH. Yet you testified that it was not as the result of any direct contact on the part of the Teamster leadership in the first instance, but it was, rather, as the result of certain suggestions that were made among your own membership, that the initiative was taken to contact Mr. Holtzman in order that this payoff could be arranged.

You were the ones that motivated this from the time that you decided to get hold of Mr. Holtzman to see if you could go upstairs and get the thing settled.

Mr. BALKWILL. Well, as I say, it was self-defense.

Senator CHURCH. Self-defense?

Mr. BALKWILL. Yes; that is right.

Senator CHURCH. You had a contract and you could not come to terms with Mr. Litwak, and he was negotiating on behalf of the truck-drivers he represented.

You weren't able to come to terms. In other words, your offer was unacceptable to him, and his demands were unacceptable to you; is that correct?

Mr. BALKWILL. That is right.

Senator CHURCH. So in order to make a contract acceptable to you, it was suggested among your membership that perhaps you could arrange a payoff through Mr. Holtzman with those higher up in the union.

This seems to me to be a very improper practice. You say it was a matter of self-defense. Why?

Mr. BALKWILL. Well, it was a matter of doing it one of two ways, probably, and the question was which might be successful.

Now, other parties had taken the method of employing expensive counsel, lawyers with political influence, new people in Washington. These are facts. You know them. And we knew that cost a lot of money, more than involved in this case.

So we discussed those angles. We did not have that much money. We ended up paying more money than we ever thought we would. However, it was spread over the contract, the 3 years. After we had gotten started, we got carried along with it.

We didn't feel we had any choice because the demands were so heavy. So we went along with the deal. As has been mentioned here before, I am sure some of our members would never have listened to the idea had they known what they were going to get into.

After we had got started with it and committed ourselves to pay the man, we could not back out very well without welching on a deal we had made with him. He was to handle the deal.

How he did it we did not know, how he was going to do it, any more than if we had employed counsel. There was no law we knew

that we could employ to compel the man, Mr. Litwak, to accept a reasonable offer which we had offered him.

Senator CHURCH. Ordinarily, when management and labor try to come to terms over a bargaining table, they negotiate back and forth and they finally reach common ground.

Always you feel that your last offer is reasonable and their demands are unreasonable.

But in this case you paid \$17,500 in what you have described as a payoff to get yourself a contract that strongly conformed, basically conformed with, the last offer that management made: is that not correct?

Mr. BALKWILL. Well, there was one big item involved. We avoided accepting that at that time. Now, if you are familiar with what that was, you would know that we got off cheaply.

Senator CHURCH. You got off cheap?

Mr. BALKWILL. Yes.

Senator CHURCH. In other words, the \$17,500 was cheap enough a price to pay as compared to what Mr. Litwak was asking for the people, the truckers, that he represented?

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

Mr. BALKWILL. Yes; his demand was not good for us or his people either.

It has ruined the industry. It has been forced on us since then. We did not pay any further than that. It has since been forced on us, after that contract expired, and it has put half of the laundries out of business, and the others are dying on their feet. You can understand why we did fight that: that we went to that extent to avoid accepting it at that time.

We did avoid half of it for, I believe it was, 18 months. This contract was for 5 years, I believe. In the middle of the contract, we had agreed in there to consider the issue again; we were forced to accept a portion of the demand. The other was delayed until the end of the contract. Then it was opened. They could strike again. We didn't choose to do this all over again, so we had to take it. I was going to say live with it, but we could not do that. Many of our laundries have passed out. That is just the essence of it and the truth. If we did wrong—I don't think that is any question about it. We are over 21 and we know—I am sure we could not have gotten permission from any court to do it.

That is why it had to be cash.

Senator KENNEDY. Mr. Chairman?

Senator IVES. Senator Kennedy.

Senator KENNEDY. In answer to Senator Church, you stated that it was your initiative which secured the services of Mr. Holtzman. Why did you go to Mr. Holtzman instead of someone else to make this payoff?

What was it about Mr. Holtzman that made him particularly qualified to handle this arrangement?

Mr. BALKWILL. Well, he was known to have handled some other cases labor cases like that; not in our industry, but he was quite well known in some circles in Detroit. I didn't know him, but he had been in the dry-cleaning field. He was in that business himself.

Senator KENNEDY. He had done what in the field? Writing in the field?

Mr. BALKWILL. He had done some work himself similar to this.

Senator KENNEDY. Do you mean some payoff work before?

Mr. BALKWILL. I wouldn't say "payoff." Negotiations. How successful they were, I don't know. But these were common conversations. I could not say who said—

Senator KENNEDY. It takes a little more than going to someone you regard as an expert in the field and asking him to be the intermediary in the payoff to the union leaders. What was there about Holtzman?

Mr. BALKWILL. We did not ask him to do that.

Senator KENNEDY. Was it the fact that he was friendly with the top leadership of the union?

Is that the reason?

Mr. BALKWILL. Most successful men in that field are.

Senator KENNEDY. Are what?

Mr. BALKWILL. Are on friendly terms with the officials of the union. I try to hold that position myself. I haven't been too successful.

Senator KENNEDY. You can't be any more precise as to why Mr. Holtzman was the man that you would go to on what is an outrageous offer?

Mr. BALKWILL. I didn't know much more about it myself. I was just told. I did not know Mr. Holtzman to speak to him even.

Senator KENNEDY. Was it because you were looking for someone who was friendly with the top officials of the Teamsters?

Mr. BALKWILL. We were looking for someone that could do the job. We didn't think anyone else could.

Senator KENNEDY. There is no sense beating around the bush. What was the reason you thought Mr. Holtzman could do the job?

Mr. BALKWILL. I did not say; I just thought so. We thought so.

Senator KENNEDY. Whoever thought so among your group.

Mr. BALKWILL. I believe that was the motivating idea; yes.

Senator KENNEDY. That you thought Mr. Holtzman was on terms with the leadership of the Teamsters which would make such an offer through him acceptable to that leadership; is that correct?

Mr. BALKWILL. He would be able to convince them in some manner.

Senator KENNEDY. You knew the manner he was going to convince them in was to be through this money. Did you understand in obtaining the services of Mr. Holtzman, that Mr. Holtzman was on terms of such intimacy with the leaders of the union that he would be the intermediary for such an offer to secure for you the prevention of having to place in your laundries the 5-day week instead of the 6-day week?

You felt Mr. Holtzman was the best intermediary to pay off the leadership of the teamsters so that you would not have to put in a 5-day week in your laundry.

Is that correct or not correct?

Mr. BALKWILL. Well, after discussing it with Mr. Holtzman, he convinced us that he could handle it if it could be done.

Senator KENNEDY. How did he convince you?

Mr. BALKWILL. Well—

Senator KENNEDY. Did he inform you that he was on a condition of intimacy with the leadership of the teamsters so that this arrangement could be worked out?

(Senator McClellan, at this point, entered the hearing room.)

Mr. BALKWILL. I don't know that he told us that.

Senator KENNEDY. You knew it, didn't you?

Mr. BALKWILL. We somehow knew it; yes.

Senator KENNEDY. How could you give \$17,000 to just somebody that comes along? You have to have some assurances that they will deliver when you give him cash.

Mr. BALKWILL. He was a neighborhood boy, in business there in Grand River. He was not going to run away. He agreed to get this, or we did not pay him the rest of it.

Senator KENNEDY. You went on for 3 years.

During that 3-year period when you had gotten the deal you wanted with this money, who did you think was getting this money?

Mr. BALKWILL. I tried not to think about it, sir. It was very painful.

Senator KENNEDY. I know you tried not to, but every now and then you did. Who did you think was getting it?

Mr. BALKWILL. Well, somebody——

Senator KENNEDY. I am just asking you who you thought was getting it.

Mr. BALKWILL. Well, somebody who had influence with Mr. Litwak.

Senator KENNEDY. Who was above Mr. Litwak?

Mr. BALKWILL. Yes.

Senator KENNEDY. But you never knew more precisely than that?

Mr. BALKWILL. No.

Senator KENNEDY. Previous to this you thought it was Mr. Hoffa?

Mr. BALKWILL. Who did I tell that?

Senator KENNEDY. I thought you told the committee.

Mr. BALKWILL. Well, they wrote it down for me, and I agreed to——

Senator KENNEDY. I am asking you questions that afternoon. I am trying to get at it. Who did you think? That is all.

Mr. BALKWILL. Well, I say, that is as far as I could go with it. There was somebody higher up than Mr. Litwak.

Mr. KENNEDY. You discussed with your fellow people that it went to Mr. Hoffa, did you not?

Mr. BALKWILL. We discussed who it went to.

Mr. KENNEDY. And reached the conclusion that it went to Mr. Hoffa?

Mr. BALKWILL. We arrived at the conclusion that it went to some people, or some of that did.

Mr. KENNEDY. To Mr. Hoffa?

Mr. BALKWILL. We don't think that they got all of it anyway. We think that Joe—and we thought sometimes we might have been saps, that he might have kept most of it; but we don't know. I don't hardly think he did.

Senator IVES. Counsel, is this witness' testimony now varying from what he told you personally 5 hours or 6 hours ago?

Mr. KENNEDY. Generally, in the last couple of days. When I first talked to him a week ago in Detroit, it is quite different.

Is that right?

Mr. BALKWILL. Well, I refused to give you these statements at that time. You told me I had to come down here, so I hated to talk about it.

Mr. KENNEDY. In fact, you told an entirely different story.

Mr. BALKWILL. No, I did not, I am sorry.

Senator CURTIS. Mr. Chairman?

Senator IVES. Senator Curtis.

Senator CURTIS. Where is Litwak now?

Mr. BALKWILL. Well, he is in Detroit, I think, if he is not here. I don't know whether he is.

Senator CURTIS. I am looking for a live witness who knows something about this.

Is he still with the Teamsters?

Mr. BALKWILL. Yes.

Senator CURTIS. Did he know anything about this \$17,500 deal?

Mr. BALKWILL. He has not told me.

Senator CURTIS. I did not ask you that.

Did he know anything about it?

Mr. BALKWILL. I don't know. If he did, I think he would tell the world.

Senator CURTIS. Was it a pretty closely guarded secret?

Mr. BALKWILL. Well, apparently not too closely.

Senator CURTIS. Some of your members had to make financial arrangements to raise their money, didn't they?

Mr. BALKWILL. Each one had his own problem; yes.

Senator CURTIS. They knew about it.

Some of their bankers knew about it.

Mr. BALKWILL. I don't know.

Senator CURTIS. Some of their secretaries. Probably some of their families. This was not any real secret, was it?

Mr. BALKWILL. It should have been. It wasn't guarded too closely, I don't believe. But in fairness to the man we were dealing with, it was necessary that we not tell the public about it.

Senator CURTIS. What was Litwak's position at that time?

Mr. BALKWILL. Very impossible.

Senator CURTIS. No. Was he president of a union?

Mr. BALKWILL. Yes, sir.

Senator CURTIS. Is he still president of the union?

Mr. BALKWILL. Yes.

Senator CURTIS. And he is still living under that contract?

Mr. BALKWILL. Well, not that same one.

Senator CURTIS. But he did live under that contract?

Mr. BALKWILL. I just negotiated one with him the other day. But that one run out long ago, but we have continued a contract with him since then.

Senator CURTIS. Was he present when the final negotiations were made?

Mr. BALKWILL. Well, he always was, so he was then. He has been for about 20 years.

Senator CURTIS. Did he sign the contract?

Mr. BALKWILL. Yes.

Senator CURTIS. Did he take it to his membership?

Mr. BALKWILL. He said he did.

Senator CURTIS. He said he did?

Mr. BALKWILL. Yes.

Senator CURTIS. Did they vote on it?

Mr. BALKWILL. He said they did.

Senator CURTIS. I would like to find out.

Mr. BALKWILL. Well, I was not there.

Senator CURTIS. I know you were not there.

Mr. BALKWILL. I hear stories about it, how they voted on it, but then that isn't my business. I don't know. He said that they voted on it. He said he had to take it to them before he could accept it. There was a meeting, and they O. K.'d it. Usually, I perhaps could say they always do. If Mr. Litwak O. K.'s it, he takes it to his members and they O. K. it.

Senator CURTIS. Was any of the \$17,500 used to get it O. K.'d?

Mr. BALKWILL. Well, sir, I don't think so.

Senator CURTIS. It seems to me Mr. Litwak is our most important witness. If he was running the union and still is, signing the contracts and taking it to his membership and getting it voted upon.

Mr. BLACKWILL. That particular local, he was running that; yes.

Senator CURTIS. That was the local you were dealing with, wasn't it?

Mr. BALKWILL. Yes.

Senator CURTIS. And that was the only local?

Mr. BLACKWILL. Of the Teamsters; yes.

Senator CURTIS. Yes.

That is all, Mr. Chairman.

The CHAIRMAN. Is there anything further?

If not, thank you very much. Call the next witness.

Mr. KENNEDY. Mr. John Charles Meissner.

The CHAIRMAN. Be sworn, please, sir. You do solemnly swear 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. MEISSNER. Yes, sir.

TESTIMONY OF JOHN C. MEISSNER

The CHAIRMAN. State your name, your place of residence, and your business or occupation.

Mr. MEISSNER. John C. Meissner, 14260 Longacre Road, Detroit, Mich.

I am a CPA, and at that time was executive secretary of the Laundry Institute.

The CHAIRMAN. Do you waive counsel, Mr. Meissner?

Mr. MEISSNER. I do.

The CHAIRMAN. Proceed.

Mr. KENNEDY. In 1949 you were having difficulties getting a contract signed with Mr. Litwak of local 285; is that right?

Mr. MEISSNER. Right.

Mr. KENNEDY. It was discussed at that time that you should go to a higher union official to see if you could not get some arrangements made; is that right?

Mr. MEISSNER. That is right. Excuse me a moment. You said some higher officials?

Mr. KENNEDY. It was discussed that you should approach a higher union official?

Mr. MEISSNER. Someone that could handle the situation; yes.

Mr. KENNEDY. Somebody that could handle the situation?

Mr. MEISSNER. That is right.

Mr. KENNEDY. Were you referred to anyone in particular, Mr. Meissner?

Mr. MEISSNER. Well, as has been testified here, the suggestion from Moe Dalitz that we approach Joe Holtzman, which was followed.

Mr. KENNEDY. Then you had some discussions with Mr. Holtzman, and Mr. Holtzman said that he thought he could do something for you if you paid him \$25,000 in cash; is that right?

Mr. MEISSNER. To start with; yes.

Mr. KENNEDY. You ultimately bargained back and forth and reached a figure of \$17,500, in cash?

Mr. MEISSNER. About that, yes, as far as my memory serves.

Mr. KENNEDY. You then went back and collected so much money from each laundry owner; is that right?

Mr. MEISSNER. Yes; some laundries, not all of them.

Mr. KENNEDY. And you corrected approximately \$90 per truck; is that right?

Mr. MEISSNER. That is over a 3-year period.

Mr. KENNEDY. Over a 3-year period. You couldn't afford to pay in 1 year, so you paid over a 3-year period?

Mr. MEISSNER. That is right.

Mr. KENNEDY. And Mr. Holtzman explained that that money would have to be in cash?

Mr. MEISSNER. That is right.

Mr. KENNEDY. And this payment that was made was never entered into any books or records of the Detroit Institute?

Mr. MEISSNER. Well, I don't believe he said that. But he wanted it in cash.

Mr. KENNEDY. I mean you never entered this into any books or records?

Mr. MEISSNER. No. It was supposed to be a separate fund.

Mr. KENNEDY. There is nothing in the minutes that you were hiring Mr. Holtzman as a labor consultant, a labor relations consultant?

Mr. MEISSNER. There, there wasn't.

Mr. KENNEDY. It was to be a secret arrangement?

Mr. MEISSNER. It was not a direct affair of the Institute of Laundry, officially.

Mr. KENNEDY. It was to get a contract signed?

Mr. MEISSNER. It was a group of laundry men that wanted a separate fund for that purpose.

Mr. KENNEDY. After you made payment to Holtzman, then was it arranged for you to visit with Mr. Hoffa?

Mr. MEISSNER. Not in that connection.

Mr. KENNEDY. Well, did you go see Mr. Hoffa?

Mr. MEISSNER. We went to see him in regard to see if he could do something for us.

Mr. KENNEDY. Did you have discussions with him along those lines?

Mr. MEISSNER. I believe we did; yes.

Mr. KENNEDY. Could you tell the committee who arranged that appointment?

Mr. MEISSNER. That I am not clear on.

Mr. KENNEDY. You do not know?

Mr. MEISSNER. No.

Mr. KENNEDY. Mr. LoCicero, your attorney, never knew that you were making this payment, did he?

Mr. MEISSNER. He did not.

Mr. KENNEDY. Then following the meeting with Hoffa, you then had some further negotiations with Mr. Litwak; is that correct?

Mr. MEISSNER. I believe so; yes.

Mr. KENNEDY. And toward the end of the negotiations, at one of the final meetings, did Mr. Hoffa come to the meeting at the Detroit Leland Hotel?

Mr. MEISSNER. Yes, sir.

Mr. KENNEDY. He did?

Mr. MEISSNER. Yes, sir.

Mr. KENNEDY. He came in?

Mr. MEISSNER. Yes, sir.

Mr. KENNEDY. Could you tell the committee what he stated as of that time?

Mr. MEISSNER. I don't believe he made any definite statement.

Mr. KENNEDY. Did he have a conference with Mr. Litwak?

Mr. MEISSNER. If my memory serves me, he did talk to Mr. Litwak on the side.

Mr. KENNEDY. Did he call him to the side?

Mr. MEISSNER. To the side; yes.

Mr. KENNEDY. He did call him to the side?

Mr. MEISSNER. Yes; I believe he did.

Mr. KENNEDY. And he had a talk with him, himself?

Mr. MEISSNER. That is right.

Mr. KENNEDY. Following this, you reached a general arrangement, an agreement as to the terms of the contract, is that right?

Mr. MEISSNER. Following that; yes.

Mr. KENNEDY. And the Detroit Institute of Laundry did not have to make any more major concessions after you made the arrangements with Mr. Holtzman, is that correct?

Mr. MEISSNER. I believe there were some concessions and some concessions on his part.

Mr. KENNEDY. You did not make any major concessions?

Mr. MEISSNER. I don't believe there were any major concessions.

Mr. KENNEDY. You kept your 6-day week?

Mr. MEISSNER. I believe we did at that time.

Mr. KENNEDY. And you did not have a strike?

Mr. MEISSNER. That is right.

Mr. KENNEDY. Isn't it correct that Mr. Litwak was furious at Mr. Hoffa coming to the meeting, and you people going over his head?

Mr. MEISSNER. Yes, but I don't consider that of any moment, because he was infuriated any time that he was crossed or butted into, what he did.

Mr. KENNEDY. You say he was furious all the time?

Mr. MEISSNER. Yes; very much.

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

Mr. KENNEDY. Did he use as a reason for being furious, or did he say, at this time, at least, that he was furious because you had gone over his head to Mr. Hoffa in this contract?

Mr. MEISSNER. I presume he was.

Mr. KENNEDY. From what he said, and from the conversations that you had with him subsequently?

Mr. MEISSNER. From insinuations and remarks made by him, I presume he was; yes.

Mr. KENNEDY. You understood that he was?

Mr. MEISSNER. Yes; that is right.

Mr. KENNEDY. And you made the payment over the 3-year period?

Mr. MEISSNER. That is right.

Mr. KENNEDY. Did you understand that this money was to be paid, to be passed, at least part of it was to be passed, on to a union official?

Mr. MEISSNER. No.

Mr. KENNEDY. You did not?

Mr. MEISSNER. No.

Mr. KENNEDY. Why did you pay it in cash?

Mr. MEISSNER. He asked it that way.

Mr. KENNEDY. Did you understand that that was the reason?

Mr. MEISSNER. No; I didn't. He told us nothing about what he was going to do with the money.

Mr. KENNEDY. It never occurred to you that it was going on to any union official?

Mr. MEISSNER. No, sir.

Mr. KENNEDY. It never did?

Mr. MEISSNER. No, sir.

Mr. KENNEDY. It never entered your mind?

Mr. MEISSNER. No.

Mr. KENNEDY. Then why was it handled in this fashion?

Mr. MEISSNER. I didn't know whether he was trying to evade income tax or what. He wanted it in cash.

Mr. KENNEDY. Mr. Meissner, what you were looking for in this contract was you were looking for someone who could make an arrangement or an approach to a higher union official, were you not?

Mr. MEISSNER. Not necessarily. Men have influence in that line in labor relations. I did not know what his connections were.

Mr. KENNEDY. That is what you were looking for, somebody to influence Mr. Litwak.

Mr. MEISSNER. That is right.

Mr. KENNEDY. Ultimately somebody did influence Mr. Litwak in this case.

Mr. MEISSNER. After we were introduced to him, and from his sales talk and so on, we presumed that he could, and we decided that was going to be in our favor.

Mr. KENNEDY. Then you did pay, you did make arrangements to make a payoff of \$17,500.

Mr. MEISSNER. To pay him his fees, not a payoff.

Mr. KENNEDY. Mr. Balkwill described it as a payoff.

Mr. MEISSNER. I can't help what Mr. Balkwill says.

Mr. KENNEDY. Every other laundry owner who contributed and who has testified has presumed it was a payoff.

Mr. MEISSNER. Let them presume what they want.

Mr. KENNEDY. They paid the money to you?

Mr. MEISSNER. That is right.

Mr. KENNEDY. They understood from you that it was to be a payoff.

Mr. MEISSNER. No; they did not.

Mr. KENNEDY. Mr. Miller testified this morning that you came back and reported about Mr. Hoffa being at the meeting, that he was late in arriving, and you felt the money was going down the drain, because he was late at the meeting.

Mr. MEISSNER. The visit from Mr. Hoffa did not have anything to do with Joe Holtzman. Our deal was with Joe Holtzman and him alone, and he never once inferred or insinuated who he was paying or what influence he had.

Mr. KENNEDY. Do you deny, Mr. Meissner, that you told Mr. Miller, after his conference with Mr. Litwak and Mr. Hoffa, that you were worried that Mr. Hoffa would be late coming in, and you thought the money had gone down the drain?

Mr. MEISSNER. I never said such a thing to Mr. Miller.

Mr. KENNEDY. You never said anything like that?

Mr. MEISSNER. No, sir.

Mr. KENNEDY. So Mr. Miller's testimony this morning to the contrary is incorrect, is that right?

Mr. MEISSNER. It is, if he made that assertion, but not from his testimony this morning.

Mr. KENNEDY. That is what he testified to this morning.

Mr. MEISSNER. He didn't testify to that, that I heard.

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

Mr. KENNEDY (reading):

I did not attend the actual session, but Meissner reported to me what happened. Firstly, Hoffa was late in appearing. In fact, Meissner expressed the thought to me he started worrying that the payoff might have gone down the drain.

That is what he testified to this morning.

Mr. MEISSNER. I never told them there was any connection between Mr. Hoffa's visit and our fees to Joe Holtzman.

Mr. KENNEDY (reading):

Then there was a knock at the door, this meeting was being held at the Detroit Leland Hotel, when the door opened, Hoffa was there with a couple of his men.

Meissner said the color drained from Litwak's face when he saw Hoffa. Hoffa wanted to know what the meeting was all about. He then read the contract which had been worked out to then and expressed the view that it was a good contract, there was nothing wrong with it. The negotiations were then broken off and the contract signed sometime after.

Mr. MEISSNER. Mr. Miller has quite an imagination to make those remarks.

Mr. KENNEDY. That is what he testified to.

You were the one that was going around and collecting this money in cash. We have had every one of the people that testified here understand that it was going to be a payoff.

Mr. MEISSNER. I can't help what they consider it to be. We had an arrangement with Joe Holtzman to pay him the fees.

Mr. KENNEDY. Then why didn't you enter it into any books?

Mr. MEISSNER. He asked for it in cash.

Mr. KENNEDY. Why didn't you enter it in the books and records?

Mr. MEISSNER. Why should we? It was not a part of the institute transactions.

Mr. KENNEDY. Why didn't you tell this to me when I was out seeing you last Monday?

Mr. MEISSNER. I did.

Mr. KENNEDY. You never told me about any payments like this, did you?

Mr. MEISSNER. No, I didn't tell you anything at that time. Why should I?

Mr. KENNEDY. It was because you wanted to cover up. That is why you didn't.

Mr. MEISSNER. I did not cover up anything. I was not ready to talk at that time, and I wanted to recollect what did happen.

Senator CURTIS. Who drew the contract?

Mr. MEISSNER. Usually the union man drew the contract, or the attorney.

Senator CURTIS. Do you know who drew this one?

Mr. MEISSNER. Not offhand, I don't.

Senator CURTIS. You don't recall whether it was prepared by the union or by management?

Mr. MEISSNER. I couldn't tell unless I saw the contract, and I don't know.

Senator CURTIS. Do we have the contract here?

Mr. KENNEDY. Here is the contract.

Senator CURTIS. This appears to be a copy. It is not the contract.

Mr. Chairman, if we could have this identified, I would like to ask him about it.

The CHAIRMAN. May I have the contract?

The Chair presents to you what purports to be a copy of the contract that was entered into. I ask you to examine it and state if you identify it as such.

(The document was handed to the witness.)

Mr. MEISSNER. This is not a signed copy of the contract.

The CHAIRMAN. That is not a signed copy, but you may identify it, I would assume, from its terms and provisions.

Mr. MEISSNER. This is just one of the mimeographed copies. I presume it to be that contract; I wouldn't know.

The CHAIRMAN. Who of our staff would know about this?

Mr. KENNEDY. Mr. Salinger.

The CHAIRMAN. Have you been sworn? I will help you identify it.

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

Mr. SALINGER. I do.

TESTIMONY OF PIERRE E. G. SALINGER

The CHAIRMAN. You have not been previously sworn in this series?

Mr. SALINGER. No, sir.

The CHAIRMAN. State your name and your place of residence and your present employment.

Mr. SALINGER. My name is Pierre Salinger, and I reside at 3611 O Street, N.W., Washington, D. C. I am an investigator on the staff of this committee.

The CHAIRMAN. Did you make an investigation in connection with the contract that we have been referring to?

Mr. SALINGER. I did, sir.

The CHAIRMAN. Did you procure a copy of that contract?

Mr. SALINGER. I did, sir.

The CHAIRMAN. Do you have such a copy now?

Mr. SALINGER. I have it in front of me.

The CHAIRMAN. Where did you procure it?

Mr. SALINGER. This contract was turned over to me by Mr. Horace McKnight, the owner of the Palace Model Laundry, in Detroit, Mich., and it is a copy of the contract signed on the 27th day of June 1949, and shows that the contract was signed by Mr. W. H. Balkwill, and Mr. John C. Meissner, representing the Detroit Institute of Laundering, and Mr. Isaac Litwak, representing the Laundrymen and Linen Drivers Union.

The CHAIRMAN. Have you examined the original or photostatic copy of it?

Mr. SALINGER. I have examined this copy, which was told me by Mr. McKnight to be a copy.

The CHAIRMAN. Who was Mr. McKnight?

Mr. SALINGER. He is the owner of the Palace Model Laundry and was a member of the labor committee of the institute at the time this contract was entered into.

The CHAIRMAN. He was a member of the negotiating committee that negotiated the contract?

Mr. SALINGER. Yes, sir.

The CHAIRMAN. And he gave you that as a copy of the contract that was negotiated at that time?

Mr. SALINGER. He did, sir.

The CHAIRMAN. That copy may be made exhibit No. 4 for reference only.

(Document referred to was marked "Exhibit No. 4" for reference and may be found in the files of the select committee.)

The CHAIRMAN. Now, do you want to make any statement as to whether that is a copy of the contract? You may examine it if you like.

Mr. MEISSNER. I don't say that isn't an exact copy of the contract, but it is only a photostat that I saw.

The CHAIRMAN. If there is anybody that doubts it, they can produce anything to the contrary, and we will correct the record. But for the purposes of interrogation, we will proceed on the basis that this is a contract, and it was obtained from one of your associates who negotiated it.

Mr. MEISSNER. I was asked whether Mr. LoCicero, or an attorney wrote the contract, and I can't tell from merely a mimeographed copy.

The CHAIRMAN. Perhaps you are not able to immediately identify it.

Mr. MEISSNER. I am trying to answer the question.

Senator CURTIS. I think in fairness to the witness, I would like to ask Mr. Salinger, this is not a carbon copy, and neither is it a photostat?

Mr. SALINGER. That is correct.

Senator CURTIS. It is a copy that somebody has made?

Mr. MEISSNER. Sometimes we find in industrywide contracts such as this, they make up a number of copies so that all of the laundries involved can have a copy of the contract.

Senator CURTIS. It purports to be a copy of the contract as distinguished from a photostat or a picture of the contract or as distinguished from a carbon copy?

Mr. SALINGER. That is correct.

Mr. MEISSNER. May I clarify the atmosphere?

Senator CURTIS. My sole question is, Who drew it? Do you know?

Mr. MEISSNER. That, offhand, I don't know. I understand sometimes our attorney would draw it and sometimes Mr. Litwak would draw it. Not it was a habit in the institute on account of the number of members that we couldn't pass on the original or the duplicate, so we made a mimeographed copy, and each member got a mimeographed copy, and the original stayed in the institute.

The CHAIRMAN. So it was your practice whenever you made an industrywide contract, to provide each member of your association who was affected by the contract a mimeographed copy of it?

Mr. MEISSNER. That is right.

The CHAIRMAN. So we would know the terms of it?

Mr. MEISSNER. That is right.

The CHAIRMAN. I assume then that if Mr. McKnight says this is his copy, we can substantially rely on that?

Mr. MEISSNER. I wouldn't doubt Mr. McKnight's word.

Senator CURTIS. Now, I see that this copy that someone has prepared is signed by two people on the part of the institute, Mr. Balkwill and Mr. Meissner, and for the Laundry and Linen Drivers Union, Local 285, it is signed by Isaac Litwak.

Mr. MEISSNER. That is right.

Senator CURTIS. That appears to be the only union signature on there.

Mr. MEISSNER. That is right.

Senator CURTIS. Were you present when it was signed?

Mr. MEISSNER. I imagine I was. My signature is on there.

Senator CURTIS. When Mr. Litwak signed it?

Mr. MEISSNER. That I couldn't say exactly. He may have signed it and returned it, you understand.

Senator CURTIS. Did Mr. Litwak know about this \$17,500 deal?

Mr. MEISSNER. He did not.

Senator CURTIS. He knew nothing about it?

Mr. MEISSNER. No, sir.

Senator CURTIS. How do you know he did not?

Mr. MEISSNER. Not from me.

Senator CURTIS. How do you know he did not know it from any other source, and I do not know that he did?

Mr. MEISSNER. That I don't know.

Senator CURTIS. Did Mr. Litwak report that this was taken to the membership?

Mr. MEISSNER. Well, we usually presumed he did, and he would bring it back and say the membership OK'd it, but we didn't know whether he actually did, or whether it was a presumption.

Senator CURTIS. Did Mr. Litwak protest the terms of it?

Mr. MEISSNER. The finished contract, you mean?

Senator CURTIS. Yes.

Mr. MEISSNER. No, I don't believe, he had no right to, because it was concluded.

Senator CURTIS. I mean when it was taking form.

Mr. MEISSNER. Until the bargaining was through and we arrived at the conclusion, he always protested.

Senator CURTIS. He always protested?

Mr. MEISSNER. Yes, sir.

Senator CURTIS. Now, did you know that the bargaining had been concluded before Mr. Litwak did?

Mr. MEISSNER. No, I don't believe so. We always concluded with him.

Senator CURTIS. Who told you that an agreement had been arrived at and it would be reduced to writing?

Mr. MEISSNER. I was usually present.

Senator CURTIS. Mr. Litwak told you that?

Mr. MEISSNER. No.

What was the question, please?

Senator CURTIS. Who told you that an agreement had been arrived at or who agreed on behalf of the union as to the terms that were later incorporated in this written document?

Mr. MEISSNER. I was usually present when the conclusion was arrived at.

Senator CURTIS. But who spoke up for the union?

Mr. MEISSNER. Mr. Litwak.

Senator CURTIS. He did?

Mr. MEISSNER. Yes.

Senator CURTIS. Where did that occur?

Mr. MEISSNER. Well, wherever we were holding our bargaining sessions.

Senator CURTIS. In this particular case, do you remember where it was?

Mr. MEISSNER. I do not.

Senator CURTIS. Do you remember what other union officials, if any, were present?

Mr. MEISSNER. Well, I only can assume from the signing of that contract that Isaac Litwak was usually there at the end of the session and concluded the contract.

Now, which man was on his committee; usually, he had a committee with him, and we usually had a committee, and we arrived at a conclusion, and it was agreed that that was the contract. Then it was reduced to typing, and it was typed up because usually it was nothing but a bunch of scratch paper, really.

Senator CURTIS. Well, during this negotiation that ended up in a contract dated June 27, 1949, did Mr. Litwak have a committee from his membership?

Mr. MEISSNER. I think he did; yes.

Senator CURTIS. And he had it present during the negotiations?

Mr. MEISSNER. Yes, sir; he usually did. I don't remember that one particularly, understand, but he always did, and that is the way it happened.

Senator CURTIS. Is it your opinion that Mr. Holtzman arranged terms of this contract over the protest of Mr. Litwak?

Mr. MEISSNER. That I don't know.

Senator CURTIS. Was there anything in the culminating of the agreement that indicated to you that it was not the agreement of Mr. Litwak and his bargaining committee and its membership?

Mr. MEISSNER. No one told me that.

Senator CURTIS. Was there anything that happened or took place that put you on notice that this was not the voluntary agreement of Mr. Litwak and his committee and his membership?

Mr. MEISSNER. No.

The CHAIRMAN. May I ask you a question there?

You say there was nothing to put you on notice of it. How many of the negotiating meetings had Mr. Hoffa attended before?

Mr. MEISSNER. Before the conclusion of this, I believe one.

The CHAIRMAN. That was the only one?

Mr. MEISSNER. That is right.

The CHAIRMAN. He walked in the door, and he said, "What goes on here?"

Mr. MEISSNER. No.

The CHAIRMAN. What did he say?

Mr. MEISSNER. I don't think that he said anything, and I think he walked into the meeting, and he said "Hello."

The CHAIRMAN. What did you do?

Mr. MEISSNER. He sat down and he listened.

The CHAIRMAN. When did he call Litwak off and talk to him?

Mr. MEISSNER. During the session.

The CHAIRMAN. Then what happened?

Mr. MEISSNER. Then Mr. Hoffa went out after a while.

The CHAIRMAN. And then what happened?

Mr. MEISSNER. We kept on bargaining.

The CHAIRMAN. And Litwak agreed?

Mr. MEISSNER. No; not at that sitting.

The CHAIRMAN. I understand he agreed at that time and wrote up the contract later.

Mr. MEISSNER. No.

The CHAIRMAN. Did you have any more negotiating meetings after that?

Mr. MEISSNER. Possibly I did.

The CHAIRMAN. Not possibly, and now it has been testified here that was the last negotiating meeting.

Mr. MEISSNER. I don't recollect whether it was or not.

The CHAIRMAN. Did you make any record of this transaction at all?

Mr. MEISSNER. What transaction?

The CHAIRMAN. The \$17,500.

Mr. MEISSNER. No, sir.

The CHAIRMAN. Did you have any authorization from your board of directors of your Detroit Laundrymen's Institute to employ counsel at a rate of \$17,500?

Mr. MEISSNER. Not from the board of directors; no.

The CHAIRMAN. Was there ever any authorization for you to take such action by the duly constituted board of directors of that institute?

Mr. MEISSNER. No, sir.

The CHAIRMAN. Therefore, no minutes were made of it?

Mr. MEISSNER. No, sir.

The CHAIRMAN. All transactions were handled in cash?

Mr. MEISSNER. Yes, sir.

The CHAIRMAN. And, therefore, on that basis, you state that you had nothing to conceal?

Mr. MEISSNER. I don't state that.

The CHAIRMAN. Well, you did have something to conceal?

Mr. MEISSNER. We kept it quiet.

The CHAIRMAN. You were concealing the whole transaction?

Mr. MEISSNER. That is right.

The CHAIRMAN. All right.

Senator KENNEDY. Were you interviewed on August 2 by Mr. Pierre Salinger, of this committee, and Mr. Kennedy and Mr. Bellino?

Mr. MEISSNER. Yes; I believe at my home.

Senator KENNEDY. Now, here is a report of that conversation submitted, which you had with the three people, and it said:

Mr. Meissner said, as a result of their inability to get anywhere with Litwak, he and Harold Balkwill went to see Jimmy Hoffa, and he said they told Hoffa that Litwak was absolutely out of order, and Meissner said they told Hoffa that the laundry industry did not want a strike, and Hoffa said he would take up the matter with Litwak. And he said that thereafter negotiations began to be much easier and the contract was signed.

Did you say that or did you not?

Mr. MEISSNER. I probably did.

Senator KENNEDY. You said that?

Mr. MEISSNER. Yes. I don't know what he wrote down on the paper.

Senator KENNEDY. Is that a report of your conversation?

Mr. MEISSNER. Approximately it is right; yes.

Senator KENNEDY. Now, Mr. Meissner, did you understand that the money that was given to Mr. Holtzman was for a payoff?

Mr. MEISSNER. I never made that remark, and we hired Mr. Holtzman as a management counsel.

Senator KENNEDY. What did you think he was going to do with the cash?

Mr. MEISSNER. I didn't have any right to think, and he didn't tell me.

Senator KENNEDY. Did you have any idea? Did you ever discuss it with Mr. Balkwill?

Mr. MEISSNER. I might have talked about it, but I don't think we ever arrived at any conclusion.

Senator KENNEDY. You did not think it was going to be a payoff?

Mr. MEISSNER. We didn't know.

Mr. KENNEDY. This witness is under oath, and you have heard Mr. Balkwill's testimony before this committee that he understood it was a payoff, and are you stating now that you never understood it was a payoff?

Mr. MEISSNER. I didn't know.

Senator KENNEDY. Did you think it was a payoff? Did you surmise it was a payoff? You are not going to give someone \$17,000 without knowing what they are going to do with it.

Mr. MEISSNER. Do you want me to testify here?

Senator KENNEDY. I want you to answer that question and testify whether you assumed, when you gave Mr. Holtzman the \$17,000, that it was for the purposes of a payoff. Did you or did you not?

Mr. MEISSNER. I didn't know what Mr. Holtzman did, or whether he had a staff he had to pay, or whether he would pay the union official, and I didn't know anything about it.

Senator IVES. Will the Senator yield?

I would like to raise this question: Did it make any difference to you whether it was or was not a payoff?

Mr. MEISSNER. After we turned it over to Mr. Holtzman, I——

Senator IVES. You did not care whether it was a payoff or not?

Mr. MEISSNER. I couldn't do anything about it.

Senator IVES. I still raise the point; you did not care whether it was a payoff or not, apparently?

Mr. MEISSNER. No, really.

Senator IVES. All right.

Senator KENNEDY. I do not think that we can accept this answer as it stands. I think that we ought to know what purpose you had in mind in giving the \$17,000 to Mr. Holtzman.

Mr. MEISSNER. General Motors has a counsel, or legal counsel, in connection with their labor relations, and we hired Mr. Holtzman as an outside representative to handle this situation.

Senator KENNEDY. Now, Mr. Meissner, that statement that you believed that the purpose in giving Mr. Holtzman the \$17,000 in cash was for the purpose of doing normal labor relations; is that correct?

Mr. MEISSNER. I didn't know.

Senator KENNEDY. What did you give him the money for, then?

Mr. MEISSNER. For doing the labor-relations work.

Senator KENNEDY. What kind of labor-relations work?

Mr. MEISSNER. Whether he used it to pay off someone or not, I don't know.

Senator KENNEDY. Did you ever assume that he did?

Mr. MEISSNER. I had no right to assume.

Senator KENNEDY. Yes you did; you paid him the money, and did you have a discussion with Mr. Balkwill to that effect?

Mr. MEISSNER. We talked about it.

Senator KENNEDY. He has testified very clearly, and he left no doubt in anyone's mind it was for a payoff, and you must have had a discussion with him.

Mr. MEISSNER. What Mr. Balkwill assumed in his own mind and what I assumed in my mind are two different things.

Senator KENNEDY. You were a participant, and you were the one who, I believe, secured the services of Mr. Holtzman; did you not?

Mr. MEISSNER. I was the hired man, the legman.

Senator KENNEDY. Did you pay off Mr. Paris?

Mr. MEISSNER. Yes; but not all of it.

Senator KENNEDY. That was a payoff?

Mr. MEISSNER. That is right.

Senator KENNEDY. Was it not the same in this case of Mr. Holtzman?

Mr. MEISSNER. No; we hired a labor-relations counsel in that case.

Senator KENNEDY. All right; now, I want to ask you, and I want you to answer it, or I would like to have Mr. Salinger put under oath: Did you tell Mr. Salinger last evening that you understood that this

money for Mr. Holtzman was going to be paid to Mr. Hoffa, and that was the understanding?

Mr. MEISSNER. I didn't tell that to him.

Senator KENNEDY. I would like to have Mr. Salinger sworn to testify on that point.

Senator IVES. Mr. Salinger has already been sworn.

Senator KENNEDY. Will you come around and answer that question? Did you have a conversation last night with Mr. Meissner?

Mr. SALINGER. I had a conversation with both Mr. Meissner and Mr. Balkwill.

Senator KENNEDY. Where did that conversation take place?

Mr. SALINGER. At the Carroll Arms Hotel.

Senator KENNEDY. In the conversation, did you discuss what Mr. Holtzman had done with the \$17,000 in cash?

Mr. SALINGER. I asked both Mr. Balkwill and Mr. Meissner whether they had any idea as to what Mr. Holtzman had done with the \$17,500.

Senator KENNEDY. What was the answer Mr. Meissner gave you?

Mr. SALINGER. Mr. Meissner said that they had had a discussion; he and Mr. Balkwill had a discussion, and, while they couldn't prove it, it was their assumption that the money had gone to Mr. Hoffa.

Senator KENNEDY. Did you have that discussion last night?

Mr. MEISSNER. I never told him I presumed Mr. Hoffa got it.

Senator KENNEDY. Do you deny what Mr. Salinger has just said?

Mr. MEISSNER. That is right.

Senator KENNEDY. You did not have any such conversation with him?

Mr. MEISSNER. That is right.

Senator KENNEDY. Did you have a conversation with him?

Mr. MEISSNER. Yes, sir; I did.

Senator KENNEDY. Did the question come up as to what Mr. Holtzman had done with the money?

Mr. MEISSNER. He was asking about it.

Senator KENNEDY. What did you say?

Mr. MEISSNER. I don't recollect, exactly.

Senator KENNEDY. Do you deny that you stated what Mr. Salinger stated you did state?

Mr. MEISSNER. I did not state that I presumed Mr. Hoffa got it.

Senator KENNEDY. You never mentioned that?

Mr. MEISSNER. If somebody got it, I don't know.

Senator KERR. But you never stated that?

Mr. MEISSNER. If Mr. Hoffa got it all, I don't know.

Senator KENNEDY. You never stated to Mr. Salinger last night at the Carroll Arms Hotel, to a member of this committee staff, that you and Mr. Balkwill had discussed the matter after the payment to Mr. Holtzman, and that you had assumed Mr. Hoffa had gotten the money. You deny you made that statement?

Mr. MEISSNER. You are using the wrong word, "assumed," and I didn't assume anything. We might have talked in conjecture about it.

Senator KENNEDY. Did you conjecture that Mr. Hoffa got it?

Mr. MEISSNER. What is that?

Senator KENNEDY. Did you conjecture he got it?

Mr. MEISSNER. We conjectured that Mr. Hoffa might have gotten some of it.

Senator KENNEDY. Is that what you said last night to Mr. Salinger?

Mr. MEISSNER. I presume something along that line.

Senator KENNEDY. That is all right. Thank you.

Senator IVES. Mr. Counsel, do you have any further questions of the witness?

Mr. KENNEDY. Not right now.

Senator IVES. You are excused for the time being, and please stand by.

Mr. KENNEDY. Mr. LoCicero.

Senator IVES. Do you solemnly swear that the testimony you are about to give will be the truth, the whole truth and nothing but the truth, so help you God?

Mr. LoCICERO. I do.

TESTIMONY OF THOMAS LoCICERO

Senator IVES. Do you have counsel?

Mr. LoCICERO. I have none, sir.

Senator IVES. Will you kindly state your name, your profession, and your address, and so forth?

Mr. LoCICERO. My name is Thomas LoCicero and I live at 1105 Three Mill Drive, West Park Point, Mich., and I am an attorney.

Mr. KENNEDY. Mr. LoCicero, I just have a few questions to ask you.

You were the attorney for the Detroit Institute of Laundering in 1949?

Mr. LoCICERO. Yes; our office has been their attorney since 1941.

Mr. KENNEDY. Did you ever know that they had made any financial arrangements with Mr. Bushkin and Mr. Holtzman or Mr. Hoffa?

Mr. LoCICERO. None whatever.

Mr. KENNEDY. You never knew about it at all?

Mr. LoCICERO. No, sir.

Mr. KENNEDY. You never knew anything about the \$17,500?

Mr. LoCICERO. I heard it last night or this morning, and I have forgotten when.

Mr. KENNEDY. They never told you about it?

Mr. LoCICERO. No, sir.

Mr. KENNEDY. You never knew that anybody was being hired or being paid any money in connection with this contract?

Mr. LoCICERO. Nobody ever mentioned it to me.

Mr. KENNEDY. You never knew up until last night?

Mr. LoCICERO. That is right.

Mr. KENNEDY. Now, you attended the negotiation meeting with Mr. Litwak which Mr. Hoffa attended also?

Mr. LoCICERO. Yes.

Mr. KENNEDY. Mr. Hoffa came late, did he?

Mr. LoCICERO. No.

Mr. KENNEDY. All right, strike that.

Mr. Balkwill and Mr. Meissner went to see Mr. Hoffa at the Teamster headquarters?

Mr. LoCICERO. I don't know that.

Mr. KENNEDY. You did not arrange the meeting?

Mr. LoCICERO. No, sir.

Mr. KENNEDY. You did not arrange for the appointment of Mr. Balkwill and Mr. Meissner at the Teamster headquarters with Mr. Hoffa?

Mr. LoCICERO. No, sir; I did not.

Mr. KENNEDY. That is the second point.

Now, the third point is this: Mr. Hoffa attended a negotiation meeting at the Detroit Leland Hotel.

Mr. LoCICERO. We had had about, I dare say, 20 or 22 sessions with Mr. Litwak, and his committee, and our committee.

Mr. KENNEDY. You were having difficulty with Mr. Litwak?

Mr. LoCICERO. We always had difficulty with Mr. Litwak. We had difficulty with him in 1946, and 1949, and 1954, and 1957. He is a very tough bargainer.

Mr. KENNEDY. In 1949 you were having difficulty, as well as every other year?

Mr. LoCICERO. That year was the first year. I take that back, or 1946 was the first year in which we got a so-called industrywide contract covering the drivers. Prior to that time, each company had had individual contracts. In 1949, we felt that there had to be a major revision of that contract, and so we made a number of demands that the contract be revised. Mr. Litwak objected, and he said, "What is wrong with the old contract?"

As a result of that, we started with the very first paragraph of the contract, which, incidentally, a question came up a little while ago, I prepared, and I repaired all of the contracts that had been negotiated. We started with the very first paragraph, and had difficulty with every paragraph in the wording of it. That continued right on through to the end of the contract.

I believe that I still have the rough copies where we worked out the wording of each paragraph at those sessions.

Mr. KENNEDY. Did Mr. Hoffa attend one of those meetings?

Mr. LoCICERO. At about the last day, I would say around the 20th or 22d meeting, but not days, because these were not day after day, but about the 22d day I went to the Detroit Leland, and in connection with their negotiations to be continued, our sessions at that time were from about 4 o'clock until 11 o'clock in the evening, and I found Mr. Hoffa there with Mr. Litwak and his committee, and a number of our people were there.

Mr. KENNEDY. Was that unusual for him to come to a bargaining negotiation like this?

Mr. LoCICERO. Who?

Mr. KENNEDY. Mr. Hoffa.

Mr. LoCICERO. Well, yes, I thought it was a bit because he had never attended any of our sessions at any time, and as a matter of fact, he has never attended any since.

Mr. KENNEDY. That was the only one that he ever attended?

Mr. LoCICERO. That I recall.

Mr. KENNEDY. Could you tell us whether Mr. Hoffa made any statement when he attended this meeting?

Mr. LoCICERO. Well, as I got there I made some remark, "Hello, Jimmy, what are you doing here?" and he said, "What have you got to discuss or bargain with, Isaac?" and I said, "We have a few points left." To the best of my recollection, most of the major points of the

contract had been already agreed upon, but as I indicated to you, we were having difficulty with the wording of every paragraph. Every word had to be argued out.

I told Mr. Hoffa that we had these few points, and I don't recall exactly what they were. He said, "Well, look, you fellows, get going on this thing. You have been at it for a long time, and get this done or I will do it for you."

As a result, we sat down around the table and the committee was there, and all of the parties that had been negotiating before, including myself—I was primary spokesman for our group—and we continued with our negotiations. The same thing went on, and we worded each paragraph as we went along and completed the contract, and the agreement on it; that is, the essence of it was agreed upon just about that time, but Mr. Litwak and I continued with several meetings after that in connection with the wording.

(At this point, the following members were present: Senators McClellan, Ives, Church, Kennedy, and Curtis.)

Mr. KENNEDY. But the essence was agreed on it at that date?

Mr. LoCICERO. I would say so.

Mr. KENNEDY. Did you understand subsequently that Mr. Litwak was upset with you for having brought Mr. Hoffa to the meeting?

Mr. LoCICERO. Well, a remark was made at one time that he thought I had called Mr. Hoffa in, and I had not called him in. As a matter of fact, when I went to the meeting, I assumed that Mr. Litwak had called him in, because it was logical for him to be there.

Mr. KENNEDY. It was obvious from the remark that he made that Mr. Litwak had not brought Mr. Hoffa to the meeting.

Mr. LoCICERO. As I say, a remark was made that he had not called him in.

Mr. KENNEDY. And he thought you had gone over his head and brought him?

Mr. LoCICERO. Yes.

Mr. KENNEDY. Do you know why or how Mr. Hoffa happened to come to that meeting?

Mr. LoCICERO. I know nothing about it.

Senator CURTIS. About how long did these negotiations run?

Mr. LoCICERO. Well, I believe there were at least 20 or 22 sessions. By sessions, I mean at different days, over a period of weeks, where we would start, perhaps, at 4 or 5 o'clock in the afternoon, and some of them continued until 3 or 4 o'clock in the morning.

However, we did have a rule at that time that we would not continue beyond 11 o'clock, unless it was necessary to do so, because in the 1946 negotiations we had had an extremely difficult time, and we could not get any agreement from Mr. Litwak until about 3 o'clock in the morning.

Senator CURTIS. There was a disagreement over the wording of practically all the paragraphs, you say, or at least the contest over them?

Mr. LoCICERO. Well, as I told the committee, as I am telling you now, Mr. Litwak does not like to have words changed in a contract.

The contract had been made in 1946, and he did not want this one changed. Yet we insisted that it had to be changed. For example, definitions of what a commercial laundry driver was, a house driver,

and various other types of drivers. Not alone the matters relating to wages and so forth, but even the definitions in the contract.

Senator CURTIS. That leads me up to my question. Those issues involved relating to wages and other economic issues, so far as the drivers were concerned, were they the last thing agreed upon?

Mr. LoCICERO. No, sir. We went along in this contract and took them up as we went along. If you have a copy of the contract, you can get the continuity of our discussions practically from following that contract out, because that is one time when we took it paragraph by paragraph.

Senator CURTIS. Will you examine the contract and tell me probably about when the negotiations on the matter of wages and compensation and fringe benefits if any, were granted, or an agreement arrived at?

Mr. LoCICERO. I will attempt to do that, sir.

(The document was handed to the witness.)

The CHAIRMAN. Mr. Witness, will you identify that as a copy of the contract, specifically?

Mr. LoCICERO. Yes, sir. This is apparently a mimeographed copy of the contract. It is entitled "Agreement and scale of wages of the Detroit Institute of Laundering and Laundry and Linen Drivers Union, Local 285", and so forth.

The CHAIRMAN. Let the record show the witness is examining exhibit 4.

Mr. LoCICERO. Now, sir, may I have your question?

Senator CURTIS. How early in the negotiations did you come to an agreement on the matter of wages and fringe benefits, if there are any covered?

Mr. LoCICERO. Well, as I recall it, our first problem was definitions, and that is contained in article III on page 3.

The next problem was that of the wage scale for domestic laundry drivers.

We had a very strong argument about base pay, and about commissions. Minimum pay was a very hotly contested item.

Senator CURTIS. Do you think you arrived at the agreement on pay, say, in the first half of your meetings?

Mr. LoCICERO. In a sense, I will have to be guessing, but I would say it was about the middle or perhaps two-thirds of the way through.

Senator CURTIS. That answers the question.

That is all, Mr. Chairman.

Senator KENNEDY. Mr. Chairman, I have one point.

The CHAIRMAN. Senator Kennedy.

Senator KENNEDY. I just want to emphasize that the real basic issue involved here in the dispute between you and Mr. Litwak was on the question of the 5- or 6-day week, and that it is my understanding that the point you could not get together on until this meeting at which Mr. Hoffa attended was on this basic question, and then that you did get together on it.

Is that correct?

Mr. LoCICERO. Senator, that is correct, according to the best of my recollection.

Senator KENNEDY. What was the issue?

Mr. LoCicero. In 1946, the issue of the 5-day week was brought up for the first time.

Senator KENNEDY. Right.

Mr. LoCicero. At that time, Mr. Lester E. Deely, my predecessor in this work, was associated with me and we negotiated at the same time. At that time, the union agreed that whatever plants were already on a 5½-day week would remain that way, but those that were over that would try to reach the 5½-day mark within a period of time.

Mr. Litwak's attitude was always this, that he knew that it was a difficult change from a 5-day to a 6-day week, that it would have to take time. Therefore, in the 1946 contract he gave us the opportunity of working out, say, to a 5½-day week, as soon as we possibly could.

I believe the contract has some provision along that line. And in the 1949 contract, the agreement was finally made and, frankly, I know of no one else that made it other than myself, that the contract would require a 5-day week after 18 months of that contract.

In other words, for the first 18 months of that contract we would continue on the present basis, but in the meantime we would start making efforts toward reducing it to a 5-day week.

Senator KENNEDY. Mr. Balkwill informed us that the issue which they felt was ruinous was the acceptance of the 5-day week in the laundry industry and it was for that reason that he felt, and I think in his colloquy with Senator Church, he said, they got off cheap, by paying \$17,000 and avoiding the 5-day week.

They felt that that was a substantial savings. I have gone under the assumption that this was a basic issue between the association and Mr. Litwak.

Mr. LoCicero. Well, it was a very important one, as events later on proved. But it was not the only one, Senator.

Senator KENNEDY. Would you say it was basic one?

Mr. LoCicero. No, it was just one of the major items.

Senator KENNEDY. Very important, though?

Mr. LoCicero. Yes, sir.

Senator KENNEDY. As I understand it, you had not reached a decision, and agreement with Mr. Litwak on that question of the 5-day week.

Mr. LoCicero. No, I don't agree with him on that.

Senator KENNEDY. I have not finished yet.

Had you reached an agreement with Mr. Litwak?

Mr. LoCicero. It is my recollection, Senator, as I testified before, that when Mr. Hoffa came to this meeting, we had covered practically all of the terms of that contract, other than 3 or 4 points. I don't know which ones they were.

My notes may reveal what they were.

Senator KENNEDY. Let me ask you this: What was the payoff all about, then?

Mr. LoCicero. I don't know, sir.

Senator KENNEDY. You don't know?

Mr. LoCicero. I don't know a thing about it.

Senator KENNEDY. We have heard very clear testimony. Was Mr. Balkwill a participant in this whole transaction?

Mr. LoCicero. I don't know who participated in it.

Senator KENNEDY. Balkwill?

Mr. LoCICERO. I don't know who participated in it.

Senator KENNEDY. He signed the contract?

Mr. LoCICERO. Yes, sir.

Senator KENNEDY. He has testified before this committee, just this afternoon—

Mr. LoCICERO. I heard him, sir.

Senator KENNEDY. That the 5-day week was the issue that he thought would ruin the laundry industry, so I would consider it very important. He said since it has gone in in 1953 or 1954, it has put a lot of laundries out of business.

He said that was the issue they could not settle on. You may disagree and say it was a very important one, but he said it was the important one. He said to get that matter settled was why they made the payoff of \$17,000.

Mr. LoCICERO. I know nothing about it, sir.

Senator KENNEDY. The only point I wanted to get at was this matter, according to his testimony, and you indicate you don't know anything about it, was not settled until they made the payoff to Mr. Holtzman.

You don't know anything about that.

Mr. LoCICERO. I don't know.

Senator KENNEDY. Mr. Holtzman did not attend any of the bargaining sessions: is that correct?

Mr. LoCICERO. No, sir, he did not.

Senator KENNEDY. They employed him as a labor relations counsel, so-called, but you don't know anything about anything that he did?

Mr. LoCICERO. No, sir.

Senator KENNEDY. The only point I want to make, and it seems clear to me from the testimony this afternoon, and you are not able to shed any light on it, your testimony only is that Mr. Hoffa attended the meeting, this matter of the 5-day week was the basic matter of dispute between you and Mr. Litwak, and there was a payoff made in order to get an agreement which did not grant the 5-day week in this contract, and that Mr. Hoffa attended the meeting.

We have heard the presumptions of the other witnesses. I would think that Mr. Hoffa would have to indicate quite clearly in his testimony to the committee the reasons that he received the money from Mr. Holtzman were entirely unrelated to this contract agreement.

I am hopeful that he will make that statement and give evidence to that.

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

Mr. KENNEDY. We have some further information.

Senator CHURCH. Mr. Chairman?

The CHAIRMAN. Senator Church.

Senator CHURCH. Mr. LoCicero, you are a practicing attorney in the State of Michigan?

Mr. LoCICERO. Yes, sir, for the past 25 years.

Senator CHURCH. The past 25 years?

Mr. LoCICERO. Yes, sir.

Senator CHURCH. And from the competence that you have displayed today on the witness stand, I would have little doubt but what you are generally familiar with the laws, with the Federal laws and

with the laws of the State of Michigan. Are these laundries that we have been discussing, are these laundry operations, in your opinion, subject to the Taft-Hartley Act?

Mr. LoCICERO. I believe not, sir.

Senator CHURCH. You would assume, by virtue of the fact that they are local operations, that they would not come within the scope of the Federal law?

Mr. LoCICERO. That is right, sir, I tried to find some authority for it, I have none, but my opinion has been that it is not.

Senator CHURCH. If the fact that has been generally indicated here in the course of the testimony that has been given before this committee, if the fact were—assuming that the fact were—that either all or part of the \$17,500 did go to Mr. Hoffa or to a member of the Teamsters Union higher up in the Detroit area, and if the fact were that the money was accepted by that union official as an inducement for intervening and assisting in the settlement of the contract that you were negotiating, would that, in your opinion, constitute a violation of the laws of Michigan?

Mr. LoCICERO. Well, Mr. Senator, I really don't know. I hate to render an opinion on it. I think my best answer on that would be that had I known anything about this, I probably would not be representing the institute today.

Senator CHURCH. And if they had told you that they were going to pay any amount of money in this way, you would have advised them against it?

Mr. LoCICERO. Yes, sir.

Senator CHURCH. In fact you have just indicated that you would no longer be their representative, had you known about it.

Mr. LoCICERO. Yes, sir.

Senator CHURCH. I think that is a sufficient answer.

Mr. KENNEDY. I want to see if I can't summarize this. You were, during 1949, responsible for negotiating the contract?

Mr. LoCICERO. Yes, sir.

Mr. KENNEDY. You never knew that Holtzman or any labor consultant firm had been retained, is that correct?

Mr. LoCICERO. I did not know.

Mr. KENNEDY. And you never knew that there was a payment in cash of \$17,500?

Mr. LoCICERO. I did not. All the payments to me were by check every month. I invoiced them each month. We have done so since 1941 until this date. We have received it by check.

Mr. KENNEDY. The third point is that Mr. Balkwill and Mr. Meissner went to see Mr. Hoffa. That was a meeting that you know nothing about?

Mr. LoCICERO. That is right.

Mr. KENNEDY. And you had not arranged that meeting?

Mr. LoCICERO. That is right.

Mr. KENNEDY. And the fourth point is that it was at the meeting that Mr. Hoffa attended that the final points were made on the contract, and it reached its culmination?

Mr. LoCICERO. Well, that was about the last session we had. I have to say that.

Mr. KENNEDY. The last session, all right. And that Mr. Hoffa made a statement at that time to the effect that if the contract was not signed, he was going to take the situation over himself?

Mr. LoCICERO. Well, in effect he said that "If you can't negotiate it yourself, I will do it for you."

Mr. KENNEDY. And the final point is that Mr. Litwak indicated to you at a later date that he had not invited Mr. Hoffa to attend the meeting?

Mr. LoCICERO. As I told you, I don't remember if it was Mr. Litwak. It may have been him, it may have been someone else.

I really don't remember that.

Mr. KENNEDY. You received that information, that Mr. Litwak was upset about Mr. Hoffa coming?

Mr. LoCICERO. I received information that he thought I had called him in. Where I got that information, I just don't remember.

Mr. KENNEDY. That is all.

The CHAIRMAN. I didn't hear the earlier part of your testimony, but from the response you gave to Senator Church a moment ago, I assume you never knew anything about the arrangements that were made with Mr. Holtzman. Is that correct?

Mr. LoCICERO. I knew nothing about it, sir.

The first time I heard anything about it was either last night or this morning in discussing it with Mr. Salinger. I think perhaps yesterday when I talked to him by telephone.

The CHAIRMAN. Had you been consulted about such an arrangement, as I understand you, you would have advised against it?

Mr. LoCICERO. That is right, sir.

The CHAIRMAN. You would have considered it improper?

Mr. LoCICERO. I believe so.

The CHAIRMAN. And you would not have participated in it or knowingly represented them if they were engaged in those practices?

Mr. LoCICERO. That is right. I handled my negotiations also by myself. I need no help from anybody else. If they had hired someone else, and I knew about it, I would want to get out of it.

The CHAIRMAN. You were laboring under the impression, when the contract was signed, that it was the result of your efforts when representing them?

Mr. LoCICERO. Mr. Chairman, my fee has not changed since 1943.

The CHAIRMAN. I mean when you—

Mr. LoCICERO. I am just bringing this out. Had I know any such thing, I probably would have asked a much higher fee.

The CHAIRMAN. In other words, you did the work and he got the pay.

Mr. LoCICERO. I don't know who did the work. I still think that I did the work.

The CHAIRMAN. You are the one that attended the negotiations.

Mr. LoCICERO. Yes, sir.

The CHAIRMAN. And drew the contract.

Mr. LoCICERO. Yes, sir.

The CHAIRMAN. And battled with them across the table?

Mr. LoCICERO. That is right, sir.

The CHAIRMAN. This fellow Holtzman was never there?

Mr. LoCICERO. Not to my knowledge. He was never there when I was there.

The CHAIRMAN. He was never visibly present?

Mr. LoCICERO. No, sir.

The CHAIRMAN. You don't know where his influence was, or what was happening to that?

Mr. LoCICERO. That is right, sir.

The CHAIRMAN. I can well appreciate an attorney's embarrassment we will call it, or his surprise, at least, when he thought he was rendering a good service and accomplishing something for his client, and then finding out that somebody else was paid to sit behind the scenes to get the results that he thought he was getting in the use of proper efforts in the exercise of his professional talents.

Mr. LoCICERO. Yes, sir.

The CHAIRMAN. Thank you very much.

Mr. KENNEDY. That is all.

Mr. LoCICERO. Thank you, sir.

(At this point Senator Kennedy withdrew from the hearing room.)

Mr. KENNEDY. Mr. Chairman, I would like to call Mr. Holtzman's partner who attended the first meeting, and see what light he can throw on it.

Mr. Bushkin.

The CHAIRMAN. Mr. Bushkin, come forward, please.

Mr. Bushkin, be sworn.

You do solemnly swear 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. BUSHKIN. I do.

TESTIMONY OF JACK BUSHKIN, ACCOMPANIED BY COUNSEL, JAMES E. HAGGERTY

The CHAIRMAN. State your name, your place of residence, and your business or occupation, please, sir.

(The witness conferred with his counsel.)

Mr. BUSHKIN. My name is Jack Bushkin. I live at 1890 Cherry-lawn Avenue, Detroit, Mich.

The CHAIRMAN. And what is your business or occupation, please, sir?

Mr. BUSHKIN. I respectfully decline to answer the question and exercise my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

The CHAIRMAN. I see. Will you answer this question for me, then. Do you have counsel present?

Mr. BUSHKIN. Yes.

The CHAIRMAN. Counsel, identify yourself for the record, please.

Mr. HAGGERTY. My name is James E. Haggerty, an attorney at law, Detroit, Mich.

The CHAIRMAN. Proceed.

Mr. Haggerty, is that correct?

Mr. HAGGERTY. I have identified myself, Senator.

The CHAIRMAN. I did not hear you. Did I get your name correctly?

Mr. HAGGERTY. James E. Haggerty.

Senator IVES. Your middle initial is E?

Mr. HAGGERTY. Yes.

Senator IVES. Not C?

Mr. HAGGERTY. No, E.

The CHAIRMAN. Mr. Kennedy, proceed with the witness.

Mr. KENNEDY. Mr. Bushkin, you have been in the labor consulting business for a number of years, have you not?

Mr. BUSHKIN. I respectfully decline to answer the question and exercise my privilege under the fifth amendment of the United States Constitution not to be a witness against myself?

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

The CHAIRMAN. Mr. Bushkin, let the Chair ask you: Do you honestly believe that if you answered that question truthfully as to whether you have been engaged in management-labor relations consultant business for a period of years, a truthful answer to that question might tend to incriminate you?

Mr. BUSHKIN. I honestly believe that if I am forced to answer the question, I will be forced to be a witness against myself in violation of my rights under the fifth amendment of the United States Constitution.

The CHAIRMAN. All right. Proceed, Mr. Kennedy.

Mr. KENNEDY. According to the testimony we have had before this committee, Mr. Bushkin, you were present at a luncheon at which it was arranged for Mr. Holtzman, supposedly, to take over these discussions of negotiations and make an approach to a higher official of the Teamsters Union. Could you tell us about that luncheon?

Mr. BUSHKIN. I respectfully decline to answer the question and exercise my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

Mr. KENNEDY. And that the \$17,500 was paid in cash for that purpose. Could you tell us about that?

Mr. BUSHKIN. I respectfully decline to answer the question and exercise my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

Mr. KENNEDY. You and Mr. Hoffa have always been very close, have you, Mr. Bushkin?

Mr. BUSHKIN. I respectfully decline to answer the question and exercise my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

The CHAIRMAN. Let me ask you: Did you make Mr. Hoffa a loan of \$5,000?

Mr. BUSHKIN. I respectfully decline to answer the question and exercise my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

The CHAIRMAN. Mr. Hoffa has so testified. Now, do you honestly believe that if you admitted his testimony was true, and that you did make him a loan for \$5,000, that to state that as the truth and a fact would tend to incriminate you?

Mr. BUSHKIN. I honestly believe that if I am forced to answer the question I will be forced to be a witness against myself in violation of my rights under the fifth amendment of the United States Constitution.

The CHAIRMAN. Are you sincere in that statement?

(The witness conferred with his counsel.)

The CHAIRMAN. Can't you just say "Yes" or "No"?

Senator IVES. Mr. Chairman!

The CHAIRMAN. Let him answer the question.

I said, are you sincere in that statement?

Mr. BUSHKIN. I honestly believe that if I am forced to answer the question I will be forced to be a witness against myself in violation of my rights under the fifth amendment of the United States Constitution.

The CHAIRMAN. Are there any other questions?

Senator IVES.

Senator IVES. I would like to inquire of our counsel, Mr. Kennedy, whether this witness is under indictment.

Mr. KENNEDY. I don't believe so. No.

Senator IVES. Has he been convicted of anything? Is he awaiting sentence?

Mr. KENNEDY. No, sir.

Senator IVES. That is all I wanted to know. I was trying to find out what his reason was.

Mr. KENNEDY. I might say he has probably one of the most effective and successful labor-management consultant firms in the Detroit area.

Isn't that correct, Mr. Bushkin?

Mr. BUSHKIN. I respectfully decline to answer the question and exercise my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

Senator IVES. Do you mean to tell me he is supposed to be an expert in the labor-management field?

Mr. KENNEDY. That is correct; he is.

Senator IVES. May I ask him that question?

Are you an expert in the labor-management field?

Mr. BUSHKIN. I respectfully decline to answer the question and exercise my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

Senator IVES. I thought that was the field you were in.

The CHAIRMAN. Let me ask the witness: This is pretty serious. There is testimony here that reflects upon people. There is testimony here from whence there certainly can be conclusions drawn that something improper and illegal went on, something reprehensible took place in connection with this money, this \$17,500.

In taking this position and assuming that attitude you are not only giving indirectly, at least, if not directly, credence to some assumptions that may well be arrived at from the record being made here, but I think you owe it to your friend, James R. Hoffa, to come up here like a man, under oath, and state the truth, and if he is not involved in this in any way, say so under oath. That could not incriminate you, if it is a fact. Will you change your mind now and change your attitude and answer definitely whether any of this money went to Mr. Hoffa?

Mr. BUSHKIN. I respectfully decline to answer the question and exercise my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

The CHAIRMAN. You are not going to be cooperative, helpful in any way, are you?

Mr. BUSHKIN. I respectfully decline to answer the question and exercise my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

The CHAIRMAN. Proceed, Mr. Kennedy.

Mr. KENNEDY. Could you tell us why you made the loan, you and Mr. Holtzman both made the alleged loan, to Mr. Hoffa in cash, \$5,000 apiece?

Mr. BUSHKIN. I respectfully decline to answer the question and exercise my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

Mr. KENNEDY. Many of the stores that you represent, Mr. Bushkin, are the chainstores, are they not?

Mr. BUSHKIN. I respectfully decline to answer the question and exercise my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

Mr. KENNEDY. And the union that deals with them primarily was the retail clerks, was it not?

Mr. BUSHKIN. I respectfully decline to answer the question and exercise my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

Mr. KENNEDY. And the headquarters of that union was, up until last year, in the headquarters of the Teamsters Union, was it not?

Mr. BUSHKIN. I respectfully decline to answer the question and exercise my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

Mr. KENNEDY. And your brother, Herman Bushkin, was on the payroll of the retail clerks; was he not?

Mr. BUSHKIN. I respectfully decline to answer the question and exercise my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

Mr. KENNEDY. As well as getting many of the chainstores in Detroit, you have also been able to get your coin-operated machines into those stores; have you not?

Mr. BUSHKIN. I respectfully decline to answer the question and exercise my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

Mr. KENNEDY. That is the market vending company; is it not, Mr. Bushkin?

Mr. BUSHKIN. I respectfully decline to answer the question and exercise my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

Mr. KENNEDY. You received, for instance, from the Big Bear Market, from 1951 through 1956, this \$113,480. Could you tell us what you did for them?

Mr. BUSHKIN. I respectfully decline to answer the question and exercise my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

Mr. KENNEDY. You received from Cunningham's Drugstore over that period of 1952 to 1956, \$31,500. Can you tell us what you did for them as far as labor relations were concerned?

Mr. BUSHKIN. I respectfully decline to answer the question and exercise my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

MR. KENNEDY. And then Fintex, you received from 1954 to 1956, \$19,250 from them; did you not?

MR. BUSHKIN. I respectfully decline to answer the question and exercise my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

MR. KENNEDY. And then the biggest one has been the ACF Wrigley's, Inc.; has it not? From 1951 to 1956, you received \$123,510 from them.

MR. BUSHKIN. I respectfully decline to answer the question and exercise my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

MR. KENNEDY. And Food Fair, you received \$18,780 in the last 3 years from them. Is that right?

MR. BUSHKIN. I respectfully decline to answer the question and exercise my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

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

MR. KENNEDY. May I ask Mr. Bellino to put the total in?

THE CHAIRMAN. Mr. Bellino has been sworn.

You have examined the record and can give the information. You may give the totals.

MR. BELLINO. The total from 1951 through 1956 is \$528,795.

THE CHAIRMAN. How much?

MR. BELLINO. \$528,795.

MR. KENNEDY. Could you tell us what you did to earn that amount of money?

MR. BUSHKIN. I respectfully decline to answer the question and exercise my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

MR. KENNEDY. You are very close and have been very close to Mr. Ben Dranow, of the Thomas Department Store in Minneapolis, have you not, Mr. Bushkin?

MR. BUSHKIN. I respectfully decline to answer the question and exercise my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

MR. KENNEDY. You played an active role, did you not, in the Teamsters advancing to the Thomas Department Store some \$1,200,000?

MR. BUSHKIN. I respectfully decline to answer the question and exercise my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

MR. KENNEDY. Mr. Bushkin, among the people that we find that you are close to, or maybe you will tell us about that, are such as Mr. Jerry Connelly, from the Minneapolis local of Teamsters, who used to be in that local and is now in prison, is that right?

MR. BUSHKIN. I respectfully decline to answer the question and exercise my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

MR. KENNEDY. What about Mr. Milton Holt, who was a close friend of Johnny Dio's, in New York?

MR. BUSHKIN. I respectfully decline to answer the question and exercise my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

Mr. KENNEDY. Mr. Abe Lew, of the Retail Clerks, who was close to Mr. Shefferman?

Mr. BUSHKIN. I respectfully decline to answer the question and exercise my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

Mr. KENNEDY. Mr. Turk Prujanski, were you close to him also?

Mr. BUSHKIN. I respectfully decline to answer the question and exercise my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

Mr. KENNEDY. Mr. Vincent Meli?

Were you also close to him?

Mr. BUSHKIN. I respectfully decline to answer the question and exercise my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

Mr. KENNEDY. Could you tell us if you have ever been out to Las Vegas, Mr. Bushkin?

Mr. BUSHKIN. I respectfully decline to answer the question and exercise my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

Mr. KENNEDY. Do you remember when Mr. Ben Dranow was out at Las Vegas?

Mr. BUSHKIN. I respectfully decline to answer the question and exercise my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

Mr. KENNEDY. Would you identify these three checks for the committee, please?

The CHAIRMAN. The Chair presents to you photostatic copies of three checks: One in the amount of \$500, dated March 15, 1955; the other in the amount of \$1,100, dated March 15, 1955; and the other in the amount of \$1,500, dated March 15, 1955. These checks appear to be signed by the same person—do they?

Mr. KENNEDY. Yes, sir.

The CHAIRMAN. They appear to be signed by the same person. The first one I read is made payable to cash. In fact, all three of them are made payable to cash.

Mr. KENNEDY. The Hotel Flamingo was the endorser on the one for \$1,100.

The CHAIRMAN. Who is the author?

Mr. KENNEDY. Benjamin Dranow. The Desert Inn is the one on the other two.

The CHAIRMAN. I present you these checks and ask you to examine them and state if you identify them, please, sir.

(Documents handed to the witness.)

Mr. BUSHKIN. I respectfully decline to answer the question and exercise my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

The CHAIRMAN. You have looked at the checks? They are lying before you. You see them, do you not?

(The witness conferred with his counsel.)

Senator IVES. Mr. Chairman, I protest.

The witness is not answering. A nod of the head is not an answer.

The CHAIRMAN. I could not see him nod his head.

Mr. BUSHKIN. I didn't hear the question.

The CHAIRMAN. The question is: You have looked at the checks, have you?

Mr. BUSHKIN. I respectfully decline to answer the question and exercise my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

The CHAIRMAN. The Chair orders and directs you to look at those checks spread on the table right in front of you.

Now, you have looked at them, have you not?

Mr. BUSHKIN. Yes, I have looked at them.

The CHAIRMAN. All right. Thank you.

Have you ever seen them before?

Mr. BUSHKIN. I respectfully decline to answer the question and exercise my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

The CHAIRMAN. Did you handle those checks, the originals?

Mr. BUSHKIN. I respectfully decline to answer the question and exercise my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

The CHAIRMAN. Did you get the money from them?

Mr. BUSHKIN. I respectfully decline to answer the question and exercise my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

The CHAIRMAN. What did you do with the money you got?

Mr. BUSHKIN. I respectfully decline to answer the question and exercise my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

The CHAIRMAN. Proceed, Mr. Kennedy.

Mr. KENNEDY. Could I have the checks back?

Mr. Chairman, these are 3 checks, 1 of \$1,100, 1 of \$1,500, and 1 of \$500. The \$1,100 is to the Hotel Flamingo, and the \$1,500 to the Desert Inn and the other \$500 to the Desert Inn. The checks were stopped, and Mr. Drano had an account there where he had passed these bad checks.

The information that we have is that Mr. Bushkin then came along and made these checks good and paid the account of Mr. Drano at these hotels.

Is that correct?

Mr. BUSHKIN. I respectfully decline to answer the question and exercise my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

The CHAIRMAN. The checks about which the witness has been interrogated, and which were exhibited to him, and which he looked at, may be made exhibit No. 5-A, B, and C.

(Material referred to was marked "Exhibits 5-A, B, and C" for reference and will be found in the appendix on pp. 13711-13713.)

Mr. KENNEDY. May I ask Mr. Salinger if he has examined the records at the Desert Inn to determine who made good on Mr. Drano's account?

Mr. SALINGER. I have.

Mr. KENNEDY. Can you tell us what happened?

Mr. SALINGER. The checks were made good by Mr. Bushkin.

Mr. KENNEDY. Can you tell us why you did that?

Mr. BUSHKIN. I respectfully decline to answer the question and exercise my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

Mr. KENNEDY. Did you also receive some merchandise, two fur pieces, from Mr. Ben Drano?

Mr. BUSHKIN. I respectfully decline to answer the question and exercise my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

Mr. KENNEDY. And those fur pieces cost some \$4,430, that is right, two of them?

Mr. BUSHKIN. I respectfully decline to answer the question and exercise my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

Mr. KENNEDY. Can you tell us what happened to those two fur pieces?

Mr. BUSHKIN. I respectfully decline to answer the question and exercise my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

Mr. KENNEDY. I am sorry. I did not describe them correctly. They are mink coats; is that right?

Mr. BUSHKIN. I respectfully decline to answer the question and exercise my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

Mr. KENNEDY. We will go into that with another witness, I guess, Mr. Chairman.

There are just a couple of other matters that I want to make sure about.

Also, a large customer of yours in Detroit has been the Kinsel Drugstore; is that right?

Mr. BUSHKIN. I respectfully decline to answer the question and exercise my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

Mr. KENNEDY. Then you have also been in business in the Gantz Co.?

Mr. BUSHKIN. I respectfully decline to answer the question and exercise my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

Mr. KENNEDY. And in that company, you were a partner, were you not, of Herbert Grosberg, who is the accountant for the Teamsters?

Mr. BUSHKIN. I respectfully decline to answer the question and exercise my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

Mr. KENNEDY. And you sell your products to the various grocery chains in Detroit; do you not?

Mr. BUSHKIN. I respectfully decline to answer the question and exercise my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

Mr. KENNEDY. And you also had an interest, and have an interest, in the Globe Linen Supply Co.?

Mr. BUSHKIN. I respectfully decline to answer the question and exercise my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

Mr. KENNEDY. And that evidently went out of business in 1957. Your partner in that company was Danny Litwak, who is the son of Isaac Litwak, the head of the Teamsters local, is he not?

Mr. BUSHKIN. I respectfully decline to answer the question and exercise my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

Mr. KENNEDY. And you were put in that business when you bought out the interest of Mr. Moe Dalitz in that company, were you not?

Mr. BUSHKIN. I respectfully decline to answer the question and exercise my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

Mr. KENNEDY. Another individual that you were close to is Mr. Mike Rubino, is that right?

Mr. BUSHKIN. I respectfully decline to answer the question and exercise my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

Mr. KENNEDY. And you wouldn't tell us anything now about your financial arrangements with Mr. Hoffa?

Mr. BUSHKIN. I respectfully decline to answer the question and exercise my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

Mr. KENNEDY. You have had this close working relationship with individuals who are very close to Mr. Hoffa, you have advanced him some money, according to his own testimony, and your partner, Mr. Holtzman, and advanced him some money. You had your brother on the payroll of the Retail Clerks while it was in the Teamster headquarters. With all of these things, can you tell us anything more about your relationship with Mr. Hoffa?

Mr. BUSHKIN. I respectfully decline to answer the question and exercise my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

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

Mr. KENNEDY. Did you discuss this payoff from the Detroit Institute of Laundry with Mr. Hoffa?

Mr. BUSHKIN. I respectfully decline to answer the question and exercise my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

The CHAIRMAN. Have you testified or will you state whether you and Mr. Holtzman were partners?

Mr. BUSHKIN. I respectfully decline to answer the question and exercise my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

The CHAIRMAN. Do you know anyone that you will admit knowing, on the basis that it would not incriminate you?

Mr. BUSHKIN. I respectfully decline to answer the question and exercise my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

The CHAIRMAN. Do you know Mr. Hoffa?

Mr. BUSHKIN. I respectfully decline to answer the question and exercise my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

The CHAIRMAN. Are you an American citizen?

Mr. BUSHKIN. I respectfully decline to answer the question and exercise my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

The CHAIRMAN. With the approval of the committee, the Chair orders and directs you to answer the question.

Are you an American citizen?

(The witness conferred with his counsel.)

Mr. BUSHKIN. Yes, sir.

The CHAIRMAN. Are you married?

(The witness conferred with his counsel.)

Mr. BUSHKIN. I respectfully decline to answer the question and exercise my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

Senator ERVIN. You will probably have to answer that to your wife when you get home.

Mr. BUSHKIN. It could be.

The CHAIRMAN. Do you have any children? I mean legitimate children?

Mr. BUSHKIN. I respectfully decline to answer the question and exercise my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

The CHAIRMAN. Will you enlighten us and all others who may read this record and who may hear you on how you honestly believe that it could possibly tend to incriminate you to state whether or not you are married?

Mr. BUSHKIN. I respectfully decline to answer the question and exercise my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

The CHAIRMAN. Will you tell this committee and enlighten it and others who may hear you or read this record how you can state that you honestly believe that if you answered the question truthfully, whether or not you have children, that a truthful answer to that question might tend to incriminate you?

Mr. BUSHKIN. I respectfully decline to answer the question and exercise my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

The CHAIRMAN. Do you consider yourself a loyal American?

(The witness conferred with his counsel.)

Mr. BUSHKIN. Yes, sir.

The CHAIRMAN. Will you help your country and cooperate with this committee, its duly constituted agency and authority to inquire into the practices in labor-management relations?

Mr. BUSHKIN. I respectfully decline to answer the question and exercise my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

The CHAIRMAN. You honestly believe that if you cooperated with this committee and gave it the information you have, that it needs and desires as the representative of your Government, do you honestly believe that that information might tend to incriminate you?

Mr. BUSHKIN. I honestly believe that if I am forced to answer the question, I will be forced to be a witness against myself in violation of my rights under the fifth amendment of the United States Constitution.

The CHAIRMAN. Have you done anything, do you know anything, that you can tell us about, that might not tend to incriminate you?

Mr. BUSHKIN. I respectfully decline to answer the question and exercise my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

The CHAIRMAN. Is there any further questioning?

Senator Kennedy?

Senator KENNEDY. You are a labor relations counselor now?

Mr. BUSHKIN. I respectfully decline to answer the question and exercise my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

Senator KENNEDY. Under the Taft-Hartley Act, there is no obligation for you to make reports of any legitimate activities that you carry out. It seems to me that your refusal to testify, the fact that your partner and you were involved in improper financial arrangements involving payments to union officials for employers and other arrangements we have heard described today, indicates the necessity for legislation which will make it a matter of public record, all money you receive from employers, and all payments you make to unions or representatives of unions.

I am hopeful, after hearing your testimony today, that it will be possible for the Congress to enact legislation in this field, in spite of the fact that the Teamsters organization opposes the legislation. I am hopeful for the legislation passed by the Senate which will put you on record every year, both you and your late partner, with all of these activities.

I am hopeful, after listening to you today, more than ever, that that legislation will pass the Congress this year.

The CHAIRMAN. Are there any further questions?

This witness will remain under his present subpoena. He will be subject to recall at such time as the committee may desire further testimony from him.

Will you recognize that recognizance?

Mr. BUSHKIN. Yes, sir.

The CHAIRMAN. And agree to it, then, for further interrogation upon reasonable notice?

(The witness conferred with his counsel.)

Mr. BUSHKIN. Yes, sir.

The CHAIRMAN. All right.

It appears the committee has continued these hearings this afternoon about as long as we can. The hour is now almost 5 o'clock.

The Chair will have to be a little late in the morning. Otherwise, we would convene at 10 o'clock. I will have to make it 10:30 in the morning.

The committee stands in recess until that time.

(Members present at the taking of the recess were: Senators McClellan, Kennedy, Curtis, and Ervin.)

(Thereupon, at 5 p. m., the committee recessed, to reconvene at 10:30 a. m., Wednesday, August 6, 1958.)

INVESTIGATION OF IMPROPER ACTIVITIES IN THE LABOR OR MANAGEMENT FIELD

WEDNESDAY, AUGUST 6, 1958

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

The select committee met at 10:30 a. m., pursuant to recess 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 Sam J. Ervin, Jr., Democrat, North Carolina; Senator Frank Church, Democrat, Idaho; Senator Irving M. Ives, Republican, New York; Senator Karl E. Mundt, Republican, South Dakota; Senator Carl T. Curtis, Republican, Nebraska.

Also present: Robert F. Kennedy, chief counsel; Paul Tierney, assistant counsel; John J. McGovern, assistant counsel; Carmine S. Bellino, accountant; Pierre E. Salinger, investigator; Leo C. Nulty, investigator; James P. Kelly, investigator; James Mundie, investigator, Treasury Department; John Flanagan, investigator, GAO; Alfred Vitarelli, investigator, GAO; Ruth Y. Watt, chief clerk.

(At the convening of the session, the following members were present: Senators McClellan, Ives, Ervin, Kennedy, Curtis, and Church.)

The CHAIRMAN. The committee will come to order.

Mr. Counsel, you have a matter to place in the record; have you?

Mr. KENNEDY. Yes, Senator.

The CHAIRMAN. You may proceed.

Mr. KENNEDY. In the interim report of the Senate Select Committee on Improper Activities in the Labor or Management Field, there is contained the following statement on page 218, and I quote:

Although the charter (of local 102 of the UAW-AFL) was in the name of one Sam Zakman, a former Communist Party functionary, the committee had what it considered clear proof that Berger, Dorfman, Previant, and Doria knew that Dio was the man who was actually going to acquire the charter and run the local.

The reference to Previant in this statement is to Mr. David Previant, of Milwaukee, Wis., attorney for the Central States' Conference of Teamsters and other labor unions. Mr. Previant objected to his inclusion on this point.

The CHAIRMAN. He filed objection with the committee?

Mr. KENNEDY. Yes; that he had no knowledge whatever that Johnny Dioguardi was going to get the charter for local 102. He stated that his role in this matter was to arrange a meeting for Sam Berger, an official of the International Ladies' Garment Workers'

Union, with Mr. Anthony Doria, secretary-treasurer of the UAW-AFL, for which Mr. Previant acted as general counsel.

After consultations with the staff, Mr. Previant submitted a sworn affidavit in which he categorically denied that he knew Mr. Dio was going to have anything to do with local 102.

The committee adopted the conclusion that Mr. Previant had knowledge of Mr. Dio's connection with the local as a logical inference from the testimony which it heard. The committee still feels there is no doubt that Sam Berger, Paul Dorfman, and Anthony Doria knew of John Dio's involvement in this charter.

In the case of Mr. Previant, however, the committee believes it should accept at face value his sworn affidavit that he had no knowledge of Dio's interest in this charter.

THE CHAIRMAN. In fairness to Mr. Previant, we feel that the record should be cleared up, and whenever the committee makes an error, and if we make them we want to correct them, and without objection the affidavit of Mr. Previant will be placed in the record. I think it conforms to the rules of the committee and I think that he is entitled to have his statement about it which, as far as we know now, is truthful, and have it placed in the record.

Without objection, it is so ordered.

(The affidavit is as follows:)

STATE OF WISCONSIN,

Milwaukee County, ss:

David Previant being first duly sworn, on oath, deposes and says, that he is a practicing attorney having his offices at 212 West Wisconsin Avenue, in the city of Milwaukee, Wis., and at 2550 Guardian Building in the city of Detroit, Mich.; that he has been admitted to the bar of the State of Wisconsin, the State of Michigan, and of the Supreme Court of the United States, as well as the bar of a number of lower Federal courts and administrative agencies.

That affiant was admitted to the practice of law in the State of Wisconsin in 1935 and has been associated with the law offices of Padway, Goldberg & Previant of Milwaukee, Wis., since 1936, first as an employee, and subsequently as a partner; that this office has specialized in the law of trade unions for over 45 years.

That this affidavit is made in answer to, and in contravention of, a statement appearing at page 218 of the interim report of the Select Committee on Improper Activities in the Labor or Management Field, United States Senate, to the effect that the acquisition of a charter from the United Automobile Workers of America, AFL (hereinafter referred to as UAW-AFL) by one John Diognardi was "facilitated" by your affiant, and that your affiant knew that the aforesaid John Diognardi was the man who was actually going to acquire the charter and run the local.

That your affiant and the law firm with which he is associated has been general counsel for the UAW-AFL since 1939; that, during such entire period of time, neither your affiant nor any member of the firm with which he is associated has ever been called upon to recommend the issuance of a charter, nor have they ever recommended the issuance of a charter, to any person or group of persons.

That, late in August or early in September of 1950, your affiant received a telephone call at his office in Milwaukee from one Paul Dorfman, then an officer of an A. F. of L. Federal Labor Union in Chicago, whom your affiant had met in connection with trade-union matters; that the aforesaid Paul Dorfman, knowing your affiant was general counsel for the UAW-AFL, and that its headquarters were in Milwaukee, inquired whether affiant would arrange an appointment for some unnamed persons residing in New York who were then or had recently been officers of a labor union affiliated with the CIO, and who were desirous of changing such affiliation to the UAW-AFL; that, as an accommodation to both Mr. Dorfman and the UAW-AFL, your affiant called Anthony Doria, its secretary-treasurer, and Lester Washburn, its president, and arranged such an appointment.

That your affiant was present at the headquarters offices of the UAW-AFL at the time when such appointment was kept by its officers and the aforesaid Paul

Dorfman and one Sam Berger; that said Sam Berger was introduced and identified as the business manager of a local union affiliated with the International Ladies' Garment Workers Union, AFL; that your affiant had never met nor heard of the aforesaid Sam Berger before such meeting.

That the aforesaid Sam Berger stated that he was speaking on behalf of a group of organized workmen in the city of New York whose jurisdiction fell within the jurisdiction of the UAW-AFL, and who had been dissatisfied with their representation by both UAW-CIO and independent unions; that, during the entire time that your affiant was present at the meeting between the persons mentioned above, neither the aforesaid Paul Dorfman nor the aforesaid Sam Berger nor any other person mentioned the name of John Dioguardi nor described him in any way, nor did they indicate in any manner that the requested charter would go to any person or persons other than bona fide workmen employed within the jurisdiction of the UAW-AFL.

That, while your affiant was present at such meeting, the officers of the UAW-AFL described in detail the steps which would be required for the issuance of a charter to the persons involved, and arranged to provide the aforesaid Sam Berger with the application blanks and necessary materials.

That at such meeting your affiant was not asked for his opinions or recommendations, nor did he offer them, with respect to any of the matters discussed.

That, at the time of such meeting and for a very long period thereafter, your affiant did not know John Dioguardi or any of the persons elected as officers or hired as employees of the New York local unions.

That, after leaving such meeting, your affiant did not participate in, or receive any further knowledge or information with respect to, the issuance of such charter.

That thereafter your affiant had no connection with any New York local unions which were chartered by the UAW-AFL until more than a year later, at which time, in his capacity as general counsel for the international union, he was called upon to advise with the officers of the international union and the local unions concerning legal problems which arise in connection with the requested certification of collective-bargaining representatives in New York State Labor Board and National Labor Relations Board elections and in connection with court proceedings involving the trusteeship of a local union in New York.

That, at all times in connection with the aforementioned matters, your affiant acted only in his capacity as general counsel for the international union, and had no personal interest in the persons or the unions involved.

Further affiant sayeth not.

(Signed) DAVID PREVIANT.

Subscribed and sworn to before me this 29th day of April 1958.

(Signed) DAVID LEO UELMEN,
Notary Public, Milwaukee County, Wis.

My commission expires November 30, 1958.

**TESTIMONY OF JAMES R. HOFFA, ACCOMPANIED BY COUNSEL,
EDWARD BENNETT WILLIAMS, GEORGE FITZGERALD, AND
DAVID PREVIANT—Resumed**

Mr. WILLIAMS. Mr. Chairman, before the interrogation begins today, I should like to register with the committee an objection to the procedure that is being followed. I would like to state my reasons after making the objection.

The CHAIRMAN. You may.

Mr. WILLIAMS. Senator, I know you to be a very fine lawyer, and in my dealings with you you have always been eminently fair, and I want to appeal to your sense of fair play as I make this objection.

I object, Mr. Chairman, to the procedure that is being followed, whereby this witness is put on the stand and interrogated for a short time, and then withdrawn from the stand and rebuttal witnesses are

put on in juxtaposition to him. I object to this for two reasons, Mr. Chairman.

I feel that the effect of this procedure is to create what we know in the law to be a legislative trial in its most ignominious sense. By way of illustrating it, I just want to state as my reasons for this objection what occurred here yesterday. This witness took the stand, and he was interrogated about a matter which took place almost a decade ago. He was then temporarily excused and 7 witnesses were called in juxtaposition to him, plus 2 committee members who testified briefly.

The CHAIRMAN. Those were staff members.

Mr. WILLIAMS. I am sorry; they were staff members.

Now, the effect of that was to create the impression in the context of the testimony that was given either that the witness had perjured himself or that some member of this union had taken a payoff. Now, as the testimony unfolded during the day, seven witnesses took the stand, and each of them was permitted to speculate and conjecture and make assumptions on an alleged payoff. There was no one witness, and there isn't a line of testimony in this record, and I searched it carefully last night: no witness testified to a single fact concerning any moneys received by any member of the International Brotherhood of Teamsters, Warehousemen, Chauffeurs, and Helpers. Yet each of them did speculate and conjecture.

Now, when they speculated adversely to the union, counsel for the committee summarized their testimony. When they did not speculate adversely to the union, they were reminded, as I read the record, that they were under oath, and an attempt was made to refresh their recollection that they had speculated at some previous date adversely to the union, and then one of the staff members was brought around in front of the table and sworn and testified to this speculation.

So that we had, if the Chair please, hearsay, rumor, assumptions, and speculations on this subject, which struck at the very heart of the integrity of the members of this union who were involved in the negotiations in effect.

I was not able, and as I read the rules of the committee I am not able, to cross-examine effectively any of these witnesses. I feel that the net effect of this, Mr. Chairman, is a legislative trial wherein rumor, speculation, goes into the record without the advantage of cross-examination. The witness is interrogated preliminarily, and he is not apprised of the nature of the charge against him, although there is, obviously, a charge against him from the way that the hearing is being conducted.

Now, the second effect of this procedure, Mr. Chairman, I think, is one of manifest unfairness to the witness. I read the record carefully last night, and there are almost 250 pages of testimony taken here yesterday. We sat here for about 5 hours. I have been advised by counsel for the committee that he expects this witness to remain here under the mandate of the subpoena of this committee for about 3 weeks. He was on the stand for approximately 30 minutes of the 5 hours, and he testified for 27 pages out of 250.

Now, I think that is harassment, of which this committee should certainly not want to be culpable, to hold him here and put him on in what amounts, I submit, respectfully, to a legislative trial, and put

testimony on in juxtaposition, and to suggest either that he has testified perjuronously or he has been guilty of some wrongdoing about which the future rebuttal witnesses are going to speculate and make assumptions.

So, I respectfully ask, Mr. Chairman, that this witness be permitted to give his testimony that is being called for, helpful to a legislative purpose, and give it with continuity through to a conclusion, either now or at the end of the hearings, when all of the other witnesses have testified, so that he may give his testimony and have it over with, and so that he may be about his business as president of this union.

I ask that he be permitted to do it at the outset now and go through to a conclusion, or, if the committee prefers, that after all of the other evidence is heard adverse to the union that he come in and answer it, but that he be permitted to do it with continuity.

I suggest to the Chair that, certainly, the legislative function and purpose of this committee could offer no reason for not having the testimony conducted in this fashion.

The CHAIRMAN. May the Chair say this: I certainly cannot subscribe to the fact that this is a legislative trial. I do not think that this committee has the authority, and I do not think it is its function, to conduct a legislative trial. Its duty is to inquire into practices, activities, and policies in labor-management relations that may or may not be improper, but to ascertain the propriety of those practices.

I think counsel will agree that this committee has one of the most difficult tasks ever assigned a legislative investigating committee. As we move into these areas where collusion and bribery and violence and brutality and vandalism exist, in those areas where those acts have occurred and where there can be no doubt that they have occurred, we are met with obstruction after obstruction. Witnesses exercise a privilege that may be their right, and I am not questioning that, of taking the fifth amendment, refusing to cooperate with their Government and refusing to help us get this information. Certainly, no witness was interrogated yesterday about any fact that was not pertinent to this inquiry.

The strongest point you have, Counsel, in my judgment, is that what you say is hearsay would not be admissible in a trial with a charge, if a criminal charge were pending against either your client or anyone else. But, traditionally, I know of no investigating committee that has simply adhered solely to the procedure established for the prosecution of one charged with crime. We frequently take opinion, and we have to. That is a legislative function, to get these views.

I want to say that, so far as I am concerned, Mr. Hoffa, as Mr. Hoffa, is not on trial. But these practices and these activities that are so reprehensible that they cry out to the Congress of the United States for corrective action are on trial. We are trying to find out exactly what they are, and in what areas. It is incumbent on the Congress to legislate to try to remedy those conditions.

(At this point, the following members were present: Senators McClellan, Ervin, Church, and Kennedy.)

The CHAIRMAN. As to the procedure to which you object here, regarding having your client present when there is derogatory testi-

mony being received, and other derogatory testimony anticipated, and as to calling him from time to time to give his explanation and refute it, I will be perfectly happy to submit that to the committee in executive session. I thought, and maybe I am wrong, that that was the fairest way in which to do it. If you think differently, we will take it under consideration.

I know no fairer way than to have him present, and, as we put on the testimony, to let him refute it or explain it. If I get your position correctly, you would let us go ahead here for 5 weeks putting on all this testimony and then have him come in.

MR. WILLIAMS. Yes, sir.

THE CHAIRMAN. That is your position.

MR. WILLIAMS. Yes, sir.

THE CHAIRMAN. But there are times when we do need to try to get his viewpoint first, to get him to state what he did or did not do at a given time, and then to try to relate other testimony to it.

MR. WILLIAMS. Mr. Chairman?

THE CHAIRMAN. Otherwise, you will say that we are indulging assumptions and spending 3 or 4 weeks here smearing your client without giving him an opportunity to be heard. We have had just the opposite confront us here in the course of these hearings. That is, when we start along and build it up, then we have the objection; we have had that, the objection of "all you are doing is not giving him a chance to answer. You are keeping him sitting back there for a week or two and just building up and smearing this man."

I think counsel can agree with me that we get criticized either way we go.

MR. WILLIAMS. Well, you wouldn't get criticized from me, Mr. Chairman, if you adopt the practice that I earnestly implore you to adopt; namely, that you go through with the interrogation of this witness to a conclusion at this point, or that you suspend his examination now until you have heard all of what you have described as a derogatory or adverse testimony, and then let us return and answer it without having what I conceive to be—and I say this respectfully to you, Mr. Chairman—what I conceive to be a series of legislative trials during the course of these hearings.

THE CHAIRMAN. Mr. Williams, I have great respect for you as a lawyer, and, so far as my limited acquaintance and associations with you are concerned, a high regard for you as a man. I know you have ability as an attorney. I think, if you could just reverse the thing and place yourself in our position, charged with the duty that this committee is charged with, and if you are familiar, and you probably are, with the difficulties I have pointed out to you, you would realize that this committee cannot and will not be able to please your client or others who may be the subject of inquiry or whose activities may be the subject of inquiry.

We cannot expect commendation from them. On the contrary, we not only expect, but we are receiving, their condemnation for everything we are trying to do.

I may say, and this is not in any spirit of anger or offense, those criticisms are not going to deter this committee from doing what it conceives to be its duty. So you may bear that in mind as we proceed. I do want to be fair. We will proceed this morning. During the noon

hour or before we reassemble this afternoon, I will submit your request to the committee and we will consider it, I trust, impartially, in line with what we conceive to be our duty.

Mr. WILLIAMS. Thank you, sir.

Senator CURTIS. Mr. Chairman?

The CHAIRMAN. Senator Curtis.

Senator CURTIS. Mr. Chairman, I think probably it is fair that I go on record a little bit in regard to this. I yield absolutely to the Chair in the right to determine the order of witnesses and the conduct of this investigation.

It is a matter that depends upon certain research and procedure. Someone has to run the committee, and that is why we have a chairman. I think at the present time the chairman has stated ample reason for the procedure of taking testimony and then having the witness step aside and take any conflicting testimony. I think the chairman has a good case for that. I do want to say something about the rules of evidence followed. This is certainly no criticism of anyone involved, either the chairman, the committee, or the staff, in any way. As the chairman has stated, this has been one of the most difficult investigations that has ever been undertaken by a congressional committee.

The country is crying out for legislation. Everyone who has studied the matter and who is interested in our economy and in the rights of people realize that we must have legislation, and I believe that every fact and idea that has been offered here throughout the months does make a contribution to legislative purposes.

I would say this in regard to the evidence, and again I remind you that this is not criticism of anyone—we have a big job, we have to move rapidly, there are many witnesses to interview—I think insofar as possible in future conduct we should, as nearly as we can, follow the rule of the best evidence available.

I would not favor following a rule that barred hearsay and opinion testimony. I think for legislative purposes that if a proper foundation is laid, and what a person actually heard and saw, even though it is hearsay, it may have a very valuable legislative purpose. Now as to opinions that speculate on guilt of a particular individual, it is my feeling that if that opinion was possessed at the time the acts were performed, that the witness should be able to tell what his understanding of what took place is. I think probably it should stop there. One of my reasons for saying that is that to go further into it is unnecessary.

Just let the witnesses tell what happened, give their opinion as to what they understood was taking place, tell what they heard, if it is direct and specific, and then, I believe, Mr. Chairman, we will have a stronger record for legislative purposes and for all other purposes for anybody that reads it as if we go a little beyond that in permitting witnesses to speculate and conjecture. But I certainly would be opposed to this committee binding themselves to absolutely bar opinion evidence and hearsay if it is somewhat circumscribed.

Again, Mr. Chairman, please understand me, that this is not criticism of anyone. I did not bring up the subject.

It was being discussed, and as one member I wanted to express my opinion on it.

The CHAIRMAN. Thank you, Senator Curtis.

The Chair stated that we will have an executive session, at which time all members may feel free to discuss it. If the witness prefers to have the other procedure, I don't know just to what extent at the moment we can accommodate him, but maybe we can accommodate him sufficiently. However, I certainly want the record to stand that whenever we do it the other way, it is being done at the request of counsel representing the witness, and my judgment is that it will be less fair to the witness than the procedure we are now following, giving him the day by day opportunity—I say day by day, not necessarily every day, but as the things are presented—to give him the opportunity to refute them or to explain them, as the case may be.

However, gentlemen, I will arrange later with you as to the time, and we will have an executive session during the noon hour. In the meantime, we will proceed. Are there any other comments?

Senator ERVIN. Except, Mr. Chairman, I would like to say this: I don't think people know or realize the difficulty under which this committee functions. We have, and this is not applying particularly to the Teamsters, but generally, summoned witnesses, the committee subpoenas witnesses, and the witnesses after their subpoena, or after their interviews, on several occasions, have received threats from anonymous sources. We had on one occasion a witness subpoenaed who cooperated, with the committee. He had his place of business burned.

We have a situation in which witnesses make statements of one nature to the investigators, and then when they come to testify, I wouldn't say frequently but on occasion, they change their testimony from direct testimony to hearsay testimony, as we witnessed an example yesterday. We have situations where nobody on earth, so far as I know, connected with this committee, has any idea of who was responsible for it, but a situation like this occurred in the case of Frank Kierdorf. It happened during the pendency of the hearing.

Witnesses are subject constantly to a species of psychological coercion and duress. Who is responsible for these things, I don't have the slightest idea, and I certainly don't intimate that the man who is now the witness is the man responsible.

But those are the circumstances under which this committee has to conduct its hearings. I am astounded. We have men who are supposed to have been honest labor leaders, exercising authority over their fellow Americans, coming here before this committee man after man and when they are asked about their conduct as officials of unions, they take the fifth amendment, which is a privilege of every American to take, if he honestly believes that what he would say would tend to incriminate him. I realize that sometimes an innocent man can invoke the privileges of the fifth amendment.

I also know from long experience as a lawyer that those occasions are rare, indeed. But either the guilty or the innocent are entitled to invoke it. If I was the head of a labor union and discovered an officer who could not make a full, frank and truthful disclosure about his activities as a union officer without incriminating himself, if I had the authority he would not remain an officer until the sun went down—if I had the authority to remove him. I don't think men that invoke the fifth amendment are privileged to exercise authority over other Americans.

They may, as an individual, have a right to hide individual acts behind the fifth amendment but not their official acts, and when

they invoke it to hide their official acts they ought to be forthwith removed from their positions.

The CHAIRMAN. Are there any further comments? The Chair will say this about the fifth amendment. I don't want any misunderstanding with respect to my position about it. I think any witness has the right to invoke it if he honestly believes that if he gave a truthful answer to the question that a truthful answer might tend to incriminate him.

But I do not think he has the right to take the fifth amendment because a truthful answer might incriminate another. I know the rule with respect to the fifth amendment, and I know the rule of presumption of innocence that attends everyone charged with a crime. But there is no court and there is no rule that can keep the human mind from forming its own opinion and conclusion with respect to the character of those who do invoke the fifth amendment under circumstances where they owe an obligation and duty not only to their country but to those whom they represent and serve to tell the truth about their activities, particularly those activities that are related to the obligation that they have assumed, and particularly in respect to stewardship.

All right, we will proceed.

Mr. Kennedy, proceed with your interrogation.

Mr. WILLIAMS. Yesterday I promised Senator Curtis that I would produce here a copy of the consent order about which we talked, and I have copies of it for everyone.

The CHAIRMAN. You may submit them, Mr. Counsel.

Mr. KENNEDY. Mr. Hoffa, the testimony that was given yesterday morning and yesterday afternoon, did that serve to refresh your recollection at all regarding your relationship with the Detroit Institute of Laundry?

Mr. HOFFA. I made it my business during the noon recess to call Detroit and talk to Isaac Litwak to find out whether or not I had attended a meeting in the Detroit Leland Hotel. I believe it was the Leland.

In any event I did attend one meeting, and I dropped in at the one meeting of the negotiating committee. I may say also, Mr. Chairman, if I may, to clear the record, so there will be no questions as to what happened in that meeting, that I have here a prepared statement from the files and records of local 285 concerning the New Method Laundry and concerning the questions of increases and contract concessions that were made during those negotiations.

For the committee's information, and for legislative purposes, it might be well if you would know what those were, with your permission.

The CHAIRMAN. Do you have a statement that you wish to read?

Mr. HOFFA. Yes, sir; I do.

The CHAIRMAN. Has it been submitted?

Mr. KENNEDY. I haven't seen it.

Mr. HOFFA. It was in answer to questions yesterday and that is why I didn't file it as a statement to the committee.

The CHAIRMAN. Is it a brief statement?

Mr. HOFFA. It is.

The CHAIRMAN. I think that there is no objection. We have a rule here where testimony that is going to be read should be submitted. We will waive that rule. Proceed.

Mr. HOFFA. People signing application cards at New Method Laundry.

The CHAIRMAN. Do you have extra copies?

Mr. HOFFA. I would be happy to leave this with you.

The CHAIRMAN. I thought we might follow you better.

Mr. HOFFA (reading). Edward H. Grooms joined the union June 2, 1943; Edward Supkask, July 22, 1945; George Gray, December 5, 1948; Perry Mirk, September 1942; Frank J. Greenmiller, August 30, 1947; Israel W. Dunbar, 1946; Alfred Leo Coleman, November 5, 1948; and Nick Hurghis, June 6, 1943.

New Method Laundry signed an individual contract and the contract was effective the 28th day of February 1949. It was signed by Irving Miller and Casimer Miholozah, or something of that nature, and the same time there was an association contract signed by members of the association, and on that contract appears the signature of Irving Miller, signed on the 27th day of June 1949. Contract benefits—and this may be of interest concerning some assertions that it was a “sweetheart” agreement. It is the highest rated contract in the United States, to the best of our research department’s information.

All drivers receiving a base pay of less than \$15 per week shall be increased to \$15. B. All drivers receiving less than 15 percent increase receive an increase of (a) one-half of 1 percent, effective February 28, 1949; (b) an additional one-half of 1 percent effective August 28, 1958. These drivers worked on a per dollar sales volume.

Drivers were increased from \$50 to \$55 minimum weekly guaranty. Wholesale drivers received an increase from \$60 plus 4 percent over \$500 per week business, to \$62.50 plus 4 percent over \$500 per week business.

Effective August 28, 1950, the drivers would receive \$65 per week, plus 4 percent of all business over \$500. Helpers receiving an increase from \$35 plus 1 percent for all business over \$1,000 per week, to \$40 per week plus 1 percent for all business over \$1,000 per week. Commercial drivers received an increase as follows:

Fifty dollars base pay, plus 5 percent over \$500 to \$52.50 plus 5 percent over \$500, effective February 28. \$55 base pay plus \$500 per week for base pay, plus 5 percent per week, effective August 28, 1950. New drivers are to receive minimum weekly guaranty base pay from \$35 to \$40 after the first week probationary period. Apprentice relief drivers from \$50 to \$55. Relay drivers from \$55 to \$60.

There is also a provision in the contract for reopening the contract after September 1, 1951, in order to reconsider the changing or converting from 6-day week to 5-day week. This contract was supplemented on the 2d day of January 1953, converting from a 6-day week to a 5-day week, with 3 months grace period with which to convert. Note, and this is important: The New Method Laundry re-signed a contract on the 27th day of February 1946 with William H. Miller, and also there is a health and welfare program calling for \$2 per week in this particular agreement at that time. That has been increased since.

When they made statements yesterday concerning “sweetheart” agreements, if you take time to check, for legislative purposes, the balance of the contracts in the United States, you will find that this doesn’t take second to any contract in the United States in language or cost value.

The CHAIRMAN. Mr. Hoffa, I do not recall that any witness who testified referred to it as a “sweetheart” contract.

Mr. HOFFA. The committee insinuated that it was such.

The CHAIRMAN. On the contrary, they were referring to the harshness of the contract and their desire to keep it from being made more

oppressive from their standpoint. I am not saying it is. But to keep it from being made more oppressive or to avoid a strike, the payoff was made or arrangements were made to have you intervene, according to their testimony, you or someone higher up, higher than the president of the local.

I don't recall, and I think I am right about it, and I don't recall anyone maintained it was a "sweetheart" contract. The benefits that may have gone to the worker from the contract may be very good and very commendable. I don't question that, and I do like to see men get increases where it can be justified. But the issue here was that after long negotiations, and after they had made these concessions, still they were unable to get a contract and were threatened with a strike, and therefore they had to resort, from their viewpoint, and I don't say they had to, but from their viewpoint, from the testimony that they gave, they finally had to resort to going to a higher authority in the Teamsters Union.

Now, let me just say this, while I am talking about it: Again this is not a trial, but here are circumstances that have been sworn to about this particular negotiation that went on, the length of time of it, and concessions they claim they had made, and they still couldn't get a contract. The industry was under threat of a strike. They went to some source higher up, and there is no question about that. At the final test there is evidence to indicate that you are the one who stepped in, and when you stepped in, then they were able to proceed to negotiate a contract.

It was substantially, according to the testimony, on the same terms that the management or the laundry institute had been offering.

There is no doubt, and I don't think you would even challenge the fact, that they did raise \$17,500 and paid it to one who from every indication now was close to you, and from a circumstance which you testified to yourself, one from whom you could borrow \$5,000 and from his partner another \$5,000 without note, and without interest, and without security, and of which you kept no record, and from which you can only testify now from what an accountant reported to you from sources yet unknown, so far as I know, as to where he got his information, because there is no record for him to get it from, with respect to your having paid the loan back.

Now those are things that I think call for explanation, if any further explanation can be given. I think this committee would be derelict in its duty, and it would show lack of moral courage if on the face of those circumstances it didn't try to search for the final answer and the truth.

Again I think in giving you this opportunity, as we develop these things, we are being fair to you. If you think that is unfair, and if you want to let these things go on here for 3 or 4 weeks and then come in, I am going to submit it to the committee.

Let me ask you this question: Can you give any better explanation than you gave yesterday, after hearing this testimony, about your connection with this contract and with these two men who were your friends, and who interceded and who got the money, and from whom you borrowed money?

Mr. HOFFA. Senator, I will give you an explanation concerning my activities as president of the joint council 43, and I will let my record

speak for itself. I am not interested in having strikes for the benefit or glorification of certain people. I am interested in our members and the contracts will speak for themselves, because in Michigan we have the highest contracts in the United States, and they are going to be higher. But the question is, sir, as president of the joint council 43 when there is a strike takes place in the city of Detroit, it becomes my strike and not the local union's strike. Because under our rules I must assume the responsibility of seeing that that strike is won by using the economic forces of our organization on a combined basis for the benefit of any one individual local union.

(At this point, the following members were present: Senators McClellan, Ives, Church, Ervin, Kennedy, and Curtis.)

Mr. HOFFA. I am not about to let any local union go on strike when there is no reason to go on strike. I vetoed many strikes and I will continue to do so.

If I think they are wrong, I will continue to intervene in contracts as long as I am president of the joint council, or as long as I am president of this international union. Where I think there is a fair offer made, or I think for self-glorification somebody wants to call a strike, I will intervene and see that the strike isn't called, if possible, when there is a contract already negotiated beneficial to our members. And if they have a strike, and they are striking simply because of language or because of some particular provision that I can foresee we can get in a reasonable period of time in the future without a strike, I will not advocate a strike.

Insofar as my friendship with Holtzman and Bushkin, I have friendship with hundreds of labor relations men. I have friendships with hundreds of lawyers who deal for employers in handling contracts. I find that it is hard to deal with an enemy, but sometimes it is easy to deal with a person you know a little bit better than a stranger.

Therefore, I do intervene in these contracts, and I did intervene in this contract. I am very happy, and I think the record speaks for itself, that my suggestion, whatever it may have been at that time, was the better of the two suggestions because there was no strike, and they still got, in a reasonable period of time, everything they were attempting to strike for.

Senator IVES. Mr. Chairman, may I break in here?

The CHAIRMAN. Senator Ives.

Senator IVES. I would like to ask Mr. Hoffa a question about Mr. Bushkin who appeared yesterday. I believe, Mr. Hoffa, you stated that Mr. Bushkin is a friend of yours.

Mr. HOFFA. That is right, sir.

Senator IVES. Of long standing?

Mr. HOFFA. That is right, sir.

Senator IVES. One you value very highly?

Mr. HOFFA. I don't say I value him highly, but he is a friend of mine, a friendly acquaintance.

Senator IVES. Value him the way you want to. I would like to ask you this. Do you know why he took the fifth amendment yesterday?

So far as we could ascertain, there was no reason for doing it, unless he was shielding somebody.

Mr. HOFFA. I don't know, Senator, but I had an opportunity to get from my lawyer a copy of the Supreme Court's latest decision con-

cerning people's right to take the fifth amendment. I would like to read it to you——

Senator IVES. Wait a minute. I am not questioning anybody's right to take the fifth amendment. I am asking you if you knew why he took it.

Mr. HOFFA. You are insinuating—he has a right under the Supreme Court's decision that I have here in front of me, even if he is innocent, to take it.

Senator IVES. On that basis, anybody that comes before us can take the fifth amendment all the way through, before any legislative committee.

Mr. HOFFA. Why don't you let him take it and leave him alone?

Senator IVES. Where would we learn anything so we can legislate?

Mr. HOFFA. I can only answer for myself. I cannot answer for somebody who desires to take the fifth.

Senator IVES. I am asking if you know why he took the fifth.

Mr. HOFFA. I cannot answer between that person taking the fifth and myself.

Senator IVES. I am not asking about yourself.

Mr. HOFFA. That is what you are insinuating.

Senator IVES. Not at all.

You don't choose to take the fifth. You talk around it another way.

Mr. HOFFA. I answer the question to the best of my recollection. I am not here to commit perjury.

Senator IVES. You don't seem to know what you are talking about half the time.

Mr. HOFFA. That is your opinion.

Mr. WILLIAMS. Mr. Chairman?

Senator IVES. What are you talking about?

The CHAIRMAN. Just a moment. Let's ask questions and have the witness answer.

Mr. WILLIAMS. Mr. Chairman, I want to register an objection to anyone shouting at this witness. It isn't necessary that he be shouted at. I think the procedure will go along a lot more orderly if it is conducted in a courteous way.

I don't think it is necessary for any member of the committee to castigate the witness. We are not here for moral judgments on anybody. I think any questions directed at him as to the motivations of someone else is grossly improper. There is no way that this witness would know why some other man sought to invoke his constitutional privilege.

The CHAIRMAN. Well, let the Chair answer you now. In this ordeal that we are going through sometimes it is difficult to restrain our emotions. I find it difficult myself at times. But I think it is quite proper, in view of the friendship and in view of the transactions, to ask Mr. Hoffa if he can give us any reason or knows any reason why his friend takes the fifth amendment when asked what he did with the money, in view of the implications that are certainly present in the testimony before us. Mr. Hoffa can say he has no reason why. We need not argue about his right to take it. I have expressed my view with respect to that.

I don't think he has a right to take the fifth amendment unless he honestly believes that the testimony he would give, truthful testimony,

would tend to incriminate him. When they take it on the basis that they are taking it simply because they are apprehensive or because they know their testimony would incriminate another, I think it is a distortion of the fifth amendment. I think it is a flagrant travesty of justice. We are concerned about it, and I think it poses a real problem for the Congress and for the American people if this practice can be indulged and if a witness can simply choose to take the fifth amendment rather than give testimony against another. The fifth amendment as it is today, and if it is to operate that way, can undermine law enforcement and decency and justice throughout the land.

Now let's proceed to ask questions.

Senator IVES. Mr. Chairman, I would like to comment a little bit on what the counselor said about my shouting. It so happens I have a voice of considerable volume. We have these microphones in front of us so that what is said will be heard. I can just as well fill this room without this microphone, except it would not be carried on the television or anything else. I am not going to whisper here just for your sake, Mr. Counselor, I can tell you that.

Mr. WILLIAMS. I did not think we were conducting this hearing for television, Senator.

Senator IVES. What?

Mr. WILLIAMS. I did not think we were conducting this for television. I thought we were conducting this so we can get information helpful to this committee.

Senator IVES. I can get information just as well if I shout as if I don't. It does not bother me in getting information.

The CHAIRMAN. Let's proceed.

Senator ERVIN. Mr. Chairman, may I ask a question?

The CHAIRMAN. Senator Ervin.

Senator ERVIN. You stated that this witness was a friend of yours, who took the fifth yesterday?

Mr. HOFFA. Yes, sir.

Senator ERVIN. Did you ask your friend whether or not he would not give testimony in exoneration of you?

I believe it was asked concerning whether you had participated in this matter; was it not?

I was not here all day.

Mr. HOFFA. Yes, sir; they did.

Senator ERVIN. Did you ask your friend if he would give testimony tending to sustain your innocence rather than—your innocence of any receipt of this money—rather than take the fifth amendment?

Mr. HOFFA. Frankly, I did not care what he said, Senator, because it could not affect me.

Senator ERVIN. It just occurred to me that if I had a friend who knew something which would tend to corroborate my testimony, I believe I would make that request of him.

Mr. HOFFA. Well, I would not.

Senator ERVIN. Well, we have different opinions on that point, apparently.

The CHAIRMAN. May the Chair ask 1 or 2 questions in view of the comment of the witness a moment ago.

Are we to assume that from your remarks and from your testimony, that in securing benefits and improving the condition and welfare of

the union members whom you represent, that as you point to the gains and advances you make for them in contracts, their increase in wages and so forth, are we to assume from your remarks as you made them that you feel the end justifies the means, and if it takes criminals and thugs and crooks and violence and bribery to accomplish those ends, that they are justified?

Mr. HOFFA. Senator, I did not say that, and I don't believe that, and I don't mean that.

The CHAIRMAN. You know that is the big problem that this committee has today, in what we are inquiring into. You know that is true. When you were before this committee before you said you were going to clean up some of these things. We are going to inquire into that.

I am not going into it at the moment, but your statement that you are going to clean them up, and your actions will have to be weighed against each other. All right, Mr. Kennedy, proceed.

Mr. KENNEDY. Why did you intervene in this contract?

Mr. HOFFA. It was brought to my attention that there was a pending strike. I was desirous, as president of the joint council and a vice president of the area, or in charge of central conference—I don't guess I was a vice president at that time—of not having a strike.

Mr. KENNEDY. Do you intervene at all times when there is about to be a strike?

Mr. HOFFA. I reserve the right to intervene in every contract.

Mr. KENNEDY. There is a situation in this case where, according to the sworn testimony, no hearsay whatsoever but the sworn testimony of yesterday, there was a payment made of \$17,500, a payoff, in order to get an intervention from a higher-up in the Teamsters Union. Then you intervened. Can you give us—

Mr. HOFFA. What does that mean?

Mr. KENNEDY. Can you give us any more explanation of that?

Mr. HOFFA. What does that mean? That I got the \$17,500? Is that what you are insinuating? If you do, I did not get it.

Mr. KENNEDY. You did not get that money?

Mr. HOFFA. And I deny under oath that I got it.

Mr. KENNEDY. You did not get any of the money?

Mr. HOFFA. I did not.

Mr. KENNEDY. You have always had a very close relationship with employers, have you not, Mr. Hoffa?

Mr. HOFFA. I have very good relationship with the employers I do business with, and I am proud to say that that relationship resulted in the finest contracts there is in this country and has prevented strikes in this country, which I hope that is what you are here for.

Mr. KENNEDY. You don't intervene every time there is going to be a strike. We had some testimony last week where there was a strike called, pickets appeared before the company that was owned by a brother of a man who was involved in a labor dispute.

Mr. HOFFA. Where?

Mr. KENNEDY. In Detroit?

Mr. HOFFA. What?

Mr. KENNEDY. Hanley Dawson Chevrolet.

Mr. HOFFA. For your information, I was interested in that strike. For your information, I was conversant with everything that took place concerning the picketing of that particular operation.

Mr. KENNEDY. Why were the picket lines allowed to continue there?

Mr. HOFFA. Because Hanley Dawson would not recognize our union. And for your information, further, Mr. Kennedy, and edification of the whole committee, if you would correct the Taft-Hartley law as you are trying to do, you would not have areas where employers can duck behind the "no man's land" and refuse to deal with the union when the employers' employees want the union.

Senator KENNEDY. I am glad you brought that up. The bill that passed the Senate, as you know, makes it compulsory for the National Labor Relations Board to assume its jurisdiction over the full Federal area. I understand that the Teamsters oppose this bill and you do.

Mr. HOFFA. Yes, we oppose it, because that was not the only thing you had in the bill.

Senator KENNEDY. What is it you object to in the bill? To having prohibition of reporting middlemen or payoffs? What were your objections to the bill?

Mr. HOFFA. I don't care to discuss the bill, Senator, because to discuss that bill, I will have to discuss it with our lawyers and our department that deals with that, and I am not fully familiar, except I did read a memorandum we submitted. But I say to you that you, the Senators of the United States, left a "no man's land" where a certain group of employers decided to refuse to deal with unions even though their employees wanted a union.

And they were not hesitant very much, and I don't see you bringing them in, wasn't hesitant about hiring lawyers who resorted to every tactic in this country to refuse to recognize our union.

That is what created the strike.

Senator KENNEDY. Mr. Hoffa, in the bill that passed the Senate, there is an attempt to deal with the "no man's land" problem which you have brought up this morning, and you are opposed to the bill. Tell us the explanation of that.

Mr. HOFFA. It don't deal with it. I have been advised by our people that it don't deal with the "no man's land."

Senator KENNEDY. Why doesn't it deal with it?

Mr. HOFFA. I don't know.

Senator KENNEDY. You brought it up?

Mr. HOFFA. So I am going to keep on bringing it up.

Senator KENNEDY. Can't you give an explanation as to why you brought it up?

Mr. HOFFA. I submitted a brief and you can read the brief.

Senator KENNEDY. In other words, you don't know, do you, Mr. Hoffa, what the language provides in the bill you are opposed to?

Mr. HOFFA. I read the brief and discussed it with our people, but I am not in a position at this moment without refreshing myself exactly as to what the legal reasons were we objected to it.

Senator KENNEDY. I understand you don't know the legal reasons yet you are criticizing the Members of the Senate about not dealing with this problem of the "No man's land" and yet we have attempted to deal with the problem and you are opposed to the bill. The only

groups opposed to it are the NAM, the chambers of commerce, and the Teamsters.

Mr. HOFFA. Well, the NAM and the chambers of commerce are not affiliates of the Teamsters, but the Teamsters will continue to oppose any legislation they don't believe is right for the benefits of the members.

Senator KENNEDY. You can't tell me what it is in the bill you are opposed to?

Mr. HOFFA. You have our brief, if you take time to read it, you will know what it is.

Senator KENNEDY. Can you tell me?

Mr. HOFFA. No, I am not going to take time to tell you, because I haven't the brief in front of me.

The CHAIRMAN. Proceed.

Mr. KENNEDY. I want to get the information on the strike that you say you know about. Do you know the situation as far as the Dawson Taylor strike?

Mr. HOFFA. I know some of the details of it, and we authorized the strike.

Mr. KENNEDY. And the picket line also, according to the sworn testimony before the committee, appeared before the companies that were owned by Mr. Dawson Taylor, his brother, Mr. Hanley Taylor. He had nothing to do with it and there was no effort to organize his employees. Can you explain that to us?

Mr. HOFFA. I don't believe that the statement is true, and I am going on assumptions as other witnesses have here. I am going on the assumption that our organization has attempted to organize every automobile dealer agency in the city of Detroit, and I personally have attended mass meetings, trying to get the individuals into our union, and for 3½ years we have had nothing but continuous trouble and interference of every sort there is without anybody worrying about the salesman who is starving to death, working and trying to sell automobiles.

Mr. KENNEDY. Mr. Hoffa, all I am saying is that you did intervene in this situation involving the Detroit Institute of Laundry, that there was a payoff made of \$17,500 to get the intervention of a higher-up. You did intervene.

You say, "Well, I intervened to stop strikes."

We had a situation that was developed last week before the committee where there was an attempt to organize one brother and there was no attempt to organize another brother who ran some companies, but yet picket lines appeared in front of his place of business. Obviously, the picket lines lasted for some weeks and you did not intervene in that.

Mr. HOFFA. I recognized the fact in that particular instance of my inability to do anything other than picket employers who consistently refuse to recognize the law of the land, and I did not see anybody intervening to help me.

The CHAIRMAN. Let me ask you a question at that point. Where the workers themselves do not want a union, do you think you have the right, and you may have under existing law, do you want the right

to coerce and compel them to join a union by the power, economic power, of a strike, of a picket line?

Mr. HOFFA. Senator, I will answer that question by saying this to you: That each unorganized individual in any particular craft or industry is a jeopardy to the organized worker in the particular same business. I believe that it is our responsibility as an organization to advertise wherever unfair slavery wages exist below the standards of union people in a hope and a desire that the general public will not patronize that particular concern but will recognize that the American worker is entitled to a decent wage scale and decent conditions.

The CHAIRMAN. You go further than that, don't you, Mr. Hoffa? You withhold supplies from that place of business.

Mr. HOFFA. I believe that every member belonging to any organization as an American citizen has a perfect right, whether it is passed by legislation or otherwise, but an inborn right, to decide whether or not he will be a party to destroying the conditions that he is able to give to his wife, his children, for the benefits of a union contract, and thereby recognizing and supporting any placard that announces an employer is unfair.

The CHAIRMAN. What you are saying and what you mean and what you practice is that you believe in forcing them into the union whether they want to come in or not.

Mr. HOFFA. An employer necessarily does not have to join the union to remove a picket line advertising unfair conditions in his plant. All he has to do is put into effect decent, honorable union wages, and the picket line then does not affect his employees.

The CHAIRMAN. The great mass of testimony before us completely refutes everything you are saying.

Mr. HOFFA. Show us the case of the Teamsters where you are talking about it.

The CHAIRMAN. I can show it to you in the record. Just read the record.

Mr. HOFFA. I have read every bit of it.

The CHAIRMAN. There is plenty of it. That is what you have been doing. That is one of the improper and evil practices we are looking into. It is a practice, I think, which must be corrected by legislation.

Mr. HOFFA. Then you will destroy the unions and have nothing but back to 1932 wages, because you will allow the employer who refuses to sit down and honorably deal with the union, but hide behind skillful lawyers, to refuse to deal with the unions, to be able to pay his employees less money, working more hours, no fringe benefits, and thereby destroy the union benefits of the union workers.

The CHAIRMAN. Nobody wants to destroy the unions.

Mr. HOFFA. That is what you will be doing.

The CHAIRMAN. We are not going to permit, if we can prevent it, unions, and some union leaders, destroying the liberty and freedom of the American people guaranteed to them under the Constitution.

Mr. HOFFA. I think they are entitled also, Senator, under the American Constitution, to expect the rights of being able to organize and being able to go into their employer and get benefits without being destroyed from employers who are nonunion.

The CHAIRMAN. Just a minute. When I talk, you are going to listen. I want you to get that straight. We are not going to permit,

if I can prevent it, by law, compulsion that makes people join a union and bow down to a force that tends and is trying to be bigger than government itself.

I want that understood.

I was a laboring man. I do not want to destroy unions. But I do not want your union or you as the head of it, to become above and beyond the law of the land.

Mr. HOFFA. Senator, I—excuse me.

The CHAIRMAN. I am not going to permit it if I can help it.

Mr. HOFFA. In response to what you have said concerning our activities, Senator, if you will look around certain sections of this country, you will find that there is less than average wages paid in those particular areas to our type of member, our type of potential member, where there is nothing except harassment by State law, harassment by courts, to where when a person does want to join the union voluntarily, he finds himself in the position of losing his job.

That is the thing we are here to prevent.

The CHAIRMAN. I don't believe in them losing their job because they join a union, but I don't believe in their losing their job either because they decline to join the union.

Mr. HOFFA. Well, there is a strike in your country, sir, that has been going on for a considerable time, where the people all joined the union, are all on the picket line, and this employer wouldn't recognize them.

The CHAIRMAN. We have a law to protect you in that.

Mr. HOFFA. Where is it?

The CHAIRMAN. You have your power of force, your economic force, and you know it.

Mr. HOFFA. There is no such law.

The CHAIRMAN. You can call a strike, and that may be wholly justified if an employer will not recognize the union where his employees, a majority of them, belong to it and ask for a union. We have provided the remedy and you have it. What I am objecting to, what the American people are objecting to, is when you have a remedy, when you have not met the conditions, the precedents, to exercise that remedy, then you choose to take other means, the means of force to compel.

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

The CHAIRMAN. That is my objection to it.

Senator CURTIS. Mr. Chairman, I would like to ask the witness one question.

This is not confined to cases already heard by the committee.

Have the Teamsters Union offered a contract that has meant a reduction in wages for employees in order to have the Teamsters Union recognized?

Mr. HOFFA. I don't know of any particular instance where that has happened. But in your particular State, Senator, people are working below substandard wages of the entire Middle West because of the laws you have been able to pass to restrict unions to the tune of about 40 cents.

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

Senator CURTIS. I am not going to enter into an argument on that.

That is not within the purview of this investigation, to fix wages. But I wanted to know whether or not the Teamsters have offered contracts that meant a reduction in wages in order that they might be recognized as the bargaining agent.

Mr. HOFFA. If such a contract exists, I would be more than happy to know, so that I can personally intervene in the next negotiation and adjust the wages comparable to the locality of the contract. If you are talking about the intrastate carriers in Nebraska, then I can give you a history of that particular incident which has been going on for 3 long years, and many a dollar spent on both sides, to try and get decent wages. It is true, so we will understand each other, it is true, Senator, that in some instances where people were working on a flat rate for unlimited numbers of hours, that when we signed a union contract and the hours became limited before overtime, their employers saw fit to reduce the number of hours they worked, thereby in some instances reducing the take-home pay they originally had.

But that is being corrected as we perfect our organization in Nebraska to where we will raise the hourly rates sufficiently high that it will more than take care of the loss of hours that the employer saw fit to take away from them.

Senator CURTIS. Then it is true that some contracts have been offered that have reduced the pay of employees if the Teamsters Union is recognized as the bargaining agent?

Mr. HOFFA. Only to the extent that the employer, instead of working them 100 hours a week, now works them 40 hours a week, and the employee has not been able yet to get his wage scale up to compensate him for the long hours he used to work at substandard wages.

But that will be corrected, Senator. And the hourly rates are much higher currently than they were, sir.

Senator CURTIS. I don't know of anybody working 100 hours a week. But I am interested in knowing whether or not Teamsters admit or deny that they offer contracts which call for a reduction in the income of their workers in order to gain recognition and collect dues.

Mr. HOFFA. I deny that we offer any contract, to my knowledge, to workers of a lesser hourly rate or less fringe benefits than they previously had.

And also the workers vote on the contract before accepting it.

Senator CURTIS. That is all, Mr. Chairman.

Mr. KENNEDY. Mr. Hoffa, you did intervene in this contract. Who suggested that you go to the meeting?

Mr. HOFFA. I am not quite sure.

Mr. KENNEDY. Mr. Holtzman?

Mr. HOFFA. Mr. Tom Lo Cicero said yesterday that he did not, and I assume maybe that Holtzman did ask me to attend the meeting. I don't remember.

Mr. KENNEDY. Did Mr. Holtzman discuss the matter with you?

Mr. HOFFA. Not to my recollection, but he may have.

Mr. KENNEDY. Yesterday, you could not remember anything about it. Today, through the hearing we have had, you have been able to refresh your recollection a little bit, and I am happy about that.

Mr. HOFFA. That isn't true. I refreshed my recollection by calling my office in Detroit.

Mr. KENNEDY. What was the purpose of going to the meeting, Mr. Hoffa?

Mr. HOFFA. My purpose of going into any meeting is attempting to get the contract signed without a strike, and attempting to get for the workers the best wages, hours, and conditions that can possibly be got, recognizing the cost factor of an individual who goes out on strike for any extended period of time, and recognizing the difference between what we are asking, what we think we can get by a strike, and what a strike will cost the worker.

Mr. KENNEDY. So you were going to go in there and discuss these negotiations with them; is that right?

Mr. HOFFA. I did go in, from what I find out now.

Mr. KENNEDY. Who accompanied you to that meeting?

Mr. HOFFA. I understand nobody did. From what I can gather from my office, I appeared there alone.

Mr. KENNEDY. On page 43 yesterday, you were asked the question:

Would it refresh your recollection that you told Mr. Litwak at the meeting that if he did not sign a contract, that you were going to take over the negotiations and settle these problems yourself?

That is what we had in testimony yesterday. That was, I believe, Mr. Lo Cicero who made a statement to that effect. Can you tell us anything about that? Does that refresh your recollection as to what you stated at the meeting?

(The witness conferred with his counsel.)

Mr. HOFFA. I talked to Litwak yesterday, who happens to be a very personal friend of mine for twenty-some-odd years standing.

Mr. KENNEDY. Did you make such a statement?

Mr. HOFFA. Litwak doesn't recall it.

Mr. KENNEDY. I am asking you.

Mr. HOFFA. I am telling you what he told me, and he can't recall it.

Mr. KENNEDY. Just answer the question.

Mr. HOFFA. I do not recall what I said in that particular meeting, but as I said yesterday, I have never told any business agent that I would take over the negotiations.

Mr. KENNEDY. You can't remember that?

Mr. HOFFA. Well, it isn't a question of "can't remember," and I never told any business agent I would take over negotiations in any contract.

Mr. KENNEDY. You stated here further on, on page 43, you never said anything like that, Mr. Hoffa. Just a moment.

You asked me whether I said I would take over negotiations and I had no authority as president of the council at that time or president of my own local union to take any such action.

Now you say in your testimony today you do have such authority.

Mr. HOFFA. I have authority as president of our council to intervene, I said, in any contract. That doesn't mean taking over, and it means intervening.

Mr. KENNEDY. But you cannot intervene?

Mr. HOFFA. I have a perfect right to intervene.

Mr. KENNEDY. When you intervene, Mr. Hoffa, certainly that is tantamount to taking over the negotiations?

Mr. HOFFA. It is absolutely not correct, because it may be only an advisory intervention.

Mr. KENNEDY. And that is what this was?

Mr. HOFFA. That is right.

Mr. KENNEDY. Just advisory?

Mr. HOFFA. Yes.

Mr. KENNEDY. Now, Mr. Hoffa, you said you did not receive any of this money; is that right?

Mr. HOFFA. I said I did not.

Mr. KENNEDY. Could you tell us what the money is that you declare on your income tax each year, what you call "collections," and what are you collecting from?

Mr. HOFFA. Gambling games.

Mr. KENNEDY. Gambling games?

Mr. HOFFA. Yes, sir.

Mr. KENNEDY. What kind?

The CHAIRMAN. Are teamsters in gambling operations?

Mr. HOFFA. No; the teamsters are not in gambling, sir, but there is racetracks in Detroit, and my partner has some horses, and my business associate in Detroit has some horses, and he places some bets and we are fortunate to win some money.

Mr. KENNEDY. Do you have any records on that?

Mr. HOFFA. Mr. Owen B. Brennan keeps the records, and I don't do the betting and I don't keep the records.

Mr. KENNEDY. I would like to call Mr. Brennan around and see if we cannot get this cleared up right away.

The CHAIRMAN. Is Mr. Brennan here?

Mr. WILLIAMS. I want to repeat my objection to this procedure whereby this witness is yanked on and off the witness stand, and other witnesses are called in juxtaposition to him.

The CHAIRMAN. Well, this procedure has been followed.

Come around here, please. This procedure has been followed by the committee continuously, and I think it keeps it in proper perspective. Come around, please.

Mr. HOFFA. Are we excused?

The CHAIRMAN. Not for the present. You may sit right here.

Mr. FITZGERALD. Could we sit here, Your Honor?

The CHAIRMAN. If you want him to sit there, I have no objection. You may sit there and, Counsel, you may sit next to him or you may sit right behind him, Mr. Hoffa, if it will make everybody more comfortable.

Will you be sworn?

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

Mr. BRENNAN. I do.

TESTIMONY OF OWEN B. BRENNAN, ACCOMPANIED BY COUNSEL, GEORGE FITZGERALD

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

Mr. BRENNAN. Owen Bernard Brennan, 41801 Wilcox Road, Plymouth, Mich. I am vice president of the International Brotherhood of Teamsters, Chauffeurs, Stablemen, and Warehousemen of

America, and president of local No. 337 of the Teamsters Union in Detroit.

The CHAIRMAN. All right. Thank you.

You have counsel. Counsel, identify yourself.

Mr. FITZGERALD. George Fitzgerald, an attorney in Detroit, Mich.

The CHAIRMAN. All right; we will proceed.

Mr. KENNEDY. We are going into many things with Mr. Brennan at this time. This is a matter that is of some interest about these moneys that appear on Mr. Hoffa's income-tax returns, and the source of the moneys in view of the testimony that we had yesterday, and in view of some of the things we expect to go into. I would like to have Mr. Brennan tell the committee what the source of this money is that Mr. Hoffa has.

Mr. FITZGERALD. May I address the Chair very briefly?

Mr. Brennan appeared as a witness in September of last year. I made a statement to the committee at that time and stated that Mr. Brennan, if asked questions or interrogated, would exercise his privilege under the fifth amendment of the United States Constitution. After Mr. Brennan, or after I was advised that Mr. Brennan would be called before the committee, I told the committee counsel that Mr. Brennan, if called, would again exercise his privilege under the fifth amendment to the Constitution. I stated that there was no change in circumstances that he could find or Mr. Brennan could find that would change his mind.

I told the counsel further, and I would like to repeat it to the committee, that I am advised by Mr. Brennan, he has made the decision to exercise his privilege under the fifth amendment not to be a witness against himself, and I believe that it would serve no legitimate legislative purpose to interrogate Mr. Brennan under those particular circumstances. We are advising you of that at this time, because he is going to exercise the privilege, and, therefore, any interrogation of him, since it will elicit nothing, and he desires to exercise that privilege, would accomplish nothing as far as the purposes of this particular committee are concerned.

Senator MUNDT. I would like to ask Mr. Fitzgerald whether or not the witness is under indictment or there is some special reason why he is pleading the fifth amendment. I do not know what you told the counsel, but the implication is that the witness must be involved in some legal situation which would make it difficult for him to testify.

Now, is that the case, or is he being prosecuted for something, or is he under indictment, or is there some special reason why this highly unusual request of yours should be granted?

Mr. FITZGERALD. In the first place, the witness is not presently under indictment, but the witness is presently under an internal-revenue investigation by both the internal revenue agents, and by the special agents of the Internal Revenue Department.

Senator MUNDT. I suppose we are all under internal-revenue inspection all of the time.

Mr. FITZGERALD. Not specifically.

Senator MUNDT. That would open up a pretty big field, and is there something special about this investigation?

Mr. FITZGERALD. There is something special about it when they are knocking on our door, and when they are waiting until he gets through

with this committee problem to continue their investigation and interrogation of Mr. Brennan.

Senator MUNDT. Then I assume from what you say, Mr. Fitzgerald, that your witness would take the fifth amendment for that reason on questions only dealing with fiscal matters?

Mr. FITZGERALD. Senator Mundt, I suppose I am the average country lawyer, but I wouldn't attempt to sit here under the problem of advising my witness on the fifth amendment to draw any hairlines. The Supreme Court has not sufficiently cleared it up, and finer lawyers than myself on this have warned all of us ordinary lawyers that we cannot draw any line of demarcation.

So my advice to him has to be, and it has been, that if he desires to take the fifth amendment, that even reluctantly he must take the fifth amendment to all matters upon which he is interrogated in order to properly protect himself, because he is, as he has advised me, in fear of apprehension, and of the future consequences.

Senator MUNDT. As one member of the committee, may I say, Mr. Chairman, we have sufficient difficulty with this fifth amendment procedure. I do not think that we should grant the request of the counsel because if we start showing special consideration to fifth amendment cases in advance, and not ask them questions, we are just about dead as a committee.

Senator ERVIN. Mr. Chairman, as a country lawyer, I would like to put a question to Mr. Fitzgerald, who professes he is a country lawyer, in the hope of increasing this country lawyer's knowledge of law.

Is it a criminal offense in the State of Michigan to bet on horse races?

Mr. FITZGERALD. No; I don't know of any.

Senator ERVIN. That is all.

Mr. FITZGERALD. At least they do it at the tracks, and we get quite a bit of money for the State, I understand, from it.

The CHAIRMAN. The Chair will have to make this observation, and then we will proceed.

If the committee should grant this request, we would set a precedent so that every time anyone or any witness that we wanted to interrogate, all he would have to do would be to advise his counsel he is going to take the fifth amendment and in turn the counsel would advise the committee and then we would not hear the witness. I do not know what others think, and again I say that the fifth amendment can be properly used and it may be properly used in this instance, I do not know, but we have no alternative except to ask the witness and we would be derelict in our duty if we did not pursue it. The witness, of course, can exercise his privilege. But if we let a record stand like this, without pursuing our duty, we would be subject to and deserve criticism and condemnation.

Whether the witness will deserve criticism or condemnation in exercising his privilege may become a matter of individual opinion, on which opinions may differ.

Mr. FITZGERALD. May I say one word so that the committee will be acquainted with it?

Mr. Brennan is the president of local 337 in the city of Detroit, and that is local 337 of the Teamsters. From the first time a year ago when the committee investigators called upon the local for the pro-

duction of all union books and records, those union books and records of local 337, or any other unit of the Teamsters over which Mr. Brennan has any supervisory control, were turned over to the committee staff and they have constantly been checking those records.

The CHAIRMAN. All right, proceed.

Mr. KENNEDY. Mr. Chairman, I would like to point out on page 5480 and the preceding page, that Mr. Fitzgerald, who appeared with Mr. Brennan at the last hearing, stated that, although he might have to take the fifth amendment, and I quote him :

If this questioning of Mr. Brennan is deferred, it is quite likely that Mr. Brennan could come before this committee at a later date, subsequent to the 15th of October, and then answer the questions.

Now he is being recalled at the present time. He took the fifth amendment before, but he was made a vice president of the Teamsters after he appeared before the committee and took the fifth amendment. He was elevated in rank. He has been called before the committee to give a very important explanation as to where this money came from that appears on Mr. Hoffa's income tax returns under the category of "collections."

Now, could you tell us that?

Mr. Hoffa testifies that you have the answer to it. Could you tell us about it?

(The witness conferred with his counsel.)

Mr. BRENNAN. I respectfully decline to answer the question and exercise my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

Mr. KENNEDY. Mr. Hoffa says this comes from gambling games. How can you continuously win at gambling games over a period of 8 years, Mr. Brennan?

Mr. BRENNAN. I respectfully decline to answer the question and exercise my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

The CHAIRMAN. The Chair will make this observation, and give the witness, with the approval of the committee, my assurances with respect to your winnings. We will ask you nothing with respect to your personal finances at this time. Mr. Hoffa has said you could give the answer. Now, you can corroborate him without in any way, so far as I can observe, incriminating yourself.

If you received money for Mr. Hoffa and made bets and turned over the proceeds or winnings to him, you can give that testimony without any self-incrimination and it would corroborate Mr. Hoffa. We leave these things dangling, and we get to the proper man. One will say the other has the answer and we bring him up here, and then he takes the fifth amendment.

Now, what are intelligent people to assume, and what are they to judge, and how are they to judge such actions?

I am asking you to be helpful to Mr. Hoffa, and I will ask the committee not to ask you any questions at this time, and I cannot promise later, and at a later time you can judge then whether you take the fifth amendment or not.

But at this time I will ask you to open up here and tell us what you know with respect to this transaction insofar as Mr. Hoffa is concerned.

Mr. BRENNAN. May I speak to my counsel, Mr. Chairman?

The CHAIRMAN. You may.

(The witness conferred with his counsel.)

Mr. BRENNAN. Mr. Chairman, Mr. Senator, in my judgment, it would be very difficult for me to differentiate between myself and Mr. Hoffa, and I therefore must respectfully decline to answer the question and exercise my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

The CHAIRMAN. All right; proceed.

Mr. KENNEDY. I would like to call Mr. Bellino to put the figures into the record as to what the income-tax returns of Mr. Hoffa show.

The CHAIRMAN. Come around.

Senator MUNDT. I would like to ask Mr. Brennan a question. Did I understand that you are the vice president of the International Teamsters?

Mr. BRENNAN. One of them, sir.

Senator MUNDT. Is that the same union of which Mr. Hoffa is the president?

Mr. BRENNAN. Yes, sir.

Senator MUNDT. You heard Mr. Hoffa, did you not, say to our committee this morning that you were the man who could tell us what these financial transactions were, and did you hear him make that statement?

Mr. BRENNAN. I respectfully decline to answer the question and exercise my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

Senator MUNDT. Well, everybody else in the room heard him make it, anyhow, Mr. Brennan, and so I think it is clear in the record that he did make it.

I think the chairman made you a very fair and sporting proposition; that we would not ask you any questions involving your personal transactions, but here Mr. Hoffa, through no prodding of the committee, brought your name into the hearing and said you were his financial agent, as it were, in this connection, and that you knew how this money was made, and suggested that we ask you questions about it. Now, you cannot escape the fact that, after Mr. Hoffa brings you in as a character witness as to the financial justification of these statements that he has been making, you take the fifth amendment. I think you are leaving Mr. Hoffa pretty badly in the lurch. What good is a character witness who will not talk?

I just think that you should accept that from one member of the committee, my pledge not to ask you any questions about your own financial transactions, and to limit it exactly to the testimony to which you were publicly assigned by Mr. Hoffa. If the other members of the committee will do that, it seems to me then that you are free from any complications about the fifth amendment, and you can answer those questions and leave the stand, and you cannot get involved because you have, by answering one question, perhaps opened the door to answering of others.

Is that not a fair proposition?

(The witness conferred with his counsel.)

Mr. BRENNAN. Do you want me to answer you?

Senator MUNDT. That is why I asked you the question.

Mr. BRENNAN. I am sorry. I respectfully decline to answer the question, and exercise my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

The CHAIRMAN. Let us proceed.

(At this point, the following members were present: Senators McClellan, Ervin, Kennedy, Mundt, and Curtis.)

Mr. KENNEDY. Mr. Bellino.

The CHAIRMAN. Mr. Bellino has been previously sworn.

Mr. KENNEDY. Would you tell us what the records of Mr. Hoffa's income tax show, which were provided by him?

Mr. BELLINO. The income-tax returns for the years for which we have information extend from 1948 to 1956.

Senator CURTIS. Whose income-tax returns?

Mr. BELLINO. James R. Hoffa. I understand he has not filed his 1957 income-tax return as yet.

Mr. KENNEDY. Mr. Hoffa has not filed his 1957 income-tax return?

Mr. BELLINO. Yes, sir.

Mr. KENNEDY. What about Mr. Brennan?

Mr. BELLINO. I understand he has not filed his, either.

Mr. KENNEDY. What about the accountant for the union?

Mr. BELLINO. I understand he has not filed his, either.

Mr. KENNEDY. Mr. Grosberg?

Mr. BELLINO. Mr. Grosberg and, also, Mr. Fitzgerald.

Mr. KENNEDY. Four of them have not filed?

Mr. BELLINO. That is right.

Senator CURTIS. Has any extension been granted?

Mr. BELLINO. I understand it has been granted; yes, sir.

The CHAIRMAN. All right.

Mr. BELLINO. The total amount shown as either gambling gains or miscellaneous income or collections received during this period was \$60,322.30. Breaking them down by years: In 1948, \$3,000, shown as gambling gains; 1949, \$1,500, miscellaneous earnings; 1950, \$2,095.80, miscellaneous; 1951, \$5,500, miscellaneous income; 1952, \$5,535, collections received; 1953, \$10,505, collections received; 1954, \$7,700, collections received; 1955, \$13,799.50, collections received; 1956, \$10,682, wagering; making a total of \$60,322.30.

Mr. KENNEDY. What was the last item?

Mr. BELLINO. Wagering.

Mr. KENNEDY. How much was involved?

Mr. BELLINO. \$10,682.

Mr. KENNEDY. Could you tell us about that, Mr. Brennan?

The CHAIRMAN. You are asking Mr. Brennan because Mr. Hoffa stated that Mr. Brennan could give the answer to it?

Mr. KENNEDY. Correct it.

Mr. BRENNAN. Do you want me to answer you?

Mr. KENNEDY. Yes.

Mr. BRENNAN. I respectfully decline to answer the question, and exercise my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

Mr. KENNEDY. And Mr. Brennan is one of the vice presidents of the International Brotherhood of Teamsters.

The CHAIRMAN. When did you become vice president of the International Teamsters, Mr. Brennan?

(The witness conferred with his counsel.)

Mr. BRENNAN. At the last convention, sir.

The CHAIRMAN. What was that date? I don't recall exactly.

Mr. BRENNAN. It was in October of 1957.

The CHAIRMAN. October of 1957?

Mr. BRENNAN. Yes, sir.

The CHAIRMAN. Was that after you testified before this committee or declined to testify, rather?

(The witness conferred with his counsel.)

Mr. BRENNAN. It was afterwards, sir. Unanimously, sir.

The CHAIRMAN. Yes, sir. I understand how it was made unanimous.

Senator MUNDT. That does not prove anything. That is the same thing with Khrushchev, so we don't pay much attention to that.

Mr. BRENNAN. Well, I don't put myself in—

Mr. KENNEDY. Mr. Bellino, the figures that you give don't include the monies that Mr. Hoffa receives and has received from various trucking companies in which he has had an interest?

Mr. BELLINO. That is correct.

Mr. KENNEDY. Such as the Test Fleet Co.?

Mr. BELLINO. Yes, sir.

Mr. KENNEDY. Do you have the figures on that?

Mr. BELLINO. Yes, sir.

Mr. KENNEDY. Mr. Chairman, it might be well, as long as we are talking about the relationship of Mr. Hoffa, and certain employers, and the situation that developed yesterday, we might put in some other figures on the earnings that came from certain trucking companies to Mr. Hoffa.

The CHAIRMAN. In the meantime, may I ask you, Mr. Bellino, is the taking of the fifth amendment one of the prerequisite qualifications for advancement to vice presidency?

(The witness conferred with his counsel.)

Mr. BRENNAN. Do you want me to answer you, sir?

The CHAIRMAN. I believe so.

Mr. BRENNAN. I respectfully decline to answer the question and exercise my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

The CHAIRMAN. All right. Proceed with Mr. Bellino.

Mr. KENNEDY. Mr. Bellino, I wanted to ask you about the Test Fleet Co. That was set up when?

Mr. BELLINO. About March 1949.

Mr. KENNEDY. And that was set up with the help of the Commercial Carriers?

Mr. BELLINO. Yes, sir.

Mr. KENNEDY. The officials of the Commercial Carriers?

Mr. BELLINO. Mr. Bert Beveridge.

Mr. KENNEDY. Mr. Bert Beveridge of Commercial Carriers?

Mr. BELLINO. Yes, sir, and also through the Matheson Bros.

Mr. KENNEDY. Who were they?

Mr. BELLINO. Carney Matheson and Albert Matheson.

Mr. KENNEDY. Do they represent the trucking companies in contract negotiations with the Teamsters Union?

Mr. BELLINO. Yes, sir.

Mr. KENNEDY. And this was set up by Commercial Carriers at approximately the same time they were having some trouble with the local of the Teamsters Union?

Mr. BELLINO. That is correct.

Mr. KENNEDY. That was the time that Mr. Hoffa intervened in that strike and settled it, is that right?

Mr. BELLINO. Yes, sir.

Mr. KENNEDY. And was the company set up in Mr. Hoffa's own name?

Mr. BELLINO. No, sir. The stock was issued in the names of the wives of both Mr. Hoffa and Mr. Brennan, or Josephine Poszywak and Alice Johnson.

Mr. KENNEDY. We had some figures on this at the last hearing, which I believe were incorrect or not complete.

Would you put the figures of earnings of that company into the record?

Mr. BELLINO. Yes, sir. The gross equipment records, the gross earnings, of the company, for the period from the time it was organized to March 31, 1958, was \$1,008,057.89. The gross profit was \$263,730.01, or 26 percent of the gross equipment rentals.

Senator CURTIS. At that point, would you define gross profit, that is the gross profit from a business before personal exemptions are granted?

Mr. BELLINO. Gross profit in this case is after operating expenses and before administrative expenses, and before profit, before there are dividends and so on.

Senator CURTIS. Before administrative expenses?

Mr. BELLINO. Yes, sir.

Senator MUNDT. Have you the net profit figures?

Mr. BELLINO. The net income is \$155,092.04, or 15.38 percent earnings of gross income.

Mr. KENNEDY. What was the investment of Mr. Hoffa and Mr. Brennan in that company?

Mr. BELLINO. I believe it was \$4,000.

Mr. KENNEDY. And is it correct also that from the testimony that was developed last year, the Commercial Carriers placed their own attorney in this company?

Mr. BELLINO. They handled the whole transaction. In fact, their wives had nothing to do with the operation of the business.

It was all done——

Mr. KENNEDY. By officials of Commercial Carriers?

Mr. BELLINO. That is right.

Mr. KENNEDY. They received the income from it?

Mr. BELLINO. That is right.

Mr. KENNEDY. This was set up by them and their lawyers in Mrs. Hoffa and Mrs. Brennan's maiden names?

Mr. BELLINO. That is correct.

Mr. KENNEDY. And officials of Commercial Carriers ran the entire operation?

Mr. BELLINO. They ran the entire operation.

Mr. KENNEDY. And this was a trucking company which had a contract with the Teamsters?

Mr. BELLINO. Yes, sir, in fact, they were associated in possibly a dozen different trucking companies.

Mr. KENNEDY. I will read you from page 131 of the Hoffman hearing. Mr. Biedler—what was Mr. Biedler's connection?

Mr. BELLINO. He was the accountant.

Mr. KENNEDY. He was asked, talking about Bert Beveridge—

Did he at that time tell you in substance "I am going to put some friends of mine in business, and I want you to handle the account"?—

and Mr. Biedler's answer to that question was—

That is true.

Mr. BELLINO. Yes, sir.

Mr. KENNEDY. That was not the only trucking company of Mr. Hoffa and Mr. Brennan's?

Mr. BELLINO. No, sir. They started off initially with J & H Sales & Equipment Co., two trucks. Then they went into National Equipment Co. with 10 trucks.

Mr. KENNEDY. Can you tell us how the trucks of National Equipment were purchased? This is something we did not know last year.

Mr. BELLINO. The trucks of National Equipment were purchased through Mr. Bert Beveridge and Albert Matheson.

Mr. KENNEDY. This, again, is the owner of a trucking company and the attorney for the negotiating committee of the truckers?

Mr. BELLINO. That is correct. In other words, neither Mrs. Hoffa nor Mrs. Brennan nor Mr. Hoffa nor Mr. Brennan had anything to do with the arranging for the acquiring of these trucks.

Mr. KENNEDY. Was any money advanced by Mr. Beveridge in connection with this?

Mr. BELLINO. Yes, sir.

Mr. KENNEDY. How much was advanced?

Mr. BELLINO. They advanced \$5,000.

Mr. KENNEDY. \$5,000 or \$20,000 altogether, initially?

Mr. BELLINO. The loan from the bank was—

Mr. KENNEDY. He advanced \$5,000?

Mr. BELLINO. Yes, sir.

Mr. KENNEDY. Was any interest paid on that loan?

Mr. BELLINO. No, sir.

Mr. KENNEDY. It was outstanding for how long?

Mr. BELLINO. That was outstanding for 1 month.

Biedler arranged for a personal loan from his own bank and was reimbursed.

Mr. KENNEDY. That was in addition?

Mr. BELLINO. Yes, sir.

Mr. KENNEDY. How much was the loan from the bank?

Mr. BELLINO. Approximately \$35,000 or \$36,000.

Mr. KENNEDY. Can you make any comment on that, Mr. Brennan? Your relationship with these employers and Bert Beveridge and the formation of these trucking companies?

Mr. BRENNAN. I respectfully decline to answer the question and exercise my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

Mr. KENNEDY. Could you explain briefly, Mr. Bellino, what their business was?

Mr. BELLINO. As I understand it, they were carriers, transporting Cadillac cars and other automobiles out of Detroit.

Mr. KENNEDY. The three companies, J. & H. Sales, National Equipment, and Test Fleet; is that right?

Mr. BELLINO. Yes, sir.

Mr. KENNEDY. Is that correct, Mr. Brennan?

Mr. BRENNAN. I respectfully decline to answer the question and exercise my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

The CHAIRMAN. The committee will stand in recess until 2 o'clock.

(Whereupon, at 12:20 p. m. the hearing recessed, to reconvene at 2 p. m. of the same day, with the following members present: Senators McClellan, Ervin, Kennedy, Curtis, and Mundt.)

AFTERNOON SESSION

(At the reconvening of the session, the following members were present: Senators McClellan, Ives, Church, Kennedy, and Curtis.)

The CHAIRMAN. The committee will come to order.

TESTIMONY OF JAMES R. HOFFA, ACCOMPANIED BY COUNSEL, EDWARD BENNETT WILLIAMS, GEORGE FITZGERALD, AND DAVID PREVIANT—Resumed

The CHAIRMAN. During the session this morning, counsel for Mr. Hoffa made a request of the committee, after stating an objection to some parts of the committee's procedure. The Chair announced at that time that he would call a meeting of the committee in executive session during the noon hour to consider the request of counsel.

The committee met in executive session with six members present. The matter was discussed, and those who were present unanimously agreed upon what the Chair is about to announce. In the first place, this committee retains jurisdiction, and in no way surrenders its prerogatives or its discretion. From time to time as situations arise, the committee will have to make, and has in the past made, decisions.

No one in the course of a proceeding of this kind, nor even in a judicial proceeding, can necessarily always foresee and anticipate developments. The Chair believed that we were proceeding in a way that gave the greatest advantage to the witness in that he was being given an opportunity, practically at each instance, where testimony was received about which we believed him to have information, and about which he would be very much concerned, to give him the opportunity to explain or refute or comment upon such testimony.

In the past, the committee has been criticized, or we have had just the opposite objection or complaint from that which was interposed this morning, because, as I stated earlier, it was felt that we were unduly prolonging or taking testimony without giving the party involved the opportunity to appear at the same time or immediately afterward, and make his explanation, on the theory that the story goes out today, and the story tomorrow or 2 or 3 weeks later doesn't overtake it.

Now we find ourselves trying to handle it this way and find objection to it. Again I say that the committee will retain not only jurisdiction but discretion and the right to act from time to time as the situations arise.

In the meantime, the request will be granted to this extent: The committee will not require Mr. Hoffa to remain present in the chamber at all times. If he desires not to be here, he may be wherever he cares to be, except available subject to call.

The committee will not find and has not found it proper or advisable to hear some 2 or 3 weeks' testimony here and then call Mr. Hoffa.

As we conclude each phase of the hearings from other witnesses, and if at the conclusion of that phase of the hearings Mr. Hoffa's testimony is desired in connection with that aspect of the inquiry, he will be called to the witness stand and interrogated about it. That will not, of course, require his presence here at all times.

But he will be subject to call and will appear upon reasonable notice of the call. Fortunately for him and for us, I think his headquarters here are very convenient, and very little delay would be incurred.

The committee will always try to grant reasonable requests, insofar as they can do so, without impairing in any way its function and its ability to perform that function.

So Mr. Hoffa will be recalled this afternoon and possibly tomorrow. As I stated, we will continue today as we are, because I know you will be recalled this afternoon, or anticipate you will be, at least. After today, if Mr. Hoffa does not want to be present, he understands, I am sure, that he is invited to be present at all times, but if he chooses not to be present, just so he remains available here in the city where we can reach him when we may need him, it would be all right.

I think with that reservation, based upon the information we have and the procedures that we have in mind, Mr. Hoffa will be needed occasionally at least, if not from time to time, during the course of these hearings.

There will come a time, I am contemplating, when Mr. Hoffa may be interrogated about things beyond what will be developed by others. I believe I have stated this, gentlemen, as correctly as I understood it. Is there any comment about what I have said?

Senator CURTIS. I have no comment.

Mr. WILLIAMS. Mr. Chairman?

The CHAIRMAN. Mr. Williams.

Mr. WILLIAMS. Mr. Chairman, I think so we will all have a complete understanding, that I should say for the record that if I understand your ruling correctly, sir, that does not meet the objection which I lodged this morning, the suggested procedure. The objection that I lodged, Mr. Chairman, and maybe I don't understand your ruling, and perhaps it does meet it but you can clarify it if I am wrong, the objection which we lodged was to have this witness testify to certain facets of his activities over the year, and then having rebuttal witnesses or adverse witnesses, if you will, called in juxtaposition to his testimony, and then having him recalled to testify to another facet.

The reason that we objected to that, Mr. Chairman, is because we felt that it constituted a legislative trial. If what we believe to be a legislative trial is going to continue, then, of course, the defendant would want to hear the testimony against him which he would be called upon to meet, unless he were given an opportunity to read the record before he were called.

If your ruling contemplates that there will be a sufficient time hiatus for him to familiarize himself by reading the record as to the

testimony that is offered by adverse witnesses, then that would be meeting our objection. Otherwise, I—

The CHAIRMAN. Let the Chair say this: I see the point counsel is making.

This is public business, of course. I don't want to impose any imposition upon anyone. But I do not feel that the committee would be called upon to recess its hearings until someone could read the record, when certainly your client is present or at least invited to be present and hear the testimony.

But I have in mind that this is not unqualified. It is subject to the committee's determining from time to time and from circumstance to circumstance what is the best course for it to pursue, keeping in mind always the purpose to be fair but also effective.

Now, generally, and I do not tell you that there will be no exception, but generally, we expect, as I have indicated, to develop a case or circumstance or a phase of the inquiry and then, if we feel that it is proper and well for the committee to call Mr. Hoffa in at that interval and interrogate him further, we shall do so.

Whether there will be any exception where we may want to call him ahead, I cannot say now. But generally I have stated how we will proceed.

I may say this: We are spending taxpayer's money. I have always confessed when being accused of being conservative, I have readily plead guilty. But in spending taxpayer's money, I feel an obligation, and I know every member of the committee does, to do the job and do it as economically as we can.

You can see the circumstances developed here this morning. Suppose we had not asked Mr. Hoffa about this financial matter, and he says "Well, ask Mr. Brennan." Well, we had already heard Brennan, and Brennan had gone back.

Again, we would have to subpoena him or keep him under subpoena, and pay his expenses. That comes out of taxpayers' money. I am going to be careful to do this as economically as we can, without being unfair or causing any imposition to fall on one unjustly.

So I believe that we have resolved this aspect as best we can at the moment. I hope it will be satisfactory. Again, Mr. Hoffa, of course, and anyone else—when I say him, it is just because you as his counsel raised the question—any of those who may be involved, directly or indirectly in the investigation, of course, are welcome to be present.

I am sure even when Mr. Hoffa is not present, counsel, wise counsel that he is, will see that someone is here to follow the proceedings.

Is there anything further?

If not, thank you very much.

Mr. Hoffa, you may stand aside for the present.

Call the next witness.

Mr. KENNEDY. The next witness will not be too long.

The CHAIRMAN. All right. Call the next witness.

Mr. KENNEDY. Mr. Herbert Grosberg.

The CHAIRMAN. Be sworn, please, sir.

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. GROSBERG. I do.

**TESTIMONY OF HERBERT L. GROSBERG, ACCOMPANIED BY
COUNSEL, BELFORD V. LAWSON, JR., AND GEORGE FITZGERALD**

The CHAIRMAN. Mr. Grosberg, state your name, your place of residence, and your business or occupation, please, sir.

Mr. GROSBERG. My name is Herbert L. Grosberg. I live in Huntington Woods, Mich. I am a certified public accountant.

The CHAIRMAN. Thank you, sir. You have counsel present?

Mr. GROSBERG. I do.

The CHAIRMAN. Counsel, identify yourself for the record.

Mr. LAWSON. Belford V. Lawson of the bar of the District of Columbia, and Mr. George Fitzgerald, of the Detroit bar, is associated with me in this representation.

The CHAIRMAN. All right. The record will so show.

Proceed.

Mr. KENNEDY. Mr. Grosberg, you have been an accountant for how long?

Mr. GROSBERG. I have been a certified public accountant since 1952, and I have been in accounting since 1945 or 1946.

Mr. KENNEDY. You handled the books and records of local 299 of the Teamsters?

Mr. GROSBERG. I do.

Mr. KENNEDY. That is the local of Mr. James Hoffa; is that correct?

Mr. GROSBERG. That is correct.

Mr. KENNEDY. And you also handle the books and records of local 237?

Mr. GROSBERG. I do.

Mr. KENNEDY. That is the local of Mr. Owen Brennan.

Mr. GROSBERG. That is correct.

Mr. KENNEDY. And you also handle, do you not, the personal books and records of Mr. Hoffa and Mr. Brennan?

Mr. GROSBERG. I do.

Mr. KENNEDY. We have had some testimony this morning about the records or the source of income that appear on the tax returns of Mr. Hoffa from the year of 1948 to 1956. I would like to ask you what books and records you maintain for Mr. Hoffa that we could examine to determine the source of money that he reports on his income tax.

Mr. GROSBERG. I have no books and records for Mr. Hoffa.

Mr. KENNEDY. You don't have any books and records?

Mr. GROSBERG. No; I don't.

Mr. KENNEDY. Don't you keep the books and records of Mr. Hoffa?

Mr. GROSBERG. There are no records. The only thing I had of Mr. Hoffa which I gave to Mr. Bellino were copies of the income-tax returns.

Mr. KENNEDY. How can you draw up his income-tax return without any papers of any kind?

Mr. GROSBERG. Well, Mr. Hoffa submits to me the information on his tax return, and from that point on it becomes a matter of computation.

Mr. KENNEDY. What kind of documents does he submit to you?

Mr. GROSBERG. What do you mean what kind of documents?

Mr. KENNEDY. What kind of documents does he submit to you that you make up his tax return?

Mr. GROSBERG. It would be the copy of the W-2 that the local union and international would give him, the 1099 regarding the dividend, and then he gives me the information regarding the wagering.

Mr. KENNEDY. Do you have some worksheets that you figure out his tax from?

Mr. GROSBERG. No; the computation is done on a sheet of paper.

Mr. KENNEDY. What has happened to those sheets of paper?

Mr. GROSBERG. After I am through computing it, what do I need them for?

Mr. KENNEDY. What have you done with them?

Mr. GROSBERG. Will you please repeat the question?

Mr. KENNEDY. What have you done with the sheets of paper on which you compute Mr. Hoffa's tax returns?

Mr. GROSBERG. I don't keep the sheet of paper.

Mr. KENNEDY. What do you do with them?

Mr. GROSBERG. Probably just throw them away in the wastebasket.

Mr. KENNEDY. You just destroy them, is that all?

Mr. GROSBERG. I wouldn't say I just destroy them. I would say I just throw them away in the wastebasket.

Mr. KENNEDY. That is another way of saying destroy. How can you figure out, Mr. Grosberg, where he has a number of sources of income? Who keeps those records for him?

Mr. GROSBERG. There are no records, as far as the——

Mr. KENNEDY. There are no what?

Mr. GROSBERG. I don't understand your question.

Mr. KENNEDY. It is not very difficult. Where he has a number of different sources of income, how are you able to keep those records straight, or how are you able to compute his tax without examining some records?

Mr. GROSBERG. What records would I have to examine in order to prepare his tax?

Mr. KENNEDY. Now he has the Test Fleet Co. Do you examine those?

Mr. GROSBERG. No.

Mr. KENNEDY. How is it figured out what his earnings are for Test Fleet?

Mr. GROSBERG. There is a 1099 which shows the dividend.

Mr. KENNEDY. What about the rent? Doesn't he have some income from rent that he receives?

Mr. GROSBERG. I don't think so.

Mr. KENNEDY. Well, he reports it on his income tax return.

Mr. GROSBERG. Are you talking about Mr. Hoffa?

Mr. KENNEDY. Yes.

Mr. GROSBERG. I don't remember.

Mr. KENNEDY. You don't know anything about that?

Mr. GROSBERG. I don't remember. Mr. Bellino has the returns.

Senator IVES. Mr. Chairman, while these data are being looked up, I would like to ask the witness a question.

The CHAIRMAN. Senator Ives.

Senator IVES. Is that the way you treat all income tax returns that you make up, or is this the only one you make up for a client?

Mr. GROSBERG. No; I make up several income taxes.

Senator IVES. You make up several?

Mr. GROSBERG. Yes; I do.

Senator IVES. You have no worksheets for any of them that you keep?

Mr. GROSBERG. No; there is——

Senator IVES. You throw them all in the wastebasket?

Mr. GROSBERG. He asked me about computations.

Senator IVES. I am not asking you about computations. You said you threw away all the worksheets, everything connected with it that you received.

Mr. GROSBERG. May I talk to counsel, please?

Senator IVES. Except for the copy of the return, in this instance, which the counsel now has. Yes, you can talk to him. I would like to find out how you do treat these matters.

(The witness conferred with his counsel.)

Mr. GROSBERG. Senator, are you talking about individual returns, corporation returns, or——

Senator IVES. I am talking about any kind of returns you make up. You say you threw away the worksheets that you received, or any other sheets that you received, containing information which was necessary to the compilation of this return of Mr. Hoffa—you threw those in the wastebasket. Is that the way you treat all income tax returns that you make up?

Mr. GROSBERG. I think we would have to discuss each category of return.

Senator IVES. There is no such thing as a category of return.

Mr. GROSBERG. I beg your pardon, sir, there is.

Senator IVES. Aren't you a CPA?

Mr. GROSBERG. Yes, I am.

Senator IVES. Where did you get your CPA? Here in the District?

Mr. GROSBERG. No. In Michigan.

Senator IVES. Michigan is a very reputable State and they have very high standards. You know that as well as I do. I am very sure as a CPA you are not throwing away those records. Are you?

Mr. GROSBERG. I was not throwing away any records, Senator.

Senator IVES. You said you did.

Mr. GROSBERG. I did not.

Senator IVES. What did you call those matters that you threw in the wastebasket, that had the information concerning the return of Mr. Hoffa?

Mr. GROSBERG. I said that I threw in the wastebasket the sheets on which I computed the tax return. It was just merely a computation, and multiplication.

Senator IVES. You didn't keep any of the worksheets?

Mr. GROSBERG. I had no worksheets.

Senator IVES. I make out my own returns and I know something about this business. I have to keep some record of it and you have to keep a record of your worksheet. You have to keep those and a record of all of the information that go in the returns.

Mr. GROSBERG. I had no worksheets for Mr. Hoffa, I am sorry.

Senator IVES. You had no worksheets for Mr. Hoffa?

Mr. GROSBERG. No, sir.

Senator IVES. I thought you just said you threw them in the wastebasket?

Mr. GROSBERG. If you are going to call a computation a worksheet, then I threw the computation in the wastebasket.

Senator IVES. That is a worksheet in my book.

Mr. GROSBERG. I don't think so, sir.

Senator IVES. I don't care; you have no record, then, and you kept no records on this return at all?

Mr. GROSBERG. I had no records, Senator.

Senator IVES. Who did keep them?

Mr. GROSBERG. I don't know who kept records, and I have no records.

Senator IVES. In other words, if the Internal Revenue Service came after you and wanted to know certain facts, you couldn't tell them a thing, and you would have to rely on Mr. Hoffa's memory?

Mr. GROSBERG. May I talk to counsel, please?

(Witness consulted with counsel.)

Mr. GROSBERG. Senator, I think perhaps you and I are trying to discuss the same thing, but using two different definitions. I think a worksheet is going to be a substantiation of information, whereas a computation is just going to take the figures upon the return and compute the tax necessary for the payment of the tax on that return.

Now, the information for the return was submitted to me, and that was placed upon the return, and after everything is on that return it is added or subtracted, whichever the case may be, and then the multiplications are done for the computation. I think it could be done on a sheet of paper like this.

Senator IVES. You don't keep that sheet of paper?

Mr. GROSBERG. No.

Senator IVES. I do. That is a difference in our bookkeeping. You don't keep any of the other records that you receive; is that right?

Mr. GROSBERG. I beg your pardon.

Senator IVES. You don't keep any of the other records that you received, and you are talking about the information you get from which the computation is made up—you don't keep any of that; is that right?

Mr. GROSBERG. I beg your pardon. The information that I had Mr. Bellino was given.

Senator IVES. I am not talking about this particular return. I am talking about all returns you make up, and this applies also to Mr. Hoffa in his case.

Mr. GROSBERG. The computations I do not keep.

Senator IVES. I am not talking about computations; I am talking about the information you receive from which you derive the computation.

Mr. GROSBERG. On corporations, or labor returns, I keep worksheets; yes. But on individuals they are generally not worksheets; they are W-2's, that could be constituted as part of a worksheet, and Mr. Bellino has those.

Senator IVES. You keep your W-2's, don't you?

Mr. GROSBERG. Yes, sir.

Senator IVES. Is that all you ever make up returns from, W-2's?

Mr. GROSBERG. Well, if a W-2 is submitted, I would have to use it.

Senator IVES. I asked you if that was all you ever made up returns from, W-2's.

Mr. GROSBERG. I make up returns, Senator, from the information that is submitted to me.

Senator IVES. And you don't keep that information; you throw away the information?

Mr. GROSBURG. Senator, that information is not thrown away; it is put on the return. I don't understand what you are trying to drive at.

Senator IVES. I am trying to drive at the information—counsel, where is he? I don't want to shout.

The CHAIRMAN. Let us proceed.

Senator IVES. I am trying to find out what you do with the information that you receive from which you make up the return. You talk about computations. That is something in itself, and you throw that in the wastebasket?

Mr. GROSBURG. That is right.

Senator IVES. That is all right, and then you say you put all of the information you receive on the return, and that is that. When you are all through, you have nothing to show for anything except somebody's recollection?

Mr. GROSBURG. I beg your pardon; I have the tax return.

Senator IVES. I am trying to find out something. I overlooked one thing in this connection in asking for this information. Perhaps you don't receive this information in writing. Do you receive it orally, any of it?

Mr. GROSBURG. Yes; quite a bit, I would say.

Senator IVES. Well, then, that answers the question. Naturally, you have no written record of that except what you have on the return, unless you write it down?

Mr. GROSBURG. On the return, I write it down.

Senator IVES. In other words, you make out a return as this information is given to you orally; is that right?

Mr. GROSBURG. That is right.

Senator IVES. You must be a wizard. I never heard of anybody being able to make out income-tax returns by that process. Go ahead; I have asked all of the questions I want to ask.

Senator CURTIS. It might be helpful if you would tell us what services you do render for Mr. Hoffa. By that I mean you periodically audit his records, and do you supervise his books and records, and do you maintain them, or what services do you perform for Mr. Hoffa?

Mr. GROSBURG. Do you mean Mr. Hoffa as an individual or Mr. Hoffa in the labor movement?

Senator CURTIS. As an individual.

Mr. GROSBURG. I perform no services for Mr. Hoffa as an individual except his preparation of his income-tax return.

Senator CURTIS. You are not his accountant in the sense that you set up a set of books for him and direct him how or supervise Mr. Hoffa or anyone else in keeping them?

Mr. GROSBURG. I have answered that one, Senator.

Senator CURTIS. Do you assume any responsibility for the maintenance of day-to-day and month-to-month records for Mr. Hoffa?

Mr. GROSBURG. I have answered that one, too, Senator.

Senator CURTIS. I am trying to get the record here to see what area you are familiar with.

Mr. GROSBERG. I just prepare his Federal tax return each year. That is the services I render to Mr. Hoffa as an individual.

Senator CURTIS. You have no responsibility beyond that?

Mr. GROSBERG. No; I don't.

Senator CURTIS. You prepare that information or that tax on the basis of the information that Mr. Hoffa brings to you, which is made up of forms provided by employer and forms provided by companies, plus what you elicit in questions and answers from Mr. Hoffa? Is that the size of it?

Mr. GROSBERG. That is correct, Senator.

Senator CURTIS. So, in a sense, you are not Mr. Hoffa's accountant, but you are the individual who prepares his tax return?

Mr. GROSBERG. That is correct.

Senator IVES. Will the Senator yield?

Senator CURTIS. I didn't want to put words in your mouth, but I wanted to understand what area of the facts you are competent to testify about.

Senator IVES. Will the Senator yield on that? He told me he made up his return from the data that you are talking about, plus the verbal information, or oral information you received from Mr. Hoffa, and I take it you sit right down there as Mr. Hoffa tells you these things, and you fix up the return; don't you?

Mr. GROSBERG. That is correct.

Senator IVES. You have Mr. Hoffa right at your elbow telling you what to put down?

Mr. GROSBERG. I don't have Mr. Hoffa at my elbow telling me what to put down.

Senator IVES. Who does tell you?

Mr. GROSBERG. I ask Mr. Hoffa some questions regarding various aspects on the tax return, and then he, perhaps, will answer those questions and, from the information he gives me, I put it down where I think it is proper.

Senator IVES. What do you put it down on first? Do you carry all of that in your mind?

Mr. GROSBERG. I put it down on the tax return.

Senator IVES. You carry it all in your mind until you get around to making the tax return up; is that right?

Mr. GROSBERG. No, Senator; you misunderstood me.

Senator IVES. You do 1 of 2 things, and you do it with Mr. Hoffa there to tell you what to do and put it down while he is there, or you do it someplace else and put it down some place else first. You can't carry that all in your mind; can you?

Mr. GROSBERG. If you would have let me finish, Senator——

Senator IVES. Pardon me; I didn't mean to block you off.

Mr. GROSBERG. I started to tell you; as I am asking these questions and he is answering them, I put them on the return in what I think would be the proper place.

Senator IVES. That is exactly the question he raised; perhaps he wasn't at your elbow; perhaps he stood somewhere else, but that is the expression I applied to that, and you said, "No."

In other words, you do it in such a way that there is no record anywhere except the income-tax return; is that right?

Mr. GROSBERG. That is correct.

Senator IVES. Thank you.

The CHAIRMAN. Let me ask you: As I understand your testimony, you keep no records after you make out the return, except a copy of the return?

Mr. GROSBERG. The tax return, Mr. Chairman, and the W-2 forms, the 1099, whatever forms are submitted to me.

The CHAIRMAN. They are forms of tax returns, aren't they?

Mr. GROSBERG. I beg your pardon?

The CHAIRMAN. Are those tax returns that show what he may have received from this corporation or that one?

Mr. GROSBERG. That is correct.

The CHAIRMAN. Now, the question is, you are a certified public accountant, and let us assume that the Internal Revenue Service became interested in a return and came to you and said, "Where did you get this figure, and how did you arrive at that?" and what records have you to fortify and support the return which you submitted?

Mr. GROSBERG. The tax return in itself, Senator.

The CHAIRMAN. The tax return itself doesn't support itself. I am talking about what will support it.

Mr. GROSBERG. As far as the payroll is concerned, or his pay, the local union would be the substantiating factor.

The CHAIRMAN. I am not talking about that: I am talking about other things. For instance, he lists \$10,000 of collections and miscellaneous income or wager income. What records do you have to substantiate that?

Mr. GROSBERG. May I talk to my counsel a moment?

The CHAIRMAN. Yes; perhaps he can tell you.

(The witness consulted with counsel.)

The CHAIRMAN. All right.

Mr. GROSBERG. May I see a copy of the tax return?

The CHAIRMAN. Oh, yes; you may.

(A document was handed to the witness.)

Mr. GROSBERG. Do you wish me to go over it with you?

The CHAIRMAN. I didn't ask you to go over it.

Mr. GROSBERG. What is it you would like to know?

The CHAIRMAN. I want to know what supporting documents you have for the figures and information you provided in that return.

Mr. GROSBERG. The supporting documents I would have would be the W-2's, the 1099's, and the information that Mr. Hoffa himself submitted to me.

The CHAIRMAN. Did he submit information to you in the form of documents?

Mr. GROSBERG. No.

The CHAIRMAN. Well, then, you don't have a document then?

Mr. GROSBERG. No; I don't.

The CHAIRMAN. What you have is nothing except his word: he said, "I won so much gambling"?

Mr. GROSBERG. That is right.

The CHAIRMAN. And you just put it down?

Mr. GROSBERG. That is right.

(At this point, the following members were present: Senators McClellan, Ives, Kennedy, and Curtis.)

The CHAIRMAN. You have no documents to substantiate it?

Mr. GROSBURG. No; I don't.

The CHAIRMAN. Do you keep anything other than the naked copy of the tax return you prepare for him?

Mr. GROSBURG. Nothing other than the tax return and the W-2's and 1099's.

The CHAIRMAN. Do you treat all of your clients that way? Is that the kind of service you give to all of them?

Mr. GROSBURG. As individuals, now, Senator?

The CHAIRMAN. Yes; collectively or otherwise.

Mr. GROSBURG. When an individual gets income from wages or from wagering, it is one matter. When a man is in a business as an individual, as a sole proprietorship, you would have to list on his schedule C the total receipts, total expenses, depreciation, and what have you. Then I would have more records. But Mr. Hoffa, through his tax return, is not in a business. As far as his income is concerned from dividends and from wages, they can be easily substantiated. As far as his income from wagering is concerned, that, Mr. Hoffa submits to me.

The CHAIRMAN. Do you have any record of his rents?

Mr. GROSBURG. I still don't remember the rents.

(The witness conferred with his counsel.)

Mr. GROSBURG. This is an item of \$62 on a land contract. In fact, I paid this myself for Mr. Hoffa, and he reimburses me for it. The party with whom he had this land contract paid 1 item of \$62 in rent, and that was the last bit of information that we had.

The CHAIRMAN. You don't have any documents supporting the deductions of expenses?

Mr. GROSBURG. As far as the tax—

The CHAIRMAN. That is, claimed as business expense?

Mr. GROSBURG. As far as the taxes and the interest, yes; I have the deductions in my own records.

The CHAIRMAN. You have those in your own records?

Mr. GROSBURG. Yes, sir.

The CHAIRMAN. What do you have in that connection?

Mr. GROSBURG. I have the principal payments, the interest payments, and the taxes that I paid.

The CHAIRMAN. You have those?

Mr. GROSBURG. I beg your pardon?

The CHAIRMAN. You say now you have those?

Mr. GROSBURG. In fact, Mr. Bellino has them.

The CHAIRMAN. I thought you said a moment ago all you had was these forms that came in.

Mr. GROSBURG. You misunderstood me. You misunderstood me, Senator. I said I have these in my own personal records on this \$62 rent; not as far as the client is concerned, but in my own personal records, and Mr. Bellino has them.

The CHAIRMAN. That is the thought here. I am not a certified public accountant, but I think most of us have learned from experience that it is very wise to keep the supporting evidence of what we certify in an income-tax return.

Mr. GROSBURG. The supporting evidence is kept, Senator.

The CHAIRMAN. The what?

Mr. GROSBURG. The evidence is kept.

The CHAIRMAN. I have not been able to find it. We have been trying to find where the supporting evidence is.

Mr. GROSBURG. I have the information on the \$62, on the interest and on the taxes.

Mr. KENNEDY. What about the collections?

Mr. GROSBURG. That I don't have. That is just oral information supplied to me.

The CHAIRMAN. You have no record of these collections?

Mr. GROSBURG. No.

The CHAIRMAN. You don't know the source of them?

Mr. GROSBURG. Other than the fact I have been told.

The CHAIRMAN. Other than he said. Well, where it says miscellaneous, I think we had some here this morning which said miscellaneous income; did you show the source of that?

Mr. GROSBURG. He told me. That was it.

The CHAIRMAN. All right. Proceed.

Mr. KENNEDY. For instance, here in the 1956 one, you have collections received under the title "Collections Received," then MCT \$10,000. What is that?

Mr. GROSBURG. May I see that, please?

Mr. KENNEDY. Michigan Conference of Teamsters, I expect. MCT? Was that a bonus?

Mr. GROSBURG. May I see it, please?

Mr. LAWSON. This is 1954 that we have.

(The document was handed to the witness.)

(The witness conferred with his counsel.)

Mr. GROSBURG. Which item are you asking about?

Mr. KENNEDY. The Michigan Conference of Teamsters, \$10,000?

Mr. GROSBURG. That is correct.

Mr. KENNEDY. That you would obtain from what? How would you get that information?

Mr. GROSBURG. There is a 1099 included with this copy that I gave Mr. Bellino showing \$10,000 from the Michigan Conference of Teamsters payable to James R. Hoffa.

Mr. KENNEDY. What is the next item under that?

Mr. GROSBURG. Wagering.

Mr. KENNEDY. How much is there?

Mr. GROSBURG. \$10,682.

Mr. KENNEDY. Where did you get that information?

Mr. GROSBURG. Mr. Hoffa.

Mr. KENNEDY. Did Mr. Hoffa say that he just received that on that day, \$10,682?

Mr. GROSBURG. Did he receive it on that day?

Mr. KENNEDY. Yes.

Mr. GROSBURG. I don't think he received it on that day.

Mr. KENNEDY. He could not possibly remember over a period of a year that he received \$10,682. He must have written that down somewhere. Didn't he show you any documents at all?

Mr. GROSBURG. Maybe he had it written down and then told me what the information was.

Mr. KENNEDY. He says he does not have any documents, either.

Mr. GROSBURG. I don't know, but he told me it was \$10,682.

Mr. KENNEDY. He must have a fantastic memory that he can remember that figure.

Mr. GROSBERG. This isn't for 1 day. This is a period of a year, Mr. Kennedy.

Mr. KENNEDY. How did he know that that was the amount that he collected over a period of a year?

Mr. GROSBERG. I don't know.

Mr. KENNEDY. Didn't you ask him to verify this, to substantiate it?

Mr. GROSBERG. No.

Mr. KENNEDY. You did not?

Mr. GROSBERG. No.

Mr. KENNEDY. You are a certified public accountant and you just put that figure down?

Mr. GROSBERG. I did not swear to the return, Mr. Kennedy.

Mr. KENNEDY. What is the figure under that?

Mr. GROSBERG. Expenses.

Mr. KENNEDY. What is the figure?

Mr. GROSBERG. \$4,813.97.

Mr. KENNEDY. \$4,000—would you read that again?

Mr. GROSBERG. \$4,813.97.

Mr. KENNEDY. What verification did he give you for that?

(The witness conferred with his counsel.)

Mr. GROSBERG. These were the expenses from the international union.

Mr. KENNEDY. The what?

Mr. GROSBERG. The expenses from the international union.

Mr. KENNEDY. Have you got some verification on that?

Mr. GROSBERG. I don't remember if I saw a letter regarding it or if there was a 1099 regarding it.

I really don't.

Mr. KENNEDY. This is what he declares as income?

Mr. GROSBERG. I beg your pardon?

Mr. KENNEDY. This is what he declares as income on that?

Mr. GROSBERG. That is what I suggested he declare as expenses for 1956.

Mr. KENNEDY. Did you sign this tax return?

Mr. GROSBERG. Yes; I do.

Mr. KENNEDY. When you sign the tax return, don't you take some responsibility for what is on the tax return?

Mr. GROSBERG. No; I don't.

Mr. KENNEDY. You don't take any responsibility?

Mr. GROSBERG. No.

Mr. KENNEDY. This states here—you say you don't take any responsibility for the tax return as a certified public accountant?

Mr. GROSBERG. I am pretty sure I don't have a responsibility on the tax return.

Mr. KENNEDY. It says here:

I declare under the penalties of perjury that this return, including any accompanying schedules and statements, has been examined by me and to the best of my knowledge and belief is a true, correct, and complete form.

Mr. GROSBERG. May I talk to counsel, please?

Mr. KENNEDY. I don't see why you have to keep talking to Mr. Fitzgerald, who is Mr. Hoffa's attorney. This is a question of fact, this is something that you dealt with.

Mr. GROSBERG. I am talking to Mr. Lawson.

The CHAIRMAN. The witness has a right to consult counsel respecting his legal rights. I hope counsel is observing and respecting the rule of the committee.

(The witness conferred with his counsel.)

The CHAIRMAN. Proceed.

Mr. KENNEDY. Could you answer that?

Mr. GROSBURG. I actually certify only to the information that is given to me.

Mr. KENNEDY. When you certify and put your name down on a tax return, you have to have some information on which you base this tax return. You are not going to put down some \$10,000 that the taxpayer said he received and not have any documentation on it whatsoever.

Mr. GROSBURG. I am not going to use my imagination, Mr. Kennedy, as far as the \$10,000 is concerned. If that is the figure that is given to me, that is the figure that I am going to put down.

Mr. KENNEDY. What good does it do you putting your name down to this thing?

Mr. GROSBURG. Actually, I think it is a matter of identification.

Mr. KENNEDY. Do you make up the tax returns of Mr. Owen Bert Brennan?

Mr. GROSBURG. Yes.

Mr. KENNEDY. Do you keep documents on his?

Mr. GROSBURG. Do I?

Mr. KENNEDY. Yes.

Mr. GROSBURG. No.

Mr. KENNEDY. You don't keep any?

Mr. GROSBURG. Other than the tax returns.

Mr. KENNEDY. You don't have any documents on either Mr. Brennan or Mr. Hoffa, Mr. Grosberg?

Mr. GROSBURG. I do not.

Mr. KENNEDY. Let me ask you this.

Mr. Chairman, I would like to point out that the statement says, "I declare under the penalties of perjury that this is a true, correct, and complete return."

Mr. GROSBURG. Doesn't it say a little more than that?

Mr. KENNEDY. Yes. As I read it before, "I declare under the penalties of perjury that this return, including any accompanying schedules and statements has been examined by me and to the best of my knowledge and belief is a true, correct, and complete return."

Mr. GROSBURG. That is the answer, Mr. Kennedy, to the best of my knowledge and belief. Mr. Hoffa had \$10,682 income from wagering, and I don't think there is any better source as to the information, really, than Mr. Hoffa himself.

Mr. KENNEDY. Except any documentation he might have.

Mr. GROSBURG. I don't know about any documentation.

Mr. KENNEDY. I think that most certified public accountants when they are going to sign a tax return like this, would demand documentation. I have never heard of a certified public accountant who had not.

Mr. GROSBURG. I asked Mr. Hoffa and he said he had not.

Mr. KENNEDY. What did he say?

Mr. GROSBERG. That he had not.

Mr. KENNEDY. Did you ask Mr. Brennan if he had any documentation on the things he reported on his tax return?

Mr. GROSBERG. I probably did.

Mr. KENNEDY. What did he say?

Mr. GROSBERG. May I talk to my counsel?

Mr. KENNEDY. What did he say?

That is not a legal question. I don't see that that is a legal question.

Mr. GROSBERG. May I talk to my counsel?

(The witness conferred with his counsel.)

Mr. GROSBERG. Mr. Brennan has records.

Mr. KENNEDY. Did you examine those records?

Mr. GROSBERG. Actually, I did not examine them, but I have seen them.

Mr. KENNEDY. What records does he have to indicate or show that Mr. Hoffa made this money from gambling?

Mr. GROSBERG. That I don't know.

Mr. KENNEDY. Did you look at them for that purpose?

Mr. GROSBERG. No.

Mr. KENNEDY. What did Mr. Hoffa say was the source of this money?

Mr. GROSBERG. He said Mr. Brennan was the source.

Mr. KENNEDY. When you examined his books, did you find this money?

Mr. GROSBERG. I did not examine his books. He gave me the information also.

Mr. KENNEDY. And you never tried to verify the information he gave you, either?

Mr. GROSBERG. No; I don't think I have to verify the information.

Mr. KENNEDY. What about the loans that Mr. Hoffa received?

Did you keep records on the loans he was getting?

Mr. GROSBERG. No; I did not keep records on the loans.

Mr. KENNEDY. How could he keep all of that in his mind, Mr. Grosberg?

Mr. GROSBERG. You are going back now some period of time.

Mr. KENNEDY. Yes. I want to know how he was able to come before the committee last year and give us a list of the loans.

Mr. GROSBERG. I don't know.

Mr. KENNEDY. You have not any idea?

Mr. GROSBERG. No.

Mr. KENNEDY. He has the most fabulous memory of anybody that ever lived.

Mr. GROSBERG. I guess he has.

The CHAIRMAN. The question for this witness is: Even though Mr. Hoffa keeps no records, that may not be your fault. But when you go to certifying to income tax returns, I think, just as a matter of self-assurance, wanting to know that what you are certifying to is correct insofar as you can verify it, you would want some records, some documentary evidence, something, especially where you got the opportunity, when he says "I got this money from Mr. Brennan," that you would want to check those records to verify it.

Mr. GROSBERG. I asked for the information, Senator. The information was given to me orally. There was nothing written. If the man does not have it, that I cannot help.

Senator KENNEDY. Mr. Hoffa yesterday, talking on page 49, stated in regard to the loan that he received from Mr. Holtzman, he said, "I had my accountant try to straighten out some of these answers since the last time. My accountant shows here money was borrowed in the latter half of 1951 and was paid back in 1953, according to the records that he has been able to reconstruct."

The accountant that he is talking about there?

Mr. GROSBERG. Yes, I am.

Senator KENNEDY. What are the records that you reconstructed?

Mr. GROSBERG. There are actually no records. What I did was I called Mr. Bushkin, because I think Mr. Hoffa also testified that he borrowed money from Mr. Bushkin.

Senator KENNEDY. That is correct. When did you call Mr. Bushkin?

Mr. GROSBERG. I think it was Monday.

Senator KENNEDY. Monday?

Mr. GROSBERG. Yes.

Senator KENNEDY. Do you mean Monday of this week?

Mr. GROSBERG. Either Saturday or Monday. I think it was Monday of this week.

Senator KENNEDY. What did Mr. Bushkin tell you?

Mr. GROSBERG. I asked him when he had loaned the money to Mr. Hoffa.

Senator KENNEDY. What did he say?

Mr. GROSBERG. He said the end of 1951.

Senator KENNEDY. He loaned how much?

Mr. GROSBERG. \$5,000.

Senator KENNEDY. He loaned \$5,000?

Mr. GROSBERG. And Mr. Holtzman likewise loaned \$5,000 at the same time.

Senator KENNEDY. Those are the records you had?

Mr. GROSBERG. That is the information I had.

Senator KENNEDY. But Mr. Hoffa stated, "According to his records that he has been able to reconstruct." That is the quote:

My accountant shows here money was borrowed in the latter half of 1951 and was paid back in 1953.

Where did you show it?

Where?

Mr. GROSBERG. I think actually there is an exchange of words there. I think Mr. Hoffa is using records instead of information.

Senator KENNEDY. That is an entirely different type of word, though.

Mr. GROSBERG. No; I don't know if it is an entirely different type of word; no, sir.

Senator KENNEDY. You don't think it is?

Mr. GROSBERG. No, sir.

Senator KENNEDY. By records, I assume it is something in writing. That is the general meaning of the word "records." Do you have anything in writing of this, except your conversation with Mr. Bushkin on the phone? Where did you reach him?

Mr. GROSBERG. At his office.

Senator KENNEDY. Where?

Mr. GROSBERG. Where did I reach Mr. Bushkin?

Senator KENNEDY. That is right; Monday.

Mr. GROSBERG. In his office on Grand River Avenue.

Senator KENNEDY. You called him at his office?

Mr. GROSBERG. Yes.

Senator KENNEDY. And he told you on the phone he gave \$5,000 and when it was paid back.

Mr. GROSBERG. I beg your pardon?

Senator KENNEDY. What?

Mr. GROSBERG. He told me he gave him \$5,000.

Senator KENNEDY. Did he tell you he had any record of the loan when it was made or any record of the payment back?

Mr. GROSBERG. I did not ask him. I just asked him when he loaned it and when he got it back.

Senator KENNEDY. All right. To your information, are there any records that you know of when Mr. Bushkin loaned him the money, \$5,000 in cash, without interest, if there was any exchange in writing to certify that it was a loan and not a payment?

Mr. GROSBERG. For that, you will have to ask Mr. Bushkin.

Senator KENNEDY. We asked Mr. Bushkin, and he has taken the fifth amendment, as you know. The other party involved is Mr. Holtzman, and he is dead, Mr. Grosberg, so that the two people involved, one is unable to talk and one will not talk, so we come to you who has, according to Mr. Hoffa, reconstructed the records. All you tell us is you talked to Mr. Bushkin. That is the only record you have; is that correct?

Mr. GROSBERG. That is the information I have, Senator; that is correct.

Senator KENNEDY. I would say it is an entirely different impression, then, from what Mr. Hoffa gave yesterday about the records, about his accountant reconstructing it.

Mr. GROSBERG. I think it is a matter of semantics, Mr. Senator.

Senator KENNEDY. It states, "I said I tried to have them reconstructed. He talked to people." Who were the people you talked to? It was only one person, wasn't it, not people?

Mr. GROSBERG. No.

Senator KENNEDY. Who else?

Mr. GROSBERG. Mr. Keeshin.

Senator KENNEDY. Mr. Keeshin? Who is Mr. Keeshin?

Mr. GROSBERG. Another individual who loaned Mr. Hoffa some money.

Senator KENNEDY. When did you talk to him?

Mr. GROSBERG. Monday.

Senator KENNEDY. Who is he?

Mr. GROSBERG. He is a gentleman in Chicago.

Senator KENNEDY. What does he do?

Mr. GROSBERG. I am not too sure of what he does.

Senator KENNEDY. Where did you get him?

Mr. GROSBERG. I think he was in Wisconsin, actually.

Senator KENNEDY. You got him on the phone?

Mr. GROSBERG. Yes.

Senator KENNEDY. You don't remember where?

Mr. GROSBERG. In Wisconsin. I don't remember the city.

Senator KENNEDY. What does he do?

Mr. GROSBERG. I am not too sure what he was.

Senator KENNEDY. What did he give a loan to Mr. Hoffa for? You don't know why?

Mr. GROSBERG. I don't know why.

Senator KENNEDY. How much was it?

Mr. GROSBERG. \$5,000.

Senator KENNEDY. Cash?

Mr. GROSBERG. I did not ask him.

Senator KENNEDY. What did you call him for?

Mr. GROSBERG. To find out when.

Senator KENNEDY. What did he tell you?

Mr. GROSBERG. It was either 1950 or 1951, September.

Senator KENNEDY. Who told you to call him?

Mr. GROSBERG. I beg your pardon?

Senator KENNEDY. Who told you to call him?

Mr. GROSBERG. Mr. Hoffa.

Senator KENNEDY. Is he a truckowner?

Mr. GROSBERG. I don't know. He might be.

Senator KENNEDY. I don't think that is a very good reconstruction of events, if you are not able to give us any more precise information. You might as well have taken Mr. Hoffa's word for it.

Mr. GROSBERG. When I called to find out the information on the phone, actually, I am not trying to find out what the man does for a living or anything else.

Senator KENNEDY. I don't really see any value in your participating in this at all. All we have is what you said Mr. Bushkin said, and we have no evidence from Mr. Bushkin, and Mr. Holtzman is not around, and the other gentleman is somebody you talked to, and you don't know who he was or why he gave the loan or you have no records of it.

Mr. GROSBERG. I have no records.

Senator KENNEDY. You are a certified public accountant, which implies that you have some degree of responsibility to the people of Michigan. I hope the State of Michigan will examine this transcript to see if you are meeting that responsibility as a certified public accountant. I hope the Internal Revenue Service will, too. Will you tell us where you placed that call on Monday from?

Mr. GROSBERG. The call was placed from Mr. Fitzsimmons' office.

Senator KENNEDY. Mr. Fitzsimmons?

Mr. GROSBERG. Yes.

Senator KENNEDY. Who is he?

Mr. GROSBERG. A vice president, I believe, of local 299.

Senator KENNEDY. It was placed from his office in Detroit?

Mr. GROSBERG. Yes.

Mr. KENNEDY. Did you know at the time that Mr. Hoffa had borrowed this money from Mr. Keeshin?

Mr. GROSBERG. Did I know at one time?

Mr. KENNEDY. In 1950 or 1951?

Mr. GROSBERG. No.

Mr. KENNEDY. Did you know that Mr. Keeshin is a major truck-owner in the United States?

Mr. GROSBERG. No.

Mr. KENNEDY. You do not know that?

Mr. GROSBERG. I did not know that.

Mr. KENNEDY. Did you know what Mr. Hoffa borrowed the money for?

Mr. GROSBERG. No.

Mr. KENNEDY. Did you know he was borrowing the money from the business agents of the Teamsters' Union?

Mr. GROSBERG. No; I didn't.

Mr. KENNEDY. You never knew during 1952 or 1953 he was supposed to be borrowing money from the business agents?

Mr. GROSBERG. In 1953 I knew.

Mr. KENNEDY. Did you know that then?

Mr. GROSBERG. During the Hoffman committee.

Mr. KENNEDY. Did you know prior to that?

Mr. GROSBERG. No.

Mr. KENNEDY. He never told you anything about it?

Mr. GROSBERG. No.

Mr. KENNEDY. Did you reconstruct the list of the loans that he had received that he used at the last hearing back last year?

Mr. GROSBERG. That list was reconstructed, actually, I think, from the testimony of the Hoffman committee.

Mr. KENNEDY. He also stated that, supposedly, he had paid those loans back, and where was that information obtained from?

Mr. GROSBERG. What do you mean?

Mr. KENNEDY. With the paying of the loans back, the ones, for instance, to Mr. Keeshin and Mr. Bushkin?

Mr. GROSBERG. I don't know where that came from, and he had the information.

Mr. KENNEDY. How could he remember that? He couldn't remember anything last year.

Mr. GROSBERG. I don't know; you will have to ask him, Mr. Kennedy.

Mr. KENNEDY. Did you know that he had the cash in his possession during 1952 and 1953?

Mr. GROSBERG. What cash?

Mr. KENNEDY. The cash that came from these various sources.

Mr. GROSBERG. No; I didn't.

Mr. KENNEDY. Now just let me ask you this: You keep the books of the joint council 43 also?

Mr. GROSBERG. Yes; I do.

Mr. KENNEDY. Have you been a partner of Mr. Bushkin in any enterprise?

Mr. GROSBERG. Yes.

Mr. KENNEDY. What is the name of the business?

Mr. GROSBERG. Dave Gantz, food broker and sales representative, or something like that.

Mr. KENNEDY. What do you do, or what does Dave Gantz Co. do?

Mr. GROSBERG. It is a food-brokerage company.

Mr. KENNEDY. You and Mr. Bushkin are partners together?

Mr. GROSBERG. With Mr. Gantz.

Mr. KENNEDY. The three of you?

Mr. GROSBERG. Yes.

Mr. KENNEDY. Did your uncle have any interest in any of the chain-stores in Detroit?

Mr. GROSBERG. Yes.

Mr. KENNEDY. What company?

Mr. GROSBERG. A. C. F. Wrigley.

Mr. KENNEDY. What was his name?

Mr. GROSBERG. Charles Grosberg.

Mr. KENNEDY. Does he still have an interest?

Mr. GROSBERG. I imagine he does.

Mr. KENNEDY. That is one of the biggest clients of Bushkin, is it not, in his labor-relations consultants?

Mr. GROSBERG. I believe he is.

Mr. KENNEDY. What about your father, and does he have an interest in any business or any chainstores?

Mr. GROSBERG. No; he does not.

Mr. KENNEDY. Have you received any loans from the union?

Mr. GROSBERG. Yes, sir; I have.

Mr. KENNEDY. What loans have you received?

Mr. GROSBERG. I received a loan from local 299 of \$37,500.

Mr. KENNEDY. What is that?

Mr. GROSBERG. \$37,500.

Mr. KENNEDY. From local 299?

Mr. GROSBERG. Yes, sir.

Mr. KENNEDY. When was that?

Mr. GROSBERG. I don't remember the date, and I think it was September or October of 1955.

Mr. KENNEDY. Go ahead.

Mr. GROSBERG. And local 337, \$37,500, but these moneys were not loaned directly to me.

Mr. KENNEDY. To whom were they loaned?

Mr. GROSBERG. To Marberry Construction Co.

Mr. KENNEDY. Is Mr. Fitzgerald in that company with you?

Mr. GROSBERG. Yes, sir.

Mr. KENNEDY. You and Mr. Fitzgerald?

Mr. GROSBERG. Yes, sir.

Mr. KENNEDY. Now, have you received any other moneys from the union?

Mr. GROSBERG. Yes.

Mr. KENNEDY. What other moneys?

Mr. GROSBERG. Not from the union.

Mr. KENNEDY. From whom?

Mr. GROSBERG. From the welfare fund.

Mr. KENNEDY. How much have you received from the welfare fund?

Mr. GROSBERG. We received \$100,000 for the Marberry Construction Co., and that is after we paid off the \$75,000 to the other 2 locals, and then we received \$135,000.

Mr. KENNEDY. \$135,000 from the welfare fund? When did you get that?

Mr. GROSBERG. I believe it was in June or July of 1957.

Senator CURTIS. Would you yield at that point, Mr. Counsel? I am interested, so far as the regulations of welfare funds and their preservation is concerned. What security, if anything, was given for that, for those loans?

Mr. GROSBERG. Four homes, a note from my father, vested rights were given for that \$135,000.

Senator CURTIS. Will you elaborate on what you mean by "vested rights"?

Mr. GROSBURG. From an insurance company on commissions on policies.

Senator CURTIS. Future commissions already earned, or on sales to be made in the future?

Mr. GROSBURG. Earned. I wouldn't say they are sales to be made in the future, and they are already in existence, and they are, actually, I would call them earned.

Senator CURTIS. What was the full title of the debtor in these loans? You said some construction company, and I did not get it.

Mr. GROSBURG. You are talking about two different loans now.

Senator CURTIS. I am talking about the loans made by the welfare fund. Who borrowed that money?

Mr. GROSBURG. Marberry Construction Co.

Senator CURTIS. And where are they located?

Mr. GROSBURG. In Detroit.

Senator CURTIS. What is their business?

Mr. GROSBURG. Building, home building.

Senator CURTIS. Home building?

Mr. GROSBURG. Yes, sir.

Senator CURTIS. Who are the principal stockholders?

Mr. GROSBURG. Mr. Fitzgerald, Mr. Silberg, my father, and myself.

Senator CURTIS. Mr. Fitzgerald is the man that is connected with one of the unions?

Mr. GROSBURG. Yes; that is correct.

Senator CURTIS. Who is the other one?

Mr. GROSBURG. My father.

Senator CURTIS. And who else?

Mr. GROSBURG. Mr. Silberg. He is the builder.

Senator CURTIS. He is the builder?

Mr. GROSBURG. Yes, sir.

Senator CURTIS. Is he in any way connected with the union?

Mr. GROSBURG. No.

Senator CURTIS. And that is all; is that right?

Mr. GROSBURG. Yes.

Senator CURTIS. Now, what security was given by the construction company?

Mr. GROSBURG. We did not get this money directly. This money was given to the Abstract & Title Guaranty Co. and placed in a revolving fund, and the first mortgages would be given for this money when we would present waivers to the Abstract Co., which is the normal procedure which any building company would get construction loans from a bank or from a mortgage company.

Senator CURTIS. These were loans made after a portion or all of the construction was completed; that you would borrow money pending the sale of the property; is that the type of loan?

Mr. GROSBURG. It is that type of loan, yes.

Senator CURTIS. Well now, would the title company part with any of the money prior to the delivery of the first mortgages?

Mr. GROSBURG. No.

Senator CURTIS. To what extent of the actual building costs would the mortgages be made, the full amount of the building costs?

Mr. GROSBERG. No, the maximum, Senator, that they would give on each house was \$15,000, and the houses were houses that were selling for around \$30,000.

Senator CURTIS. Now, this construction company had one member at least directly connected with the union, which in turn may have had some interest in the welfare fund. There were two people, rather, who examined the transactions or what lawyer for the welfare fund?

Mr. GROSBERG. The lawyer for the welfare fund.

Senator CURTIS. Who were those?

Mr. GROSBERG. I answered you, and I said the lawyer for the welfare fund.

Senator CURTIS. Who is that?

Mr. GROSBERG. Well, I understand from Mr. Fitzgerald, the committee has the record, but Mr. Fitzgerald had checked it through with the lawyer from the abstract company.

Senator CURTIS. What rate of interest do these mortgages bear?

Mr. GROSBERG. Six percent.

Senator CURTIS. Have they all been paid?

Mr. GROSBERG. I beg your pardon?

Senator CURTIS. Has all of this indebtedness been paid back to the welfare fund?

Mr. GROSBERG. No.

Senator CURTIS. What is the total amount that was borrowed?

Mr. GROSBERG. \$100,000.

Senator CURTIS. That is \$100,000?

Mr. GROSBERG. Yes, sir.

Senator CURTIS. I thought there was also another one of \$135,000.

Mr. GROSBERG. That is a different one.

Senator CURTIS. I am talking about the total from the welfare fund, and what was the total?

Mr. GROSBERG. \$235,000.

Senator CURTIS. How much of that remains outstanding?

Mr. GROSBERG. Just a moment. We paid back \$52,000 on the \$100,000 loan, and we paid back roughly twelve to fifteen thousand dollars on the other loan, plus interest.

Senator CURTIS. How many homes were mortgaged to secure these two loans to the welfare fund?

Mr. GROSBERG. You are talking about two different loans here?

Senator CURTIS. I am talking about both of them.

Mr. GROSBERG. We can't discuss both of them together.

Senator CURTIS. Were they not both made to the same person, or the same entity?

Mr. GROSBERG. No, they were not.

Senator CURTIS. Were they not both made to the same construction company?

Mr. GROSBERG. No, they were not.

Senator CURTIS. All right, to whom was the \$100,000 loan made?

Mr. GROSBERG. To the Marberry Construction Co., and that is the one I have been discussing with you.

Senator CURTIS. How many homes were mortgaged to secure that one?

Mr. GROSBERG. For each \$15,000 that we would take out of the abstract company, a first mortgage was given. If the abstract com-

pany held any money, we didn't have to present a first mortgage because we didn't have possession of that money, nor did we have the right to take it. So as we took \$15,000 we presented or we gave a first mortgage.

Senator CURTIS. I understand that, and now how many first mortgages on homes did you execute and deliver for that \$100,000?

Mr. GROSBERG. I don't remember offhand, but we did build around 19 homes.

Senator CURTIS. How many of those homes have been sold?

Mr. GROSBERG. All but three.

Senator CURTIS. All but three?

Mr. GROSBERG. Yes, sir.

Senator CURTIS. And you still owe \$46,000?

Mr. GROSBERG. We still have a lot of building to do, too.

Senator CURTIS. Some of them are not completed?

Mr. GROSBERG. No, actually a construction loan is a loan that is given in process of construction. As you reach certain stages, like in any mortgage institution, or a banking institution, according to the laws of the State of Michigan, you are allowed to draw so much funds. As you go into certain other stages, you are allowed to draw so many more funds until you reach a certain limit, and we completed that in complete accordance with the abstract company and the laws of Michigan; that is the way we have been drawing it.

Senator CURTIS. This is a revolving fund?

Mr. GROSBERG. Yes, it is.

Senator CURTIS. How many mortgages do they have now?

Mr. GROSBERG. Three.

Senator CURTIS. Three mortgages for a total of \$48,000?

Mr. GROSBERG. I am sorry, it is \$45,000. I thought it was \$48,000.

Senator CURTIS. There are three mortgages?

Mr. GROSBERG. Yes, sir.

Senator CURTIS. And to what degree of completion are those three homes?

Mr. GROSBERG. About 96 percent completed, and actually the only thing incomplete is just the painting on the inside.

Senator CURTIS. Now, to whom was the \$135,000 loan made?

Mr. GROSBERG. That was made to my father.

Senator CURTIS. As an individual?

Mr. GROSBERG. As an individual.

Senator CURTIS. What rate of interest?

Mr. GROSBERG. Six percent.

Senator CURTIS. What security was given?

Mr. GROSBERG. Four residence homes, plus a note from my father, and the vested rights in future commissions, as I was discussing with you before.

Senator CURTIS. That is vested rights on continuing insurance?

Mr. GROSBERG. That is right, it is about \$300,000 worth, Senator.

Senator CURTIS. What type of insurance is that, life insurance or group insurance or is it insurance written to the union or for the union?

Mr. GROSBERG. No; there was no Teamster insurance on that. The whole vested rights were not Teamster insurance.

Senator CURTIS. Was it all with one insurance company?

Mr. GROSBERG. Yes, it is.

Senator CURTIS. What is the name of that insurance company?

Mr. GROSBERG. Union Labor Life Insurance Co.

(At this point, the following members were present: Senators Ives, Kennedy, and Curtis.)

Senator CURTIS. It is insurance written in connection with labor organizations but not Teamsters; is that correct?

Mr. GROSBERG. That is correct, Senator.

Senator CURTIS. And some of that loan has been paid?

Mr. GROSBERG. Yes. We pay \$1,100 a month plus interest on that loan.

Senator CURTIS. Is there any delinquency on either of these loans?

Mr. GROSBERG. No; I don't believe there is any delinquency.

I think they are all paid up.

Senator CURTIS. Who are the trustees of the welfare fund that made these loans?

Mr. GROSBERG. There are four trustees.

Senator CURTIS. Who are they?

Mr. GROSBERG. Mr. Holmes and Mr. Fitzsimmons, from the labor side, and Mr. Minick and Mr. Dady, from the management side.

Senator CURTIS. Is it Mr. Fitzsimmons who was a trustee of the fund the same Mr. Fitzsimmons who was one of the borrowers?

Mr. GROSBERG. Mr. Fitzsimmons was not a borrower. It was Fitzgerald.

Senator CURTIS. I beg your pardon. I have my "Fitz" mixed up. I beg your pardon.

Do you happen to know whether the trustees of the welfare fund have complete authority to make loans of any size without a vote of the membership?

Mr. GROSBERG. I don't think there is a membership in a welfare fund. They do have authority to make loans; yes.

Senator CURTIS. Are you the accountant for the welfare fund?

Mr. GROSBERG. I am, yes.

Senator CURTIS. Are reports made of the investments and loans made by the welfare fund, made to the beneficiaries thereof?

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

Mr. GROSBERG. I assume so.

They are always available, Senator. Reports are made up.

Senator CURTIS. Reports are made that are available to the union members who are the beneficiaries, is that correct?

Mr. GROSBERG. I believe so, yes.

Senator CURTIS. How often are they made?

Mr. GROSBERG. We make quarterly audits.

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

Senator CURTIS. That is all.

Senator IVES. Senator Kennedy.

Senator KENNEDY. As I understand it, would you tell me how much money you invested, you and the other three participants in this arrangement?

Mr. GROSBERG. Marbury Construction Co.—well, Mr. Bellino has the records.

Senator KENNEDY. Have you any idea how much you, Mr. Fitzgerald and the other two gentlemen invested in this construction company?

Mr. GROSBERG. Well, there are \$18,000 of stock.

Senator KENNEDY. \$18,000. How much did you invest?

Mr. GROSBERG. I beg your pardon?

Senator KENNEDY. Do you mean that you invested \$18,000, the 4 of you?

Mr. GROSBERG. Yes, plus the land. We owned the land.

Senator KENNEDY. How much is that worth?

Mr. GROSBERG. The land?

Senator KENNEDY. Yes.

Mr. GROSBERG. Well, about \$5,000 a lot.

Senator KENNEDY. How much did you put in of that \$23,000?

Mr. GROSBERG. Of the \$18,000?

Senator KENNEDY. Yes. It is \$23,000 now in assets of this company; is that correct?

Mr. GROSBERG. I beg your pardon.

Senator KENNEDY. Then we will start again, \$18,000 for the 4 of you, is that correct?

Mr. GROSBERG. That is right.

Senator KENNEDY. How much did you put in?

(The witness conferred with his counsel.)

Mr. GROSBERG. I put in \$9,000.

Senator KENNEDY. How much?

Mr. GROSBERG. \$9,000.

Senator KENNEDY. \$9,000?

Mr. GROSBERG. Yes.

Senator KENNEDY. Where did you get the \$9,000?

Mr. GROSBERG. I had the money, some of which I borrowed.

Senator KENNEDY. Did you borrow some of that from the union?

Mr. GROSBERG. No, I did not, I beg your pardon, I borrowed it from the bank. Mr. Bellino has the record on that.

Senator KENNEDY. You put in \$9,000, none of which you secured from the union?

Mr. GROSBERG. That is correct.

Senator KENNEDY. Part your own and part you borrowed. What did you put up for your security for the money you borrowed?

Mr. GROSBERG. From the bank; do you mean?

Senator KENNEDY. Yes.

Mr. GROSBERG. My signature.

Senator KENNEDY. You did not put up any equity?

Mr. GROSBERG. No.

Senator KENNEDY. What bank?

Mr. GROSBERG. The Bank of Commerce.

Senator KENNEDY. Do the Teamsters have any money there?

Mr. GROSBERG. No.

Senator KENNEDY. The rest of the other \$9,000 was put up by the other three gentlemen, is that correct?

Mr. GROSBERG. That is correct.

Senator KENNEDY. Who owned the land for \$5,000?

Mr. GROSBERG. Actually, the land was bought. We bought the land from an individual, Mr. Grosville, and the company now owns it and we have a contract against it.

Senator KENNEDY. The 4 of you bought the \$5,000 worth of land, is that correct?

Mr. GROSBERG. The land cost more than \$5,000.

Senator KENNEDY. I thought you said it was worth \$5,000.

Mr. GROSBERG. I said it was worth \$5,000 a lot.

Senator KENNEDY. How much is the land totally worth?

Mr. GROSBERG. How much is it worth?

Senator KENNEDY. How much is your investment in the lands? None, is that correct?

Mr. GROSBERG. We have an investment of—

Senator KENNEDY. How much did you personally? I know you may have put some of the money that you borrowed from the pension and welfare plan into it. How much did you personally start this proposition off with before you borrowed money either from the union or the pension and welfare fund?

You told me \$18,000, of which you put in \$9,000; is that a correct statement?

Mr. GROSBERG. That is correct.

Senator KENNEDY. Therefore, you had an equity of \$18,000 in it. Then you borrowed \$37,000?

Mr. GROSBERG. We borrowed \$37,000.

Senator KENNEDY. You did, personally?

Mr. GROSBERG. Just a moment, please. May I talk to my counsel?

Senator KENNEDY. Yes.

(The witness conferred with his counsel.)

The CHAIRMAN. The Chair is being very indulgent about this consulting counsel. You can only consult counsel with respect to your legal rights. Of course, if counsel can refresh your memory, I'm not going to stop him, if that is what he is doing, but it seems to me that many of these questions are peculiarly within your own knowledge, primarily. I am just giving you a little suggestion. I want to be tolerant, but if I find this committee is being imposed on, there will be a different attitude on the part of the Chair and the committee.

Senator KENNEDY. Before we get to the 37, would you tell me how much George Fitzgerald put in of the 18? We know you put in nine. How much did he put in?

Mr. GROSBERG. He put in \$3,000.

Senator KENNEDY. He put in three. All right. That leaves six.

Did each of the other 2 gentlemen put in 3?

Mr. GROSBERG. My father put in three.

Senator KENNEDY. That is \$18,000. Then you borrowed \$37,000 from the union; is that correct?

\$37,500?

Mr. GROSBERG. That is correct.

Senator KENNEDY. That was not from the pension fund; that was from what?

Mr. GROSBERG. That was from the local union, and that was given to the Abstract & Title Co. under exactly the same terms upon which I explained to Senator Curtis when we borrowed the funds from the welfare.

Senator KENNEDY. Who is the head of that union?

Mr. GROSBERG. Well, \$37,500 came from local 299 and \$37,500 came from local 337.

Senator KENNEDY. Who are the presidents of those locals?

Mr. GROSBERG. 299, Mr. Hoffa, and 337, Mr. Brennan.

Senator KENNEDY. Mr. Brennan and Mr. Hoffa then loaned you \$37,500. Was it the Marbury Co. or you personally?

Mr. GROSBERG. Marbury, to the Abstract & Title Guarantee—

Senator KENNEDY. I understand. Then you secured a loan from the pension and welfare fund of what? What fund, of the two unions or that one local?

Mr. GROSBERG. No; the health and welfare fund.

Senator KENNEDY. Of which, 299?

Mr. GROSBERG. No; the health and welfare fund covers the entire State?

Senator KENNEDY. The what?

Mr. GROSBERG. It would be the health and welfare fund covering the entire State.

Senator KENNEDY. For all the teamsters of the State of Michigan?

Mr. GROSBERG. That is correct.

Senator KENNEDY. How much did you receive from the health and pension fund?

Mr. GROSBERG. Not the health and pension, just the health and welfare.

Senator KENNEDY. All right. How much?

Mr. GROSBERG. \$100,000.

Senator KENNEDY. You used the \$100,000 to pay off first the two loans of \$37,500, or not?

Mr. GROSBERG. No.

Senator KENNEDY. What did you do with it?

Mr. GROSBERG. That went to the Abstract Co.

Senator KENNEDY. So you had \$175,000?

Mr. GROSBERG. No. The other loans were paid off.

Senator KENNEDY. What did you use to pay them off?

Mr. GROSBERG. I borrowed money from another source.

Senator KENNEDY. Wait a minute. You got \$175,000 from the union and the health and welfare, the two locals plus the State of Michigan of the Teamsters health and welfare; is that correct, \$175,000?

Mr. GROSBERG. You are basically correct, but you are putting it, I think, improperly.

Senator KENNEDY. Tell me how.

Mr. GROSBERG. We did get the \$75,000, but that was paid off.

Senator KENNEDY. That is right, from two locals.

Mr. GROSBERG. That is correct.

Senator KENNEDY. Then you got the \$100,000 from the health and welfare fund of the Teamsters of Michigan; is that correct?

Mr. GROSBERG. After the other two loans were paid off.

Senator KENNEDY. What did you use to pay off the other two loans?

Mr. GROSBERG. I borrowed money from another source.

Senator KENNEDY. What source was that?

Mr. GROSBERG. My uncle.

Senator KENNEDY. Why didn't you get it from him in the first place instead of the union?

Mr. GROSBERG. I didn't think of it at the time.

Senator KENNEDY. What?

Mr. GROSBERG. I didn't think of it at the time.

Senator KENNEDY. You didn't think of it?

Mr. GROSBERG. No.

Senator KENNEDY. Then you thought of it. What does he do?

Mr. GROSBERG. It is a short-term loan. We only borrowed the money for around 60 days.

Senator KENNEDY. What does he do?

Mr. GROSBERG. Actually, I think he is retired.

Senator KENNEDY. What did he do?

That is a substantial sum of money. What did he do?

Mr. GROSBERG. He was an executive in the Wrigley Co., ACF Wrigley.

Senator KENNEDY. And you got the loan from him and you put up what in the way of security for that?

Mr. GROSBERG. Just a note.

Senator KENNEDY. On your own signature?

Mr. GROSBERG. Mine and Mr. Fitzgerald.

Senator KENNEDY. Then you had the \$100,000 from the health and welfare fund. You got \$75,000 from your uncle which you used to pay back to Mr. Brennan's and Mr. Hoffa's locals; is that correct?

Mr. GROSBERG. To the two locals; yes.

Senator KENNEDY. What other money did you get?

Mr. GROSBERG. \$135,000.

Senator KENNEDY. In addition. Where did you get that?

Mr. GROSBERG. From the welfare fund.

Senator KENNEDY. The \$100,000 is from the health and welfare; is that correct?

Mr. GROSBERG. That is right.

Senator KENNEDY. Is there a distinction?

Mr. GROSBERG. It is the same health and welfare.

Senator KENNEDY. First you got \$100,000 and then you got \$135,000?

Mr. GROSBERG. Yes.

Senator KENNEDY. \$235,000. That was a loan to the Marbury Co.; is that correct?

Mr. GROSBERG. No.

Senator KENNEDY. Where does that go?

Mr. GROSBERG. The loan was given to my father.

Senator KENNEDY. This loan was given to your father?

Mr. GROSBERG. That is right.

Senator KENNEDY. What did he put up for it? What security did he put up for it?

Mr. GROSBERG. Well, Mr. Fitzgerald and myself, and a Mr. Wolfgang, we borrowed the money. We wanted to borrow the money. But actually we thought it would be better if we went through my father because his collateral, his signature, and his worth would be much greater than either Mr. Fitzgerald, Mr. Wolfgang, or mine.

Senator KENNEDY. Who is Mr. Wolfgang?

Mr. GROSBERG. He is a lawyer in Detroit.

Senator KENNEDY. Who is he a lawyer for?

Mr. GROSBERG. I don't know who he is a lawyer for.

Senator KENNEDY. He is not a lawyer for the Teamsters?

Mr. GROSBERG. No.

Senator KENNEDY. Is he associated with Mr. Fitzgerald?

Mr. GROSBERG. No.

Senator KENNEDY. What does his wife do?

Mr. GROSBERG. She is connected with—I don't know the full name of the union.

Mr. KENNEDY. Hotel and Restaurant Workers.

Mr. GROSBURG. Is that it?

Mr. KENNEDY. Yes.

Mr. GROSBURG. All right.

Senator KENNEDY. You got the money. Your father signed the note for the extra \$135,000?

Mr. GROSBURG. But we signed over our homes to my father who signed them over to the welfare fund.

Senator KENNEDY. I could not hear that. You did what?

Mr. GROSBURG. We signed our homes.

Senator KENNEDY. Your personal?

Mr. GROSBURG. That is correct.

Senator KENNEDY. You and Mr. Fitzgerald did?

Mr. GROSBURG. I signed my home, Mr. Fitzgerald his home, and Mr. Wolfgang his home.

Senator KENNEDY. How much were they valued at?

Mr. GROSBURG. Well, my home is valued—

Senator KENNEDY. You signed them over to your father; is that correct?

Mr. GROSBURG. My father; yes.

Senator KENNEDY. All right.

Mr. GROSBURG. Then he in turn signed them over to the welfare fund.

Senator KENNEDY. Who is that attorney for the welfare fund?

Mr. GROSBURG. Who is the attorney?

Senator KENNEDY. Does Mr. Fitzgerald have any connection with the welfare fund?

Mr. GROSBURG. Yes.

Senator KENNEDY. What is his connection?

Mr. GROSBURG. I imagine he would be called one of the attorneys for the welfare fund.

Senator KENNEDY. And what is your connection? You are the accountant for the welfare fund?

Mr. GROSBURG. That is right.

Senator KENNEDY. Well, now, if that is not conspiring money with with an investment of practically nothing of your own. As I understand, it was \$4,000 of your own and you borrowed the other from the bank on your signature without putting up any equity?

Mr. GROSBURG. If I borrow money and I sign for it, I think I have the responsibility, and if something goes wrong, I have to meet it, and I think that could be considered, Senator, as an investment.

Senator KENNEDY. I will say to you that we have had voluminous hearings in the pension and welfare committee in the labor committee, and I consider this highly improper. For Mr. Fitzgerald to use his position as an attorney for this pension and welfare fund, and you the accountant, you being involved in the use of that money for your own and Mr. Fitzgerald's benefit in a construction company, that isn't where pension and welfare funds are supposed to be invested.

They are supposed to be invested in a secure investment so that those who are dependent on those investments will be sure they will receive them when they need them.

I do not consider that Mr. Fitzgerald exercised good judgment at all, in fact quite the reverse, or you, holding a position of responsi-

bility with the fund, and at the same time receiving money in loans from the fund, particularly with the small amount of equity that you and Mr. Fitzgerald put into this.

Mr. GROSBERG. These loans were secured, the interest payments were 6 percent, there was enough collateral to cover the loans in case something should go wrong. So I don't know why one would say these were insecure.

Senator KENNEDY. Well, now, why didn't you go to a bank and get it?

Mr. GROSBERG. Why didn't we go to a bank?

Senator KENNEDY. Yes. Why did you go to the pension and welfare fund?

Mr. GROSBERG. At the same time that I went and borrowed the money from the welfare fund for the Marbury Construction Co., we did borrow money from a bank, too.

Senator KENNEDY. How much?

Mr. GROSBERG. I think it came to—it was either \$30,000 or \$45,000.

Senator KENNEDY. What did you put up for equity for that?

Mr. GROSBERG. The same thing, construction loans.

Senator KENNEDY. In other words, Mr. Fitzgerald, your partner and you went to see you and Mr. Fitzgerald, representing the health and welfare fund, and secured the loan; is that correct?

Mr. GROSBERG. That is incorrect.

Senator KENNEDY. Who else did you see?

Mr. GROSBERG. They have the trustees.

Senator KENNEDY. Did you talk to Mr. Hoffa about it?

Mr. GROSBERG. I may have talked to Mr. Hoffa about it.

Senator KENNEDY. Did he agree to it?

Mr. GROSBERG. If we have the proper collateral and proper security.

Senator KENNEDY. I am not asking you if. Did he agree to it?

Mr. GROSBERG. If we had the proper collateral and proper security we can make application to the welfare fund.

Senator KENNEDY. He saw nothing improper in the attorney and accountant for this welfare and pension plan using funds of the welfare and pension plan, a quarter of a million dollars, in order to make money on their own? He saw nothing improper in that?

Mr. GROSBERG. If they were properly secured.

Senator KENNEDY. I am asking you. Don't put the "if" in. This is 1958. What was his judgment, that it was properly secured?

Mr. GROSBERG. I imagine they are properly secured. I am sure they are.

Senator KENNEDY. I am asking you what his judgment was.

Mr. GROSBERG. I don't know what his judgment would be, Senator.

Senator KENNEDY. Did he agree to give you the money?

Mr. GROSBERG. He actually could not agree to give me the money. He has nothing to do with the welfare fund.

Senator KENNEDY. He has something to do with 299. Did you talk to him?

Mr. GROSBERG. Yes.

Senator KENNEDY. And Mr. Brennan agreed to do it?

Mr. GROSBERG. On behalf of 237.

Senator KENNEDY. When you went to the State fund, did you talk to Mr. Hoffa at that time about it?

Mr. GROSBERG. No. We made an application to the welfare fund.

Senator KENNEDY. You and Mr. Fitzgerald?

Mr. GROSBERG. Yes.

Senator KENNEDY. Do you charge Mr. Hoffa for filling out his income tax?

Mr. GROSBERG. Do I charge him?

Senator KENNEDY. Yes.

Mr. GROSBERG. No.

Senator KENNEDY. I wouldn't think you would.

The CHAIRMAN. The Chair presents to you four checks, each of which is made payable to Sam Marroso. The first one is dated March 17, 1956, in the amount of \$250; the second is dated March 17, 1956, in the amount of \$50; the third is dated April 16, 1956, in the amount of \$300, and the fourth is dated January 29, 1957, in the amount of \$208.17. Apparently these checks are all drawn on your regular printed checks and signed by you.

I ask you to examine these checks and state if you identify them.

(The documents were handed to the witness.)

(The witness conferred with his counsel.)

The CHAIRMAN. Are those your checks?

Mr. GROSBERG. They are.

The CHAIRMAN. They may be made exhibits Nos. 6, A, B, C, and D.

(The documents referred to were marked "Exhibits Nos. 6A, B, C, and D" for reference and will be found in the appendix on pp. 13714-13717.)

The CHAIRMAN. Proceed, Mr. Kennedy.

Mr. KENNEDY. What was that money for?

Mr. GROSBERG. A group of us had made a wild excursion into a tomato venture in Florida, and Mr. Marroso had a piece of it.

Mr. KENNEDY. Who is Mr. Marroso?

Mr. GROSBERG. He at one time was a business agent for local 247.

Mr. KENNEDY. Local what?

Mr. GROSBERG. 247.

Mr. KENNEDY. Where is that located?

Mr. GROSBERG. In Detroit.

Mr. KENNEDY. Who else was in this venture? A number of union officials?

Mr. GROSBERG. There were a number of people.

Mr. KENNEDY. Was Mr. Brennan in this?

Mr. GROSBERG. No; he was not.

Mr. KENNEDY. Mr. Fitzgerald?

Mr. GROSBERG. Yes; he was.

Mr. KENNEDY. Had Mr. Marroso been in the penitentiary?

(The witness conferred with his counsel.)

Mr. GROSBERG. I am not sure if he was in a penitentiary or not.

Mr. KENNEDY. Was he in jail?

Mr. GROSBERG. I think he was in jail.

Mr. KENNEDY. Was that for receiving money from employers?

Mr. GROSBERG. I don't know what the story was.

Mr. KENNEDY. Did he have anything to do with this Marbury Construction Co. that you mentioned?

Mr. GROSBERG. Well, we used to go to him once in a while for a little bit of advice. Actually, I didn't know some of the people in

the trades, and he would help us contact some of the people in the construction trades.

Mr. KENNEDY. Was he paid a salary while he was with the Marbury Construction Co.?

Mr. GROSBERG. No; I don't think so. Maybe Mr. Fitzgerald can tell me.

Mr. KENNEDY. Maybe we should swear Mr. Fitzgerald, Mr. Chairman, if he has the answer to this.

Mr. GROSBERG. No; I don't think he was paid any money.

Mr. KENNEDY. He was not paid any money?

Mr. GROSBERG. No.

Mr. KENNEDY. Do you know that to be a fact that he received no money from the Marbury Construction Co.?

Mr. GROSBERG. I don't think he received any money from Marbury. If he did I certainly don't know it.

Mr. KENNEDY. Who retained him to perform these services or who decided you should consult with him?

Mr. GROSBERG. I don't think it would be a matter of actually retaining him. If we ran into a problem, I would call him myself.

Mr. KENNEDY. Now, he filed a statement with the parole board, and I would like to give a little background. He was convicted of extortion and sent to jail. He was involved with three other men, Mr. Linteau, Mr. Keating, and Mr. Nicolett, and while he was in jail his wife received his salary. After he got out of jail, he had to report to the parole officer, and he reported that he was working for the Marbury Construction Co.

Can you explain that to us? And he said he was receiving \$700 a month.

Mr. GROSBERG. May I see that, please?

The CHAIRMAN. Let us get the record straight now. Has the statement of counsel been sworn to, or is that information we have regarding the man's background?

Mr. KENNEDY. I believe it has been sworn to and it is already in the record.

The CHAIRMAN. It is in the record, or do you have that information?

Mr. KENNEDY. That is right.

The CHAIRMAN. The statement of counsel will be a statement for information upon which to predicate interrogation.

Mr. KENNEDY. I think Mr. Fitzgerald might be the best one to answer these questions about Mr. Marroso, because we have some other questions about their relationship that I would like to ask Mr. Fitzgerald, and maybe he would come up, too.

Mr. GROSBERG. I think on this matter of Marbury perhaps I could answer it better. Could I see that?

Mr. KENNEDY. I doubt if you would be able to identify the reports at the parole board. I understand Mr. Fitzgerald has some conversations with the parole officer; isn't that correct? Do you know about those?

Mr. GROSBERG. No.

Mr. KENNEDY. He states in these reports to the parole officer that he worked for the Marbury Construction Co. between November of 1955 and January of 1957 and he received on the average \$700 a month,

a total of \$9,000 from the Marbury Construction Co., and this was shortly after he got out of the penitentiary.

Mr. GROSBERG. I don't understand it.

Mr. KENNEDY. Do you know if he did any work for Mr. Fitzgerald during this period of time?

Mr. GROSBERG. I don't know.

Mr. KENNEDY. Could we ask Mr. Fitzgerald, Mr. Chairman?

The CHAIRMAN. Mr. Fitzgerald, do you want to answer?

Mr. LAWSON. May I say, Mr. Chairman—

The CHAIRMAN. Just a moment. Do you want to testify, or do you want to give any information you have before it?

Mr. FITZGERALD. I don't want anything left in any mystery.

The CHAIRMAN. I thought you wouldn't.

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

Mr. FITZGERALD. I do.

TESTIMONY OF GEORGE FITZGERALD

The CHAIRMAN. Mr. Fitzgerald has been identified in the record heretofore and you may proceed, Mr. Kennedy.

Mr. KENNEDY. Mr. Fitzgerald, you are the attorney for local 337?

Mr. FITZGERALD. That is right.

The CHAIRMAN. The Chair didn't mean to be discourteous to counsel. You started to say something?

Mr. LAWSON. I was going to say, Mr. Chairman, that while I had talked to Mr. Fitzgerald, and I knew he was willing to testify, I think it is sort of unusual to call counsel who is not under subpoena in this fashion. It is part of the procedure that Mr. Williams was talking about this morning.

The CHAIRMAN. All right. Mr. Fitzgerald, if he wants a subpoena, of course, we can provide it.

Mr. KENNEDY. I told Mr. Fitzgerald that he was going to be a witness during these hearings. He was notified and he has had books subpoenaed; isn't that correct?

Mr. FITZGERALD. You didn't tell me I was going to be a witness, but I have no hesitancy about testifying.

The CHAIRMAN. I am sure you don't.

Mr. KENNEDY. Mr. Fitzgerald, you are the attorney for local 337?

Mr. FITZGERALD. That is right.

Mr. KENNEDY. And you are the attorney for local 299?

Mr. FITZGERALD. That is right.

Mr. KENNEDY. And for Joint Council 43?

Mr. FITZGERALD. That is right.

Mr. KENNEDY. And also for the health and welfare fund?

Mr. FITZGERALD. Yes; I am one of the attorneys.

Mr. KENNEDY. Do you know Mr. Marroso?

Mr. FITZGERALD. Yes, sir.

Mr. KENNEDY. Could you tell us if you have had any business dealings with Mr. Marroso?

Mr. FITZGERALD. Well, Mr. Marroso was a business agent for local 247.

Mr. KENNEDY. Where is 247 located?

Mr. FITZGERALD. In the city of Detroit, and it performs certain functions in the drivers field and in the building field. I think it is building-supply materials or construction drivers.

Mr. KENNEDY. Did he get into any difficulty, and was indicted?

Mr. FITZGERALD. He got into difficulty, and he was indicted some time back.

The CHAIRMAN. Give us the record on that as near as you can. We may have it here.

Mr. FITZGERALD. I represented along with other counsel, Mr. Marroso and some of the other people charged with a conspiracy.

The CHAIRMAN. In what year?

Mr. FITZGERALD. That I don't know.

Mr. KENNEDY. It is September, I believe, he was indicted on September 9, 1953; and tried in 1954. The charges were (1) conspiracy to request and accept gifts, gratuities, and commissions, to act in a particular manner in relation to their employer's or principal's business, the union; and (2) requesting and accepting gifts, gratuities, and commissions to act in a particular manner in relation to their employer's or principal's business; and (3) conspiracy to extort money; and (4) extortion.

Mr. FITZGERALD. Mr. Marroso plead guilty to, I think, conspiracy to violate the so-called commercial bribery statute and the other counts were dismissed. He was sentenced from 6 months to 5 years.

The CHAIRMAN. Can you tell us how long he served?

Mr. FITZGERALD. He served about 8 months. Did I participate in the case, did you ask me? I participated in the preliminary examination which we have in Michigan instead of a grand jury presentation.

Mr. KENNEDY. Did you participate in the trial at all?

Mr. FITZGERALD. There was no trial. He pleaded guilty.

Mr. KENNEDY. Did you participate in all of the matters that led up to that?

Mr. FITZGERALD. Yes.

Mr. KENNEDY. And who paid your legal bills for that matter?

Mr. FITZGERALD. Well, I was paid a portion of the fee, and I worked for Mr. Haggerty part of the time.

Mr. KENNEDY. Who is he?

Mr. FITZGERALD. He was one of the attorneys who represented the group.

Mr. KENNEDY. Did you receive money from Mr. Haggerty?

Mr. FITZGERALD. That is right.

Mr. KENNEDY. How much did you receive?

Mr. FITZGERALD. I don't know.

Mr. KENNEDY. Who was Mr. Haggerty paid by?

Mr. FITZGERALD. Mr. Haggerty was paid by the union.

Mr. KENNEDY. So you received your money indirectly from the union?

Mr. FITZGERALD. I received my money and there was no "indirectly." I was paid our regular legal fee and it was all a matter of record, and Mr. Haggerty recorded it and I recorded it.

The CHAIRMAN. The only issue here is the union actually paid for legal counsel's services?

Mr. FITZGERALD. Yes, under authority of the local. I believe it was submitted to the membership, and the local unions or the joint council were authorized by the members to pay the legal fees growing out of certain grand jury indictments, and this was one of them.

Senator IVES. They were paid to Mr. James E. Haggerty?

Mr. FITZGERALD. I don't know what his middle initial is, Senator.

Senator IVES. I don't know, but it has some significance here in Washington.

Mr. FITZGERALD. I don't know what the initial of the James Haggerty at the White House is. Is that James C.?

Senator IVES. That is James C.

Mr. KENNEDY. Then he went to jail, did he?

Mr. FITZGERALD. Yes.

Mr. KENNEDY. And his salary continued while he was in jail?

Mr. FITZGERALD. Now you are asking me to testify as to hearsay, and do you want me to start assuming like these people did yesterday? I don't know.

Mr. KENNEDY. You don't know that?

Mr. FITZGERALD. No; I don't know of my own knowledge.

Mr. KENNEDY. Were you told that?

Mr. FITZGERALD. I heard it, and I wasn't told it, but I heard it.

The CHAIRMAN. Of course, the records will show.

Mr. FITZGERALD. We turned over all of the records to you, Mr. Kennedy.

Mr. KENNEDY. The records show that he was paid while in jail. Go ahead. Did you have any more interest in him after that?

Mr. FITZGERALD. Yes. I discussed this matter with the parole board, or some of the members, and they said they would not parole him if he was going to go back to work for a union.

Mr. KENNEDY. You must have been shocked at what he had done and plead guilty, extorting money from employers?

Mr. FITZGERALD. I am a lawyer, now just a moment.

Mr. KENNEDY. You wouldn't want the union to have anything more to do with him, would you?

Mr. FITZGERALD. I am not going to answer that type of a question, because what is in my mind is one thing, and I don't think that this partakes of a brainwashing, Mr. Kennedy, as far as what I think about things.

I will testify to the facts, and I have my own ideas about a lot of things, as you have, and I don't think that they would have any probative value as far as this committee is concerned.

Mr. KENNEDY. I think it is very interesting, what the attitude of the union and union officials is toward people who have extorted money from employers and betrayed their membership.

Mr. FITZGERALD. Do you think it is proper to ask an attorney who represented a man in a criminal case, what his condition of mind was with respect to the defendant?

Mr. KENNEDY. I am not asking you that. I am asking you as the attorney for the union and this is the attorney for the union. After Mr. Marroso got out of jail, did you have anything more to do with him?

The CHAIRMAN. The question would be directed as to whether you had anything to do with him as an official or representative of the union or if the union as such did?

Mr. FITZGERALD. I don't know. I had something to do with him. I know Mr. Marroso. We discussed, and I don't know, about getting some doors when doors were hard to handle, or doors for these houses, and we were trying to find where we could buy doors, and I know he did a lot of running around on that for the Marbury Construction Co.

Mr. KENNEDY. Did he receive any money for that?

Mr. FITZGERALD. I don't know, and I couldn't tell you. I don't know whether he was paid or not, of my own knowledge. The books of the Marbury Construction Co. would be the best evidence. You have seen those, or they were available to you.

Mr. KENNEDY. That is the Marbury Construction Co. to which the union had loaned all of this money?

Mr. FITZGERALD. That is right.

I don't know whether he was paid any money or not, and I know he did some work, as Mr. Grosberg said, and what work he did I don't know, because I never had anything to do with the operation of the Marbury Construction Co.

Mr. KENNEDY. Did you talk to the parole officer about Mr. Marroso?

Mr. FITZGERALD. Only once, I believe, or maybe twice.

Mr. KENNEDY. Did you go back to the parole officer and request permission for Mr. Marroso to go back to work for the union?

Mr. FITZGERALD. Yes; and I think sometime after that Mr. Marroso came to me and told me he was having a hard time of it and he had paid his penalty, and he thought he should be allowed to go back to work for the union, and I think I wrote a letter.

Mr. KENNEDY. Now, was he receiving any money from the union during this period?

Mr. FITZGERALD. I don't know.

Mr. KENNEDY. According to the records——

Mr. FITZGERALD. That is what you had better find out about, and we gave you those records.

Mr. KENNEDY. I am trying to find out what you know about it.

Mr. FITZGERALD. I don't know, and you know, and I gave you the records.

Mr. KENNEDY. We are trying to get some help from the union.

Mr. FITZGERALD. Without subpoena I gave you the records and you tell me what the records show.

Mr. KENNEDY. I am going to try to help you, if you don't know.

Mr. FITZGERALD. You don't have to help me. I have been helping you for 2 years.

The CHAIRMAN. Let us proceed. All the committee wants is help.

Mr. FITZGERALD. I am sorry.

Mr. KENNEDY. In order to assist and refresh Mr. Fitzgerald's recollection——

The CHAIRMAN. You may put the records in and if there is any explanation of them, if Mr. Fitzgerald has any knowledge about it, you may interrogate him about it.

Put the records in at this time, if we have them. The real crux of the thing here, as I see it, is the policy or practice, and this is not an isolated case, of the union dues being taken out of the treasury to

pay for the legal expenses and costs incurred in defending men for crime, and paying them a salary, either directly or indirectly, while they are serving their sentence, and even further, immediately upon their release taking them back under the wing of the union and employing them again in responsible positions, or otherwise aiding them financially.

It is a practice that is to be condemned irrevocably and without qualification. That is the real crux of this particular inquiry.

Mr. FITZGERALD. I think the history behind this is that we look at this because unions are strong and unions are wealthy. But I go back to the days when I represented a union and I am not trying to be heroic about it and they didn't have money to pay me.

The CHAIRMAN. I have represented people that didn't have money to pay me.

Mr. FITZGERALD. At that time there was a lot of prejudices against unions and union agents, and there were a lot of agents of unions in the old days charged with crime unjustly. I think perhaps judges and prosecutors were following what they thought was good conscience, but they were motivated by prejudice against unions.

Now naturally the feeling was at that time that a lot of these people got in these troubles because of their connections with unions. As time has gone on, the union has become strong, and the union has become powerful, and financially and otherwise, and now union business agents who go out on the street in organization work and things of that kind are subject to a lot of risk as far as criminal prosecutions are concerned.

I think you are going to find generally that union people and union members, and union officials who have gone through the hard days of trying to organize unions and take a lot of raps on the head, I think naturally a feeling that any union person who becomes involved in something growing out of his union activities, it is the feeling on the part of all union people that he should be supported as far as his legal defense is concerned, and hiring of lawyers for them.

(At this point the following members were present: Senators McClellan, Ives, Ervin, Curtis, and Kennedy.)

Mr. FITZGERALD. There have been cases growing out of this same grand jury where men were charged with a crime, and the union voted to pay the expenses. That went on for weeks, and the expenses were enormous, and the men were actually acquitted. The mere fact that the man is charged with a crime, if I may say this, as we all know, does not necessarily mean that man is guilty. Now we have participated, and had a lot of criminal prosecutions in Michigan and in 99—I think in all of the cases we found men acquitted, either by juries or by courts.

Now, if you passed a rule where a union agent charged with a crime could not be supported financially by the union, you would strip that man of any help he might expect to get, and he would have to be insane to go to work for a union and take the element of risk that there is involved in it.

It so happens in this case, Senator——

The CHAIRMAN. Mr. Fitzgerald.

Mr. FITZGERALD. May I say this: It so happens in this case, and I was going to end here, that there were 2 cases that grew out of this 1

grand jury. In the one case it went to trial and they were acquitted before a jury.

In this case, after the trial had started, they entered a plea of guilty. I don't think it relieved the union of the obligation as long as it was properly authorized, which I understand this was.

Senator ERVIN. Mr. Chairman?

The CHAIRMAN. The Chair wants to make this observation. I said this is not an isolated case. And the practice we have found, and I am not talking about where there is some charge about doing something on a picket line, necessarily, or something like that. But I am talking about where they have actually betrayed the membership by taking bribes, payoffs, or entering into collusion and conspiracy with management, or using the power of the union to extort.

I just cannot see any moral justification, and I think it should be made illegal for the union dues to be used for those purposes.

I just express my own view. Senator Ervin.

Senator ERVIN. I can understand the human appeal involved in defending a man in trouble. But for the life of me I cannot comprehend how any union as powerful as the Teamsters would make a business agent of a man who was sentenced to prison twice, one time to the Federal penitentiary at Fort Leavenworth, for falsely impersonating a Federal officer, and the second time to the State penitentiary of Ohio on conviction for armed robbery. Armed robbery is an offense which involves the offense of stealing, stealing by force or by intimidation. Yet the evidence before this committee is that this man who was convicted of armed robbery, and who was sentenced to a State prison for not less than 10 nor more than 25 years, comes out of the prison and is given a position as a business manager of a local in the Teamsters almost immediately after his discharge from prison where he was detained for one of the most serious offenses known to our law.

The evidence before this committee is that he continued to hold that office in the Teamsters Union until the day before he came before this committee last week and testified as a witness.

Also it appears before this committee that his nephew, who was also involved and sent to prison for crimes of somewhat similar nature, was, upon his release from prison, given a position as a business agent of another local union of the teamsters.

So far as the record discloses, he is still the occupant of that office. I can understand why a union or anybody else, out of the kindness of their heart, might want to defend a man in court, even though the act of the man did not arise out of the course of his employment, because certainly the union doesn't authorize men to go out and commit commercial bribery. But to take men of that character and give them positions of authority over other Americans immediately after their release from prison and before they have given any evidence of repentance, is something which I cannot comprehend.

That is all.

Senator CURTIS. Mr. Chairman?

The CHAIRMAN. Senator Curtis.

Senator CURTIS. I think in this matter of using union money to defend officers and agents and members of the union for criminal acts, probably we should draw a distinction between those acts which arise directly out of the labor controversy going on. During the investiga-

tion of the Kohler strike by the UAW, and in reference to Mr. Reuther's testimony, I was very critical of the use of union funds in cases such as the attack by Vincent on Van Ouwerkerk, which occurred in a tavern far removed from the strike scene, the pickets, and so on; the use of union funds to defend and resist extradition by Gunaca, which occurred likewise far removed from the strike.

There was another agent, or two, where union funds were used to defend an individual and a woman involved in some sort of disorderly conduct charge, that had no connection to the economic struggle going on.

I can appreciate what counsel has said about the historical background of unions defending their agents in regard to this, but I do think we should draw a distinction between those things that arise directly out of the lawful carrying out of the objectives of the union.

Mr. KENNEDY. Mr. Bellino, would you tell us what the records show as to the receipt of money by Mr. Marroso?

Mr. BELLINO. The records of Joint Council 43 reflect payments to Mrs. Sam Marroso during the period from November 1, 1954, to December 10, 1956. There was a total of \$17,614 paid to her.

The CHAIRMAN. How much?

Mr. BELLINO. \$17,614.

Mr. KENNEDY. So it would appear that Mr. Marroso was paid not only while he was in jail, but he was paid after he got out of jail? He continued on the union payroll, is that correct?

Mr. BELLINO. Yes, sir.

The CHAIRMAN. Does that cover the same period of time, or any part of the time that he was reporting to the parole officer that he was getting around \$700 a month from this company?

Mr. BELLINO. Yes, sir.

Mr. KENNEDY. Yes, sir.

The CHAIRMAN. What are the dates? Let's get it in the record while we have it here.

Do you have the parole report, Mr. Bellino?

Show what period of time there was duplication of payment from the company and also from the union.

Mr. Adlerman, do you solemnly swear 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. ADLERMAN. I do.

TESTIMONY OF JEROME S. ADLERMAN

The CHAIRMAN. Mr. Adlerman, you are a staff member, assistant counsel, to the committee?

Mr. ADLERMAN. Yes, sir.

The CHAIRMAN. Have you made an examination of the parole records of this Marroso?

Mr. ADLERMAN. Samuel J. Marroso.

The CHAIRMAN. And also of the records of the union and of the company, this construction company, with respect to payments made to Marroso?

Mr. ADLERMAN. I have only examined the parole records.

Mr. BELLINO. We have done that on the construction company.

The CHAIRMAN. You have examined the parole records?

Mr. ADLERMAN. That is right, sir.

The CHAIRMAN. What does it show he was reporting to the parole officer with respect to his income over what period of time?

Mr. ADLERMAN. He was paroled on November 26, 1956, and the first month he worked for the J. E. Bejin Cartage Co. as a road checker at \$400 a month. The second month—that is August 16, 1955—he worked for S. J. Groves at \$700 a month.

The CHAIRMAN. Well, you can shorten it.

Just as to this construction company.

Mr. ADLERMAN. Starting November 15, 1955, until December 18, 1956, he worked for the Marbury Construction Co., and his usual salary amounted to \$700 a month in accordance with the monthly parole records or reports that he filed with the parole board.

The CHAIRMAN. In other words, he was reporting he was getting about \$700 a month?

Mr. ADLERMAN. Yes, sir. There is a slight variation. In 1 month he shows \$1,500 and in another month he shows \$1,100, another month \$1,500. But most of the months are \$700. It might be that he had made additional fees. There is 1 month, in December 1955, when he listed his employment as Fitzgerald & Grosberg, \$700 a month. That is in that same period of time.

The CHAIRMAN. All I am trying to determine here, and that is all that is pertinent, is what period of those months where he was reporting and receiving pay from other sources, was the union paying him?

Mr. BELLINO. The wife was paid up to December 10, 1956; in the same period of time, he reported he was working for other companies.

The CHAIRMAN. In other words, his salary continued to go to the family during this period of time?

Mr. BELLINO. That is correct.

Mr. KENNEDY. So he was getting paid, according to his reports, working for the Marbury Construction Co., and Mr. Fitzgerald and Mr. Grosberg say he was not being paid by them—he was being paid by the union for the work that he was doing for the Marbury Construction Co. over that 2-year period?

Mr. BELLINO. To his wife.

Mr. KENNEDY. To his wife.

The CHAIRMAN. Is that correct?

Mr. FITZGERALD. No; that is not correct.

You will have to depend, Mr. Chairman, upon the records of the Marbury Construction Co. to show if he was paid anything. I don't know.

But I do know—I don't know about Fitzgerald and Grosberg. I know I never paid any money to Mr. Marroso, according to my records. You have my records. You have had Mr. Grosberg's records, so you can run that down, too. We gave them to you voluntarily. What work he did for us, I think, was best described by Mr. Grosberg.

Mr. KENNEDY. Why was he on the union payroll?

Mr. FITZGERALD. I don't know he was on the union payroll. You see, Mr. Kennedy, I can only answer your questions by making a comment. You take all the records that we turned over to you and then you check them, and then when you get through checking them you

reach a conclusion and you make a very unfair statement that he was being paid by the union for work that he was doing for Marbury Construction Co. We gave you all this data.

I think if there was anything wrong about it, we have never even been questioned on this, but I am telling you now, that this, as far as the payment of the union is concerned, was not for any work he did for Marbury Construction Co.

Mr. KENNEDY. That doesn't answer the question. Why was he being paid, this man who plead guilty of extortion, which amounts to betraying his membership, why was he receiving money during this period of time while he was working for the Marbury Construction Co.?

Mr. FITZGERALD. That I don't know, except I can see the reason why a union would pay him. If a man put a lot of years in in the union and in the union business and takes the abuse that they have had to take for the last 30 years, now they are beginning to see the light, if they have to take that abuse, if a man goes to jail, what do you want the union to do? Let the wife and child suffer?

Mr. KENNEDY. This is not working for the union. This is working against the union.

Mr. FITZGERALD. Until a man gets rehabilitated, I think it is a perfect right. If I was a union member I would vote for it.

Mr. KENNEDY. I think it is the most shocking thing to use union funds for this purpose, for a man who betrayed the union purpose. It could not be worse.

Mr. FITZGERALD. I would like to take you before the union involved and you present your side and I will present mine, and I guarantee you that my side would prevail overwhelmingly.

Mr. KENNEDY. Was this ever put to the membership?

Mr. FITZGERALD. It was put, as I understand it, to the joint council of union representatives who represent the different locals.

Mr. KENNEDY. There is nothing in the minutes indicating that.

Who was the head of the joint council?

Mr. FITZGERALD. Mr. Hoffa. But does that make it wrong?

The CHAIRMAN. Let's proceed.

Senator ERVIN. Mr. Fitzgerald, I assume that your duties to the union were of a legal nature rather than a bookkeeping nature?

Mr. FITZGERALD. I can't hear you.

Senator ERVIN. I assume that your relation to the union was that of counsel and client?

Mr. FITZGERALD. That is right.

Senator ERVIN. And you would not have anything to do with keeping the records or making payments on behalf of the union?

Mr. FITZGERALD. No; that is right.

Senator ERVIN. You stated to us a moment ago, as I recall, that you had no personal knowledge about that matter at all, with reference to whether he was or was not paid by the union.

Mr. FITZGERALD. When I say I had personal knowledge, maybe I should amend it. As counsel I did, because I know that it was submitted. If I am not mistaken, it was submitted before those payments were made. I don't want to absolve myself of responsibility, because I was counsel for the union, and the union agents were taking our counsel. If we had said to the union agent, "That is illegal," or that

is something, I know that the union agents, including Mr. Hoffa, would not have done it.

Senator ERVIN. The extent of your knowledge with reference to that particular matter was your knowledge that it had been authorized by the council?

Mr. FITZGERALD. I think we were consulted about it, and I think we advised them it was perfectly all right and not in violation of any statute.

The CHAIRMAN. All right, proceed.

Are there any further questions of Mr. Fitzgerald?

Mr. KENNEDY. Mr. Fitzgerald, have you received any other loans from the union other than the ones described here?

Mr. FITZGERALD. I think those are the only loans I have received.

Mr. KENNEDY. Those are the only loans you have received?

Mr. FITZGERALD. Yes. I am positive. The records will reflect it, but you mean from locals or anything like that?

Mr. KENNEDY. Locals or joint councils.

Mr. FITZGERALD. No.

Mr. KENNEDY. You have not?

Mr. FITZGERALD. No.

Mr. KENNEDY. No other money?

Mr. FITZGERALD. No.

Mr. KENNEDY. Or any company with which you have had a business interest, have they received any money other than the ones described?

Mr. FITZGERALD. No, sir.

Mr. KENNEDY. None at all?

Mr. FITZGERALD. No.

Mr. KENNEDY. Either the locals or welfare funds?

Mr. FITZGERALD. That is right.

Mr. KENNEDY. Now, I have one other question for Mr. Grosberg.

Mr. Grosberg, were you the accountant also for Holtzman and Bushkin?

TESTIMONY OF HERBERT GROSBURG—Resumed

Mr. GROSBURG. Yes, sir.

Mr. KENNEDY. You have been the accountant for them?

Mr. GROSBURG. Yes, sir.

Mr. KENNEDY. How long were you accountant for Holtzman and Bushkin?

Mr. GROSBURG. When did they begin? You have the records, and if you could tell me when they began, perhaps I could help you.

Mr. KENNEDY. You do not know how long you were the accountant for them?

Mr. GROSBURG. I couldn't tell you that. It was for a number of years.

Mr. KENNEDY. Was it during the 1950's or 1940's?

Mr. GROSBURG. Let us say it was about 1950 or 1951, whenever they began.

Mr. KENNEDY. To the best of your knowledge, they began in 1950 or 1951?

Mr. GROSBURG. Something like that; yes.

Mr. KENNEDY. From an examination of those books and records, was Mr. Holtzman or Mr. Bushkin making any purchases for Mr. Hoffa or Mr. Brennan?

Mr. GROSBERG. I don't remember that.

Mr. KENNEDY. You don't remember?

Mr. GROSBERG. I could find out and I could check the records.

Mr. KENNEDY. From an examination of the books. You do not remember any purchases that they might have made for Mr. Hoffa or Mr. Brennan?

Mr. GROSBERG. No.

Mr. KENNEDY. Did you see any evidence of any loans that he made to Mr. Hoffa?

Mr. GROSBERG. No.

Mr. KENNEDY. You never saw any evidence of any loans?

Mr. GROSBERG. No.

Do you mean in the books?

Mr. KENNEDY. Yes.

Mr. GROSBERG. In the company books; no.

Mr. KENNEDY. You did not?

Mr. GROSBERG. No.

The CHAIRMAN. Are there any further questions?

Mr. KENNEDY. I have one other question.

Did you make up a net-worth statement for Mr. Hoffa?

Mr. GROSBERG. A net-worth statement was made up a number of years ago.

Mr. KENNEDY. How many years ago?

Mr. GROSBERG. To tell you the truth, I don't remember how many years ago.

Mr. KENNEDY. What happened to it, and where is it now?

Mr. GROSBERG. I don't have it any more.

Mr. KENNEDY. Where is it?

Mr. GROSBERG. Actually, when we were being checked by the Internal Revenue, Mr. Fitzgerald and I were handling it and on the advice of Mr. Fitzgerald, since we were not going to present it, it made no difference.

Mr. KENNEDY. What did you do with it?

Mr. GROSBERG. I destroyed it.

Mr. KENNEDY. You destroyed the net-worth statement?

Mr. GROSBERG. Yes, sir.

Mr. KENNEDY. On the instructions of Mr. Fitzgerald?

Mr. GROSBERG. I wouldn't say the instructions of Mr. Fitzgerald.

Mr. KENNEDY. Or the suggestion of Mr. Fitzgerald?

Mr. GROSBERG. I said perhaps on advice of counsel.

Mr. KENNEDY. That was Mr. Fitzgerald?

Mr. GROSBERG. Mr. Fitzgerald and I.

Mr. KENNEDY. During the period of time Mr. Hoffa was under investigation by the Internal Revenue Service?

Mr. GROSBERG. No, it was before he was under investigation.

Mr. KENNEDY. I thought you said he was beginning to be under investigation.

Mr. GROSBERG. I beg your pardon.

Mr. KENNEDY. You just stated that he was under investigation.

Mr. GROSBERG. I said before he was under investigation, and we don't have to submit a net-worth statement to the Internal Revenue Department.

Mr. KENNEDY. Didn't you tell Mr. Bellino that you turned the net-worth statement over to Mr. Fitzgerald?

Mr. GROSBERG. I told Mr. Bellino that I may have, and I wasn't too sure, and since I had spoken to Mr. Bellino I did talk to Mr. Fitzgerald.

Mr. KENNEDY. Why would it be necessary to destroy this document?

Mr. GROSBERG. What is the sense of keeping it?

Mr. KENNEDY. It is the only record that you have whatsoever and the only record that you state you have and you destroy that?

Mr. GROSBERG. What is the sense of keeping it?

Mr. KENNEDY. It is a net-worth statement and a record, and why destroy it, Mr. Grosberg?

Mr. GROSBERG. It is no record actually.

Mr. KENNEDY. Excuse me.

Mr. GROSBERG. It is not a record.

The CHAIRMAN. Is there anything further?

Mr. LAWSON. Mr. Chairman, may I just say this one sentence, implicit in what I understand Senator Curtis to have said and Mr. Fitzgerald, I think I would like to say this, because it is part of the function of this committee:

We have heard a lot of talk here today and some of it properly about what Mr. Justice Brandeis used to call the tyranny of labor. Here we have a piece of legislation, and I refer to the Ives-Kennedy bill, for which there seems to me to be a compelling necessity. I raise a question about the tyranny of capital.

The CHAIRMAN. That is out of order for the moment. My goodness, make a speech somewhere else.

The committee will stand in recess until 10 o'clock in the morning.

(Whereupon, at 4:35 p. m., the committee recessed, to reconvene at 10 a. m., Thursday, August 7, 1958.)

INVESTIGATION OF IMPROPER ACTIVITIES IN THE LABOR OR MANAGEMENT FIELD

THURSDAY, AUGUST 7, 1958

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 recess, 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 Frank Church, Democrat, Idaho; Senator Karl E. Mundt, Republican, South Dakota; Senator Carl T. Curtis, Republican, Nebraska.

Also present: Robert F. Kennedy, chief counsel; Paul Tierney, assistant counsel; John J. McGovern, assistant counsel; Carmine S. Bellino, accountant; Pierre E. Salinger, investigator; Leo C. Nulty, investigator; James P. Kelly, investigator; James Mundie, investigator, Treasury Department; John Flanagan, investigator, GAO; Alfred Vitarelli, investigator, GAO.

The CHAIRMAN. The committee will please come to order.

(Members of the committee present at the convening of the session were: Senators McClellan, Ives, Ervin, and Curtis.)

The CHAIRMAN. Call the next witness.

Mr. KENNEDY. Yesterday afternoon we were discussing the Marbury Construction Co. and the loans of over \$200,000 that were made to that company that was owned by George Fitzgerald, the attorney for the Teamsters in Detroit, and for Mr. Grosberg, who was the accountant for the Teamsters in Detroit. We then developed the fact that Mr. Marroso had informed his parole officer that he was on the payroll of the Marbury Construction Co., while, in fact, he was receiving his money through Joint Council 43 in Detroit.

We had Mr. Fitzgerald and Mr. Grosberg as witnesses, and we weren't able to cast too much light on it, and we are now going to call Mr. Marroso in connection with that.

The CHAIRMAN. Will you be sworn, please?

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

Mr. MARROSO. I do.

**TESTIMONY OF SAMUEL J. MARROSO; ACCOMPANIED BY HIS
COUNSEL, HARRY C. ALLDER**

The CHAIRMAN. State your name and your place of residence and your business or occupation.

Mr. MARROSO. My name is Samuel J. Marroso, and I live at Utica, Mich.

The CHAIRMAN. What is your business or occupation, please, sir?

Mr. MARROSO. I assert my privilege under the fifth amendment and decline to be a witness against myself.

The CHAIRMAN. Do you honestly believe that you would be testifying against yourself if you told what your occupation is?

Mr. MARROSO. I assert my privilege under the fifth amendment and decline to be a witness against myself, as I honestly believe my answer may tend to incriminate me.

The CHAIRMAN. You have counsel present?

Mr. MARROSO. I do.

The CHAIRMAN. Will you identify yourself?

Mr. ALLDER. My name is Harry Clifford Alder, member of the District of Columbia Bar.

The CHAIRMAN. The Chair asked you if you have counsel and he can advise you about it. The Chair asked you if you honestly believe that if you answered truthfully the question, what is your business or occupation, that a truthful answer thereto might tend to incriminate you.

Mr. MARROSO. I assert my privilege under the fifth amendment and decline to be a witness against myself as I honestly believe my answer may tend to incriminate me.

The CHAIRMAN. The Chair, with the approval of the committee, orders and directs you to answer the question, do you honestly believe that if you gave a truthful answer to the question, what is your business or occupation, that a truthful answer might tend to incriminate you.

Mr. MARROSO. I assert my privilege under the fifth amendment and decline to be a witness against myself as I honestly believe my answer may tend to incriminate me.

The CHAIRMAN. Mr. Counsel, make note of this witness' testimony and proceed with it as you have under instructions with others.

You may proceed.

Mr. KENNEDY. Mr. Marroso, were you a business agent for local 247 of the Teamsters?

Mr. MARROSO. I assert my privilege under the fifth amendment and decline to be a witness against myself.

Mr. KENNEDY. And you had worked for local 614 in Pontiac, Mich., isn't that correct, in 1950?

Mr. MARROSO. I assert my privilege under the fifth amendment and decline to be a witness against myself.

Mr. KENNEDY. Now, Mike Nicoletti, was president of local 247, and you and he were involved in the extortion of money from employers, isn't that right?

Mr. MARROSO. I assert my privilege under the fifth amendment and decline to be a witness against myself.

Mr. KENNEDY. You received a total of \$7,825 from truckers and construction companies?

Mr. MARROSO. I assert my privilege under the fifth amendment and decline to be a witness against myself.

The CHAIRMAN. Did you keep all of that money or did you split it with others?

Mr. MARROSO. I assert my privilege under the fifth amendment and decline to be a witness against myself.

Senator ERVIN. Mr. Chairman, I respectfully submit that in view of the constitutional provisions no man can be put twice in jeopardy for the same offense, and no man can invoke the privilege of the fifth amendment when he is asked with respect to his prior convictions of criminal offenses when he has been convicted.

The CHAIRMAN. Ask the questions, Mr. Counsel.

Mr. KENNEDY. Were you convicted for the extortion of money from certain employers during 1954?

Mr. MARROSO. I assert my privilege under the fifth amendment and decline to be a witness against myself.

The CHAIRMAN. With the approval of the committee, the Chair orders and directs the witness to answer the question.

Mr. MARROSO. I assert my privilege under the fifth amendment and decline to be a witness against myself.

The CHAIRMAN. You were convicted; were you not?

Mr. MARROSO. I assert my privilege under the fifth amendment and decline to be a witness against myself.

The CHAIRMAN. You pleaded guilty; didn't you?

Mr. MARROSO. I assert my privilege under the fifth amendment and decline to be a witness against myself.

The CHAIRMAN. You did commit the offense; didn't you?

Mr. MARROSO. I assert my privilege under the fifth amendment and decline to be a witness against myself.

The CHAIRMAN. Proceed.

Mr. KENNEDY. Now, according to the information from an examination of the files, Mr. Chairman, between Marroso and Nicoletti, they made additional demands for \$11,500; is that correct?

Mr. MARROSO. I assert my privilege under the fifth amendment and decline to be a witness against myself.

Mr. KENNEDY. And, Mr. Chairman—

The CHAIRMAN. Were you representing the Teamsters Union at the time of this offense?

Mr. MARROSO. I assert my privilege under the fifth amendment and decline to be a witness against myself.

The CHAIRMAN. Is that a part of the policy of the Teamsters Union in your area, to commit these offenses and then cover up with the fifth amendment?

Mr. MARROSO. I assert my privilege under the fifth amendment and decline to be a witness against myself.

The CHAIRMAN. Proceed.

Mr. KENNEDY. According to the parole officer whom we have interviewed, Mr. Marroso indicated that he was forced to kick back some of this money to certain other individuals, and I would like to find out from Mr. Marroso if that is correct. Is that correct?

Mr. ALLDER. Would you state the question? I think that you made a statement and not a question.

The CHAIRMAN. He made a statement and asked the witness if it was correct. You may restate the question so that the witness may understand.

Mr. KENNEDY. According to our interviews with the parole officer, Mr. Marroso told him that he had to kick back certain of these moneys to certain other individuals, and I want to ask you, Mr. Marroso, if that is correct? Did you tell the parole officer that?

Mr. MARROSO. I assert my privilege under the fifth amendment and decline to be a witness against myself.

Mr. KENNEDY. Did you in fact kick back any of this money to other union officials?

Mr. MARROSO. I assert my privilege under the fifth amendment and decline to be a witness against myself.

Mr. KENNEDY. Is it for that reason, Mr. Marroso, that the union paid for your legal fees and continued your salary while you were in jail, and continued your salary for a period of approximately 2 years after you were in jail?

Mr. MARROSO. I assert my privilege under the fifth amendment and decline to be a witness against myself.

(At this point, the following members were present: Senators McClellan, Ives, Ervin, Curtis.)

Mr. KENNEDY. Is it because you had information on other higher union officials? Is that why this was done?

Mr. MARROSO. I assert my privilege under the fifth amendment and decline to be a witness against myself.

Mr. KENNEDY. Can you tell us how you were able to get your job as business agent in the first place, Mr. Marroso.

Mr. MARROSO. I assert my privilege under the fifth amendment and decline to be a witness against myself.

Mr. KENNEDY. You had a criminal record, did you not? You had been arrested a number of times as a youth, and you were convicted of grand larceny in 1934 and received 2 years' probation?

Mr. MARROSO. I assert my privilege under the fifth amendment and decline to be a witness against myself.

Mr. KENNEDY. Was it a prerequisite to have a criminal record to work or to be an officer in the locals around Detroit?

Mr. MARROSO. I assert my privilege under the fifth amendment and decline to be a witness against myself.

Senator CURTIS. Mr. Chairman?

The CHAIRMAN. Senator Curtis.

Senator CURTIS. I arrived a bit late. Are you currently employed?

Mr. MARROSO. I assert my privilege under the fifth amendment and decline to be a witness against myself.

Senator CURTIS. That is all, Mr. Chairman.

The CHAIRMAN. All right, proceed.

Mr. KENNEDY. Could you tell us, Mr. Marroso, why Mr. George Fitzgerald would write to your parole officer on December 1, 1955, and make a request that you be allowed or permitted to go to work for the Teamsters after you had betrayed the membership?

Mr. MARROSO. I assert my privilege under the fifth amendment and decline to be a witness against myself.

Mr. KENNEDY. Mr. Chairman, could Mr. Adlerman identify this letter?

Could we have it put in as an exhibit?

The first document, Mr. Chairman, is a conditional parole that he was not to go to work for the Teamsters.

The CHAIRMAN. Has this document been put into the record?

Mr. KENNEDY. No. I would like to put both of those in.

The CHAIRMAN. Mr. Adlerman, have you been previously sworn?

Mr. ADLERMAN. I have.

The CHAIRMAN. I hand you here a document and ask you to examine it and state what it is.

Mr. ADLERMAN. This is a State of Michigan Parole Board report dated April 26, 1955. Under the term of special instructions to the parole officer, the terms and conditions of parole, it is a statement:

To parole officer: Attorney for A. F. of L., George Fitzgerald, assures us that this man will not work for the A. F. of L.

At that time the Teamsters Union was in the A. F. of L.

The CHAIRMAN. The document may be printed in full in the record at this point for reference.

STATE OF MICHIGAN

PAROLE BOARD HEARING

Inmate: Samuel J. Marroso, No. 87767D.

Place: Lansing—Executive session.

Date: 4-26-55.

Present: A. Ross Pasco, Fred C. Sanborn, John A. Trudell, Roy H. Nelson.

Reason for hearing: Passed over.

Order: Parole balance of maximum, May 26, 1955 (afd) to Detroit, subject to home and employment.

Special conditions: None.

Special instructions to parole officer: Attorney for A. F. of L., George Fitzgerald, assures us that this man will not work for the A. F. of L.

EXAMINATION OF INMATE

Action taken in executive session. Plans to return to his wife, Lillian, at 46801 Van Dyke, Utica. Attorney George Fitzgerald, 2550 Guardian Michigan Building, Detroit, Woodward 5-4900, will get him a job—he is not going to work for the union.

Attest: LW.

LOIS WELLMAN, *Acting Reporter.*

The CHAIRMAN. Where did you obtain this document?

Mr. ADLERMAN. This document was obtained from the official files of the parole board for the Michigan State Board of Parole.

The CHAIRMAN. All right.

I present to you now a—what is the date of that first document?

Mrs. WATT. April 26, 1955.

The CHAIRMAN. I present to you now a letter and ask you to identify it and state where you obtained it.

Mr. ADLERMAN. This is a letter under the stationery of George Fitzgerald, bearing the signature of George Fitzgerald, to Charles McCarty, Michigan State Board of Parole, Mount Clemens, Mich., dated December 1, 1955. This letter was taken from the files, official files, the State board of parole.

The CHAIRMAN. The letter may be printed in full in the record at this point. Pertinent excerpts from it may be referred to, Mr. Counsel, if you desire.

LAW OFFICES, GEORGE S. FITZGERALD,
Detroit, Mich., December 1, 1955.

Mr. CHARLES McCARTY,
*Michigan State Parole Board,
 County Building, Mount Clemens, Mich.*

DEAR MR. McCARTHY: In pursuit of our telephone conversation of yesterday, I respectfully request permission on the part of my client, Teamsters Union Joint Council No. 43, to employ Sam Marroso who is now on parole under your supervision. Mr. Marroso will be given duties within certain prescribed limits in accordance with the items we discussed on the telephone. These duties will be such as to negative any possibility of his getting into trouble, particularly by accident or coincidence. We are making this request of you and of your superiors in the best interest not only of our union, but also Mr. Marroso and his family.

Mr. Marroso performed very valuable work for the union and its employees in the past and is fully equipped by experience and ability to do fine work.

Because of his long record of union activities, it is almost impossible for Mr. Marroso to find employment elsewhere that would suit his talents. Therefore, we believe that his future lies in the trade-union movement and that he will fully justify the faith that we have in him and that I think you have in him if given an opportunity to work along lines of administration and liaison work in the union.

It is respectfully asked that you advise us at your convenience as to your decision in this matter. We hope that it will be favorable. We will be happy to accept any suggestions from you or your office in regard to Mr. Marroso's matter since we have no desire except to cooperate.

Very truly yours,

GEORGE S. FITZGERALD.

Mr. KENNEDY. Could you tell us, Mr. Marroso, why the Teamsters, through their attorney, were so anxious to take care of you after you had betrayed the membership of the local?

Mr. MARROSO. I assert my privilege under the fifth amendment and decline to be a witness against myself.

The CHAIRMAN. How long had you been out on parole when the letter was written?

Mr. MARROSO. I assert my privilege under the fifth amendment and decline to be a witness against myself.

The CHAIRMAN. May I ask the staff, Do we have any record of the date he was released on parole? I assume it is the date of that last document.

Mr. KENNEDY. I will check it.

He was paroled, Mr. Chairman, 5-20-55, May 20, 1955.

Mr. ADLERMAN. He was discharged from parole on June 27, 1958, 4 months in advance of the time of his parole, of the end of his parole.

The CHAIRMAN. Proceed.

Mr. KENNEDY. A good deal of the arrangement that you had with the employers was collusion, was it not, Mr. Marroso, rather than just shaking them down?

Mr. MARROSO. I assert my privilege under the fifth amendment and decline to be a witness against myself.

Mr. KENNEDY. One of the people you received money from was Louie Garavaglia, but I notice you went to work for him in 1958, and he put you on his payroll in 1958. Can you explain that to the committee?

Mr. MARROSO. I assert my privilege under the fifth amendment and decline to be a witness against myself.

Mr. KENNEDY. And he was paying you during the first 5 months of 1958, \$600 a month; isn't that correct?

Mr. MARROSO. I assert my privilege under the fifth amendment and decline to be a witness against myself.

Mr. KENNEDY. Also we find that in 1957 you worked for the Comstock Corp.? Could you tell us what the Comstock Corp. was?

Mr. MARROSO. I assert my privilege under the fifth amendment and decline to be a witness against myself.

Mr. KENNEDY. You were supposedly getting some \$750 to \$950 a month from the Comstock Corp. Is that correct?

Mr. MARROSO. I assert my privilege under the fifth amendment and decline to be a witness against myself.

Mr. KENNEDY. Isn't it correct that the Comstock Corp. was a corporation that was formed to build, erect, a gambling casino in Las Vegas, Nev.?

Mr. MARROSO. I assert my privilege under the fifth amendment and decline to be a witness against myself.

Mr. KENNEDY. And isn't it correct that your position in that Comstock Corp. was to get the financing from the welfare funds of the Teamsters Union?

Mr. MARROSO. I assert my privilege under the fifth amendment and decline to be a witness against myself.

Mr. KENNEDY. Could you tell us why the Teamsters would be interested in investing welfare funds in the gambling casino in Las Vegas, Nev.?

Mr. MARROSO. I assert my privilege under the fifth amendment and decline to be a witness against myself.

Mr. KENNEDY. Will you tell us anything about the Comstock Corp.?

Mr. MARROSO. I assert my privilege under the fifth amendment and decline to be a witness against myself.

Mr. KENNEDY. Isn't it correct that this scheme fell through shortly after 1957 when this committee came into existence?

Mr. MARROSO. I assert my privilege under the fifth amendment and decline to be a witness against myself.

Mr. KENNEDY. Would you tell us of your conversations with Mr. Hoffa about this investment?

Mr. MARROSO. I assert my privilege under the fifth amendment and decline to be a witness against myself.

The CHAIRMAN. Are there any other questions?

Senator ERVIN. What office did you hold in the union at the time you were charged with this crime?

Mr. MARROSO. I assert my privilege under the fifth amendment and decline to be a witness against myself.

Senator ERVIN. You do not claim that you were authorized by the union to go out and commit this crime; do you?

Mr. MARROSO. I assert my privilege under the fifth amendment and decline to be a witness against myself.

Senator ERVIN. Did you commit this crime for the union's benefit or for your own financial benefit?

Mr. MARROSO. I assert my privilege under the fifth amendment and decline to be a witness against myself.

The CHAIRMAN. I don't know whether you committed it for the union or not, or with their approval or under their instructions, but if they paid your salary and paid your defense fees, from my viewpoint they condoned your act.

Do you want to explain it?

Mr. MARROSO. I assert my privilege under the fifth amendment and decline to be a witness against myself.

Mr. KENNEDY. They certainly were in on this situation as far as the Marbury Construction Co. You were telling the parole officer that you were working for the Marbury Construction Co., that you were receiving your salary from them, when, in fact, you were getting your money from the union, and the union was financing the Marbury Construction Co.

Isn't that correct?

Mr. MARROSO. I assert my privilege under the fifth amendment and decline to be a witness against myself.

Mr. KENNEDY. Were these statements that you filed with the parole officer correct?

Mr. MARROSO. I assert my privilege under the fifth amendment and decline to be a witness against myself.

The CHAIRMAN. The witness will remain under his present subpoena, subject to being recalled by the committee at such time as the committee may desire to further interrogate him.

If you will acknowledge that recognizance, we can then have an understanding about it. Reasonable notice will be given to you. Do you acknowledge that recognizance?

(The witness conferred with his counsel.)

Mr. MARROSO. Yes; I do.

The CHAIRMAN. You agree to it?

Mr. MARROSO. Yes.

Senator ERVIN. At long last we got a question answered by the witness.

The CHAIRMAN. All right. You may stand aside.

Call the next witness.

Mr. KENNEDY. Mr. Chairman, the next witness will be Mr. Embrel Davidson.

The CHAIRMAN. Come forward, Mr. Davidson.

Be sworn, please.

Hold up your right hand. You do solemnly swear 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. DAVIDSON. I do.

TESTIMONY OF EMBREL DAVIDSON

The CHAIRMAN. State your name, your place of residence, and your business or occupation.

Mr. DAVIDSON. My name is Embrel Davidson. I reside in Youngstown, Ohio, 526 Belmont. I am with the maintenance department of the Jewish Community Center; also a musician; ex-prizefighter.

The CHAIRMAN. Ex-prizefighter?

Mr. DAVIDSON. Yes.

The CHAIRMAN. Do you waive counsel, Mr. Davidson?

Mr. DAVIDSON. I beg your pardon.

The CHAIRMAN. You waive counsel? You do not have an attorney to represent you.

Mr. DAVIDSON. No; I don't.

The CHAIRMAN. Do you feel the need of counsel?

Mr. DAVIDSON. No.

The CHAIRMAN. All right. Thank you. Proceed, Mr. Kennedy.

Mr. KENNEDY. Mr. Davidson, can you tell the committee a little of your background, where you come from?

Mr. DAVIDSON. Well, originally I was born in East St. Louis, Ill., May 16, 1929. I left there when I was about a year old, with my mother, and as a kid I was brought up in Chicago, and I later went to Columbus, Ohio, after my mother's mother died. She moved to Columbus and I was there with her until I joined the service. After 3 years in the service, I was discharged with a dependency discharge, and I started boxing, amateur, and after amateur career, I turned professional. Upon turning professional, I went to Detroit, Mich.

Mr. KENNEDY. When did you become an amateur fighter?

Mr. DAVIDSON. While waiting for a dependency discharge in the service in 1948.

Mr. KENNEDY. When did you become a professional fighter?

Mr. DAVIDSON. In March 1949.

Mr. KENNEDY. That was in Detroit?

Mr. DAVIDSON. Yes.

Mr. KENNEDY. You were a heavyweight, were you?

Mr. DAVIDSON. Yes.

Mr. KENNEDY. Who was your manager back in 1948, 1949, and 1950?

Mr. DAVIDSON. The first manager I had was a fellow out of Columbus, Ohio, named Frank Junco; he taken me to Detroit and put me under the wing of Mr. John White, coowner of the Gotham Hotel. Another fellow in Detroit became interested in me named Mr. Frank Loftus. He, through some negotiations, bought the contract from Mr. Junco.

Mr. KENNEDY. So Mr. Frank Loftus was your manager in Detroit in 1950; is that right?

Mr. DAVIDSON. He was my manager in the latter part of 1949.

Mr. KENNEDY. Did he have a partner—Mr. Loftus—in his managing of you?

Mr. DAVIDSON. Well, not at the time. He was doing some business with Mr. John Roxburgh, who used to be manager of Joe Louis. He said, "Well, maybe you can get the guy some fights for me." So he agreed to do what he could do to get us some fights.

Mr. KENNEDY. Who agreed to it?

Mr. DAVIDSON. Mr. Roxburgh, at the time. That was in 1949.

Mr. KENNEDY. Did then Mr. Louis himself come in and become a partner?

Mr. DAVIDSON. Joe Louis was only a partner to the extent where he would use his connections with the IBC to get us some fights, and Mr. Loftus would furnish the other expense money, and so forth.

Mr. KENNEDY. I see.

You went along with Mr. Loftus for a while; could you tell us about your relationship with him?

Mr. DAVIDSON. Well, he and I got along pretty fair, up to the point where he was—he was a temperamental fellow, and seemed to get excited. I guess he was interested in the money that he could make out of the fight racket.

So there were occasions where he would get mad at me and say, "Well, you don't want to fight, so get you another manager."

So I would have to do the best I could until he would cool down. He went along with me until 1952.

Mr. KENNEDY. What was his main source of income, as you understood it, in Detroit?

Mr. DAVIDSON. Well, he had some investments, I understood. It is on record in Detroit that he has been mixed in with some illegitimate business.

Mr. KENNEDY. He was one of the numbers rackets, in the numbers rackets out there, was he not? I think that has been established.

Mr. DAVIDSON. I understand it is.

Mr. KENNEDY. And he kept you until 1952?

Mr. DAVIDSON. Yes.

Mr. KENNEDY. Was he getting any assistance during that period of time in getting fights?

Mr. DAVIDSON. Well, there was a fellow named Willie DeMingus. He was a promoter. That is all he was. He would promote fights. Mr. Loftus told me that he was financing the fights, we fought some fights in Grand Rapids. Some of the fights was fought in Windsor, Ontario. I understand that he was putting up most of the money for the matchmaking and the booking of the fights. That assistance I know of him having, because Mr. DeMingus was the—

Mr. KENNEDY. Was there a Mr. Sam Finazzo? Was he also getting some fights for you?

Mr. DAVIDSON. Well, Sam, I know, because he was around the gym, and I would see him.

Mr. KENNEDY. F-i-n-a-z-z-o?

Mr. DAVIDSON. Well, I couldn't swear to how he spelled his last name. But he would be around the gym. Everybody around the gym had the idea that well, he owned the gymnasium.

I know he had quite a bit of influence in getting fights for different fighters. What he received from it, I don't know. I never inquired.

Mr. KENNEDY. You stayed with Mr. Loftus until about 1952. Could you tell us what happened?

Mr. DAVIDSON. Well, in 1952, I became disgusted with Mr. Loftus because of the fact that he was not getting me any fights. There ceased to be fights for me. I mean, too, I didn't appreciate his way of talking to me at some times. So I wanted to get away from him.

Mr. KENNEDY. What kind of fights was he getting you?

Mr. DAVIDSON. Well, there would be some 10-round fights where I would receive as low as \$150 or \$200. I don't call that making money in the fight game, because I was in there to make a decent living and to get out. So he would give me those types of fights. Then, too, as I say, I did not appreciate his way of wording things toward me. His obscene literature, I know that every man will use obscene literature.

Mr. KENNEDY. You mean obscene statements?

Mr. DAVIDSON. Yes.

Mr. KENNEDY. So you wanted to get away from him?

Mr. DAVIDSON. Definitely.

(At this point, members of the committee present were: Senators McClellan, Ives, Ervin, and Curtis.)

Mr. KENNEDY. And he did get you a fight with Clarence Henry, or was that Sam Finazzo?

Mr. DAVIDSON. From what I understand, Mr. Loftus had had some kind of row with people out in Detroit, and he was stating that Detroit Olympia was trying to boycott his fighters, and so there is a match made for me with Marty Marshall in order to prove that they weren't trying to boycott his fighters, and so I fought Marshall and beat him. Then I went to Columbus, Ohio, on a vacation and I was there about a week, and I had a call to return back to Detroit to fight Clarence Henry.

Of course, I lost to Henry, and then later on seemingly there was somebody that had something against Mr. Loftus, and so they called me back to fight Archie Moore. There we won't have to go into the outcome of it.

Mr. KENNEDY. Now, so in 1952 you were dissatisfied with Mr. Loftus from these various ways he was handling you and the kind of fights that he was obtaining, and the statements that he was making to you and to your family at that time?

Mr. DAVIDSON. Yes, sir.

Mr. KENNEDY. So did you have discussions about getting some other manager?

Mr. DAVIDSON. Well, not with him. You see I had a lot of confidence in Sam.

Mr. KENNEDY. That is Sam Finazzo?

Mr. DAVIDSON. Yes, and I didn't know his background and I wasn't certain of his background and that wasn't any interest to me at all. I knew I would see him around the gym and so naturally I took for granted he is in the fight game, and so I confided in him to the extent that I wished I could find me a decent manager where I could make some money.

So after talking to him, he said he would see what he could do for me.

Mr. KENNEDY. What did he report back then?

Mr. DAVIDSON. Well, he told me one day at the gym, he said, "I could maybe let you talk to a fellow that might be able to do you some good and would be a fairly good manager for you," and so I agreed.

Mr. KENNEDY. Did he refer to him as a good friend of his?

Mr. DAVIDSON. Yes, sir.

Mr. KENNEDY. Who was that?

Mr. DAVIDSON. He was speaking of Mr. Bert Brennan.

Mr. KENNEDY. Could you tell us if you met Mr. Brennan, then?

Mr. DAVIDSON. Yes, I did. I had the opportunity to meet Mr. Brennan and I talked to him.

Mr. KENNEDY. Where did you go to meet him?

Mr. DAVIDSON. I went to the Teamsters Union on Trumbull Avenue to meet him, and he was a very nice fellow, and he treated me nicely, and he told me that he would be interested in managing me and would do the best he could for me. So I agreed and we went on from there.

Mr. KENNEDY. Was there anybody else in it as well as Mr. Brennan?

Mr. DAVIDSON. Well, the only thing that I know of—

Mr. KENNEDY. Was anyone else present at the time that you met Mr. Brennan?

Mr. DAVIDSON. At the time I met Mr. Brennan there was nobody else in the office but him at that time when I met him.

Mr. KENNEDY. Subsequently was there?

Mr. DAVIDSON. Well, now—

Mr. KENNEDY. Did you meet anyone else that was going to be interested in you?

Mr. DAVIDSON. Well, I can imagine who you are referring to and really I am not trying to be funny.

Mr. KENNEDY. I know that, Mr. Davidson.

Mr. DAVIDSON. And I assume that you are referring to Mr. Hoffa. I have had occasions to meet him and talk to him, and he has treated me 100 percent, as I have told you, and I only know that he and Mr. Brennan were associates, and what happened between them was none of my business and I didn't inquire about it. I know that I would meet him and, as I say, I would see Mr. Hoffa maybe once a month, or once every 6 weeks, and it was, "Hello, April, how are you coming along in training?", and so forth, and that was all.

Mr. KENNEDY. Now, did Mr. Brennan introduce you to Mr. Hoffa?

Mr. DAVIDSON. Yes, he did.

Mr. KENNEDY. Did you have any conversations with him at that time?

Mr. DAVIDSON. No more than he said, "Well, April, I would like you to meet," and it was not formal, "I would like you to meet Jimmy, Mr. James Hoffa," and I went through the regular procedures of the introduction.

Mr. KENNEDY. There was no further conversation?

Mr. DAVIDSON. No; no more than, "This is Jimmy Hoffa," and that he was his friend and his associate in business, I assumed.

Mr. KENNEDY. Did he say anything about the fact that he would be behind us also?

Mr. DAVIDSON. Well—

Mr. KENNEDY. Was that subsequently?

Mr. DAVIDSON. Maybe something was mentioned like that, not from the professional standpoint or from the financial standpoint, I don't think, because, as I say, there were occasions when Mr. Hoffa would say, "When are you fighting?", and I would tell him, and he would say, "Well, do the best you can, because we are behind you, and we would like to see you win." And so I guess everybody, a lot of people were behind me in Detroit, and I guess there are a lot that weren't. But I would take it from that standpoint of saying, "Well, we are pulling for you."

Mr. KENNEDY. Now, did you go with Mr. Brennan to see anyone at the Michigan Boxing Commission?

Mr. DAVIDSON. Well, naturally, I had to, because there was a contract that had to be drawn up between Mr. Brennan and I, and we went down and talked to Commissioner Ford Stevens. Naturally, before he could proceed as my manager, there would have to be a contract filed with the Michigan State Athletic Board of Control.

Mr. KENNEDY. Could you tell us your conversation down there, when you went to see the commissioner?

Mr. DAVIDSON. Well, there was some doubt in Mr. Brennan's mind at the time because Mr. Loftus had had a contract on me which was a 5-year contract, that had me under peonage, and the commission stated then that they did not recognize 5-year contracts, and also they did not recognize contracts that weren't filed with his office, and so

that a 5-year contract was not filed with his office, and it was a 5-year contract.

Mr. KENNEDY. Did Mr. Brennan say to you anything after visiting the commissioner's office of the Michigan State Boxing Commission?

Mr. DAVIDSON. Well, after the contract was drawn up, and they were in the office, and I wasn't in on everything, the conversations there, but coming out he said, "You don't have to worry, everything will be O. K. now, and you can go ahead and fight."

Mr. KENNEDY. What else did he say to you?

Mr. DAVIDSON. Well, no more than, "I put a little money his way, and everything is O. K."

Mr. KENNEDY. Mr. Brennan said that?

Mr. DAVIDSON. Yes, sir.

Mr. KENNEDY. After visiting the State boxing commissioner's office?

Mr. DAVIDSON. Yes.

Mr. KENNEDY. Did he arrange for you to fight in New York?

Mr. DAVIDSON. Yes.

Mr. KENNEDY. Mr. Brennan did?

Mr. DAVIDSON. Yes, sir; and there was a fighter in Detroit named Bob Johnson and he was to fight Charley Riggs at Yankee Stadium, but he was on parole and so his parole board wouldn't let him go, and so he asked me if I wanted to go. So naturally every fighter wants to get a chance to go to New York.

Mr. KENNEDY. So you went to New York?

Mr. DAVIDSON. Yes.

Mr. KENNEDY. Who went to New York with you?

Mr. DAVIDSON. Who went with me?

Mr. KENNEDY. Who made the arrangements when you were in New York or who did you meet with in New York?

Mr. DAVIDSON. Well, I went to New York with my trainer, Harry Raskins, and the ticket was given to me by Sam Finazzo, and he told me what hotel I was to stay at. Wait a minute, I am sorry, I will retract that. I remember now; we drove to New York with Harry Raskins, and he was my trainer, and we drove to New York and checked in at I think it was the Capitol Hotel.

Mr. KENNEDY. Just you and your trainer?

Mr. DAVIDSON. Yes, sir.

Mr. KENNEDY. You didn't go by plane to New York?

Mr. DAVIDSON. No, I remember now, we did not. I have flown to New York a couple of times, but I was confused with the first time I went to New York, in 1952. We drove to New York, Harry Raskins, in his automobile.

Mr. KENNEDY. Who was in New York and whom did you meet in New York when you got there?

Mr. DAVIDSON. Well, the first person I met in New York and was introduced to was Whitey Memskin. He is a trainer, and I had to go by the commission's office, and I was in New York about a week before the fight and I had to go by the commissioner's office for a different examination.

Mr. KENNEDY. Would you tell us when you went there what the conversation was at the commissioner's office?

Mr. DAVIDSON. Well, I didn't meet the commissioner when I first got to New York, and the only time I talked with Mr. Christenberry

was the day of the fight, and that was at the weighing and he asked me or he had a letter there from Mr. Loftus back in Youngstown, I mean from Detroit. He said that the letter read that Mr. Loftus had a 5-year contract on me, and he demanded that I didn't fight for anybody else but him.

Mr. KENNEDY. What was the conversation, what did Mr. Brennan say?

Mr. DAVIDSON. He asked Mr. Brennan if he knew about the contract, and Mr. Brennan said, "Yes, that Mr. Loftus was a numbers racketeer," and so he in turn tore the letter up and threw it in the wastebasket, and he said, "You go ahead and fight," and I did.

Mr. KENNEDY. Mr. Brennan said that they shouldn't have anything to do with Loftus because he was in the numbers?

Mr. DAVIDSON. He didn't say that you shouldn't have anything to do with him; he just said he was a numbers racketeer, and he had somewhat dominated me and so he tore the contract up.

Mr. KENNEDY. What was the date of that fight in New York?

Mr. DAVIDSON. If I recall correctly, it was in July, around the 27th or 28th of July, in Yankee Stadium.

Mr. KENNEDY. That was in 1952?

Mr. DAVIDSON. Yes, sir.

Mr. KENNEDY. That was the night that Rocky Marciano was fighting on the main event?

Mr. DAVIDSON. He was fighting Harry "Kid" Matthews, of Seattle.

Mr. KENNEDY. What was your purse out of that?

Mr. DAVIDSON. \$625.

Mr. KENNEDY. And how much did Mr. Brennan give you from that?

Mr. DAVIDSON. \$500.

Mr. KENNEDY. Did you have an agreement or a contract with Mr. Brennan as to how much money you were to receive?

Mr. DAVIDSON. Well, all of the commission contracts are drawn up, 33 $\frac{1}{2}$ and 66 $\frac{2}{3}$ split.

Mr. KENNEDY. You are supposed to get 66 $\frac{2}{3}$?

Mr. DAVIDSON. That is right, but under agreements between fighters and managers, so the fighters doesn't have to worry about different expenses, traveling expenses, and training expenses, and sparring partners, we usually agree on a 50-50 split, and the manager takes care of the expenses.

Mr. KENNEDY. Was that your arrangement with Brennan?

Mr. DAVIDSON. Yes, sir.

Mr. KENNEDY. It was to be 50-50?

Mr. DAVIDSON. Yes; and it has to be that way in the boxing commissioner's office, and it has to be on file that way, and they don't care what agreement you make between the manager and the fighter afterward.

Mr. KENNEDY. All of the fighters have the agreements that they get 66 $\frac{2}{3}$, but actually you only get about 50 percent?

Mr. DAVIDSON. I don't know about different States, and I know in some cases it is better for the fighter to split it 50-50 with the manager, and he takes care of the expenses, because of the fact that you don't have to worry about paying sparring partners, because in some cases sparring partners run more than actually what you can afford to pay.

Mr. KENNEDY. Now, tell me, did Mr. Brennan or Mr. Loftus have any conversation with you about your finances and your expenses from day to day or your salary, or living expenses?

Mr. DAVIDSON. Well, no; they didn't say anything. I mentioned it first because I was in the face of how I was going to live from day to day when there weren't any fights. And so I asked Mr. Brennan for a job and he told me first he would see what he could do. Naturally as the weeks went by, I was more interested, and so I mentioned it to him again, about a job. And so he asked he how much would it take for me to live a week, and I said, I exaggerated there, and I said, "\$100 a week," and so he said he would give me \$75.

Mr. KENNEDY. Were you put on a payroll for \$75 a week?

Mr. DAVIDSON. Yes, sir.

Mr. KENNEDY. What payroll?

Mr. DAVIDSON. Well, I would pick my checks up at the union, and the tax was deducted from me, and the city tax and State tax, and social security, and I would get my checks from the welfare fund in the basement.

Mr. KENNEDY. From the welfare fund of the union?

Mr. DAVIDSON. Yes; that is what was on the check.

Mr. KENNEDY. Is that the Michigan Conference of the Teamsters' welfare fund?

Mr. DAVIDSON. Well, now I couldn't swear to that, because I didn't pay that much attention to the checks, and maybe I should have.

Mr. KENNEDY. Did you talk to Mr. Hoffa about what you were to be doing?

Mr. DAVIDSON. No; I talked to Mr. Brennan.

Mr. KENNEDY. Did you talk to Mr. Hoffa at all about it?

Mr. DAVIDSON. I talked to Mr. Brennan about it.

Mr. KENNEDY. Did you ask Mr. Hoffa about what your duties were to be as an employee of the welfare fund?

Mr. DAVIDSON. No; I asked Mr. Brennan.

Mr. KENNEDY. What conversations did you have with Mr. Brennan?

Mr. DAVIDSON. I asked him what job could I do, and so he said, "Well, you will be a claims investigator."

Mr. KENNEDY. Did you talk to Mr. Hoffa about being a claims investigator?

Mr. DAVIDSON. Well, at the time I was talking to Mr. Brennan, Mr. Hoffa was in the office.

Mr. KENNEDY. What did you do as a claims investigator?

Mr. DAVIDSON. Well, it was explained to me that a claims investigator would go, if one of the union members would call in sick, or report off, it was supposed to be my job to go and see if he was really sick and make a report on it.

Mr. KENNEDY. Did you ever do that?

Mr. DAVIDSON. No.

Mr. KENNEDY. Did you ever do any work?

Mr. DAVIDSON. Well, I did do some work for Mr. Brennan, such as when I was training for different fights, he would suggest that I stay on his farm because of the fact that it was an excellent place for a fighter to do his training, roadwork, and receiving the right type of fresh air, and get good meals. And so I had occasion to

sometimes mow the lawn, and do little odd jobs around the house, and I guess everybody knows that he has an interest in some trotters, because it was in the paper, and so I am not saying anything that you don't know. And so I would take feed on the pickup truck or go with him to the track, and being there I was interested in seeing how horses were taken care of, and so I would take feed back, oats, and hay, and stuff of that sort.

Mr. KENNEDY. But you worked around the track for Mr. Brennan, but you never did any work as a claims investigator itself, did you?

Mr. DAVIDSON. No; and don't be confused with working around the track as a day to day thing.

Mr. KENNEDY. It was just occasionally?

Mr. DAVIDSON. Yes, sir.

Mr. KENNEDY. When you were out at his home?

Mr. DAVIDSON. He was nice to me and so when he needed help, if he needed any help naturally I would do him that favor.

Mr. KENNEDY. Did you ever talk to Mr. Hoffa or Mr. Brennan about the work you were supposed to be doing as claims investigator?

Mr. DAVIDSON. I only mentioned it once to Mr. Brennan as to when I was supposed to start to work, and he said, "don't worry about it," and that is all.

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

Senator CURTIS. This work that you did around Mr. Brennan's farm, cutting grass and occasionally hauling feed for the race horses, was that work performed by reason of the pay you got from the welfare fund or was that work that you were performing for your board and room at the farm?

Mr. DAVIDSON. Well, I don't know. It never was stated and never was mentioned.

Senator CURTIS. Did you receive your board and room at the farm?

Mr. DAVIDSON. I received rooms, and sometimes I would eat, and sometimes I would go home. You see, at that time I was married, and I would go home sometimes. My wife worked as a waitress in a restaurant, and sometimes I would go home and fix my own meals and sometimes she was off and I would go home and she would fix them.

Senator CURTIS. But there was no payment from you to Mr. Brennan for your room or what meals you did get?

Mr. DAVIDSON. You mean from me, paying him for staying there?

Senator CURTIS. Yes.

Mr. DAVIDSON. No; I didn't have to pay him.

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

Mr. KENNEDY. Did these payments to you have to be approved by anybody? Did you learn about that?

Mr. DAVIDSON. Well, I don't know if they had to be approved by anybody. I was told that I would pick up my check every Friday, and that I did, and the check was made out in my name and I picked it up, and I cashed it and just like if I get a check from where I work now, the deductions were made, and I filed income tax on it.

Mr. KENNEDY. What was the relationship between Mr. Hoffa and Mr. Brennan as you saw it, Mr. Davidson, regarding this matter?

Mr. DAVIDSON. Well, let me see now, I don't understand what you mean. Will you explain?

Mr. KENNEDY. What was the relationship regarding your work that you were doing, as between Mr. Hoffa and Mr. Brennan?

Mr. DAVIDSON. Well, I will explain that the way I understand it. That is Mr. Brennan was my manager and Mr. Hoffa and Mr. Brennan, as I say, I guess were business associates. I don't know, and then I didn't know, and I didn't know up until last year what Mr. Hoffa's job was. Maybe I am speaking of, or maybe I am confused because the question has got me a little bit confused.

Mr. KENNEDY. You are doing fine.

Mr. DAVIDSON. But Mr. Hoffa, as I say, I think his only interest in me was only from boxing and that professional standpoint. I never received any money from him, and I never entered into any business conversations with him, and I don't know what he was doing, and I still don't know what he is doing, and it is no concern of mine as to what he is doing, and I would see him as I say occasionally, and it was always a "Hello," and "How are you doing, and how are you coming along in training?" He treated me like a man, and I in turn treated him like a man.

(At this point, the following members were present: Senators McClellan, Ives, Ervin, Church, Kennedy, and Curtis.)

Mr. KENNEDY. Did he ever ask you how you were coming along as claims investigator for the welfare fund?

Mr. DAVIDSON. No; he never asked me such questions.

Mr. KENNEDY. Did you ever have any discussions with him about it?

Mr. DAVIDSON. No.

Mr. KENNEDY. Did you ever have any discussions with him about the fact you were not doing any work as claims investigator?

Mr. DAVIDSON. No; I told you I had that discussion with Mr. Brennan.

Mr. KENNEDY. But he was in the office when Mr. Brennan spoke to you originally about putting you on the payroll, was he not?

Mr. DAVIDSON. Yes, the one time.

Mr. KENNEDY. Could you tell us how the relationship broke off?

Mr. DAVIDSON. Well, I was training for a fight. I fought this particular fight with Toxey Hall. It was on short notice. I won the fight, which isn't important, and I was to fight him again. During training, I got my nose hurt and as a result there was a deviating acceptance reported by my personal physician, Dr. Robert C. Bennett, and he, in turn, suggested I go see the commission physician, and I did.

The commission physician wrote a letter stating that I could not go through with the fight because of the fact that my nose was injured. So I, in turn, went back and told Mr. Piazza, who was the promoter of the Motor City fights, and he said "Well, we will just have to suspend you, if you are not going to go through with the fight."

I in turn went and talked with Mr. Brennan, and I told him that I got the letter from the commissioner, and I showed it to him, and that is it. I could not go through with the fight.

Mr. KENNEDY. What did Mr. Brennan say?

Mr. DAVIDSON. Well, he didn't like the idea, too much, I know, because he said "Well, it seems like you just don't want to fight."

He said, "You could beat this guy and he would never hit you in the nose."

I think that was highly impossible, because even though I did beat him the first time, everybody is going to get hit. So he said "Well, I am kind of tired of handling prize fighters anyway. You can get yourself another manager."

Mr. KENNEDY. Did you talk to him about his horses, make some statement about that?

Mr. DAVIDSON. I was trying to compare the two. I think that I am a little bit better than a horse. Of course, maybe he was receiving more from the horses than he was me. I think he would be because I was not making that much fighting, but I only mentioned that "Well, supposing one of your horses would pull a muscle before a race, what would you do?"

He said, "I would pull him out." I said "Well, what about me?"

He said, "Well, that is different."

I could see there that maybe he was telling the truth, that he wasn't interested any more in fighters.

Mr. KENNEDY. So you broke with him in 1954?

Mr. DAVIDSON. Yes.

Mr. KENNEDY. Then you fought for a while after that, did you?

Mr. DAVIDSON. Well, I tried to make some connections. He gave me my contract, as he said he would. He didn't hold back on it. I went on to be connected with a fellow who is a jeweler, Mr. Jerry Mosley, in Detroit. He tried to do the best he could to get me some fights. He wasn't very successful.

Mr. KENNEDY. During this period, did you know a man by the name of Jimmie Q. or Jimmie Quasarano?

Mr. DAVIDSON. Well, there is a picture that I had seen of this fellow. He is a fellow that I know would be around the gym. I never knew his last name. We only referred to him as Jimmie.

The CHAIRMAN. Do you think you would recognize the picture of him?

Mr. DAVIDSON. If it is him, I would.

The CHAIRMAN. I don't know whether this is him or not. Take a look at it and tell us what you think of it.

(Photograph handed to the witness.)

Mr. DAVIDSON. Yes, sir.

The CHAIRMAN. The picture may be made exhibit No. 7.

(The document referred to was marked "Exhibit No. 7" for reference and may be found in the files of the select committee.)

Mr. KENNEDY. Is that Jimmie Q, the Jimmie as you knew him?

Mr. DAVIDSON. Jimmie, as I knew him.

Mr. KENNEDY. Was he around Mr. Brennan?

Mr. DAVIDSON. I never saw him around Mr. Brennan, only maybe when Mr. Brennan would come by the gym, and that would be very seldom that he would come by the gym.

Maybe he would go into the office discussing possible fights for me. Of course, as I say, this fellow, the picture that you showed me, he was associated with Mr. Piazza and also Mr. Finazzo, so what went on in the office I don't know anything about.

Mr. KENNEDY. Did Mr. Finazzo indicate to you that he had some close ties with Mr. Carbo, Frank Carbo?

Mr. DAVIDSON. Well, everybody that was in Detroit in the fight racket knew that he was a friend of his. How close, I don't know.

Mr. KENNEDY. Did he make statements that he was close to Frankie Carbo?

Mr. DAVIDSON. Well, he just said that he was his friend, and he was his buddy.

Mr. KENNEDY. How did he refer to Frankie Carbo?

Mr. DAVIDSON. Well, as "my man, Frank."

Mr. KENNEDY. What do you do now, in addition to your community center work?

Mr. DAVIDSON. I am a musician, or attempting to be.

Mr. KENNEDY. What kind of instrument do you play?

Mr. DAVIDSON. Well, some people refer to it as the xylophone, but it is really the vibraharp. That is the instrument that I play.

Mr. KENNEDY. Do you have a group of your own?

Mr. DAVIDSON. Well, yes. I am sorry to say that we are not getting much work because of the fact that we are not very known. But we are known around Youngstown. I have a 5-piece combo which consists of 3 rhythms, base, piano, drums, a tenor-sax player who doubles on flute, and myself.

Mr. KENNEDY. Were you studying music while you were boxing?

Mr. DAVIDSON. Yes, I was always interested in music. I was interested in studying music before I knew any of these fellows existed.

Mr. KENNEDY. How many fights did you have as a heavyweight professional?

Mr. DAVIDSON. Forty-two professional.

Mr. KENNEDY. How many did you win?

Mr. DAVIDSON. I lost 6, won 21 by knockouts, and the rest were decisions.

Mr. KENNEDY. Twenty-one were knockouts?

Mr. DAVIDSON. Yes.

Mr. KENNEDY. How long were you drawing this money on the welfare fund?

Mr. DAVIDSON. Well, from the time that it started in 1952 until the time that Mr. Brennan and I split as fighter and manager.

Mr. KENNEDY. When was that?

Mr. DAVIDSON. In 1954. I can't remember the exact date or what month. It was in 1954, but it started in 1952.

Mr. KENNEDY. Mr. Chairman, could I call Mr. Bellino and put the figures into the record?

The CHAIRMAN. It was something near 2 years?

Mr. DAVIDSON. Yes, just about.

The CHAIRMAN. I think we have the record here.

Mr. Bellino, have you examined the records regarding the payment of welfare funds from this union to this witness Davidson?

Mr. BELLINO. We have examined the records which were produced, Senator, beginning in 1953. We do not have the records prior to 1953.

The CHAIRMAN. Well, beginning in 1953, from the time you have the records. What date do you begin with?

Mr. BELLINO. It shows here, starting August 8, 1953, to April 9, 1954, Embrel Davidson was receiving \$75 a week, and during that period received a total of \$2,475.

The CHAIRMAN. That is for a period of how many months?

Mr. BELLINO. That is from August 1953 to April 1954. It is about 8 months, approximately.

The CHAIRMAN. Apparently, then, his employment was terminated on April 9, 1954?

Mr. BELLINO. Yes, sir.

The CHAIRMAN. Is that about correct, according to your recollection?

Mr. DAVIDSON. Just about.

The CHAIRMAN. That is about correct.

Mr. DAVIDSON. Whenever we split as fighter and manager, that is when it was over.

The CHAIRMAN. Would that be, according to your judgment, about the right time?

Mr. DAVIDSON. As much as I can recall, yes.

The CHAIRMAN. Why do we not have the other records prior to that date?

Mr. BELLINO. As I understand, they are not available.

The CHAIRMAN. You have never been able to procure them?

Mr. BELLINO. A good number of the records of the welfare fund prior to 1953 have not been produced.

The CHAIRMAN. Do you remember what time in 1952 you started?

Mr. DAVIDSON. I had my first fight for Mr. Brennan under the supervision of Mr. Brennan in July. I was in training before that. So it started maybe about a month before the fight in July that I had.

The CHAIRMAN. While you were in training, were you receiving this \$75 a week?

Mr. DAVIDSON. Yes.

The CHAIRMAN. So it started prior to July 1952?

Mr. DAVIDSON. Yes.

The CHAIRMAN. And continued, then, until April 9, 1954?

Mr. DAVIDSON. Yes.

Senator CURTIS. Mr. Chairman?

The CHAIRMAN. Senator Curtis.

Senator CURTIS. I would like to ask Mr. Bellino a question.

From your examination, did you ascertain who has authority to pay out money from the welfare fund?

Mr. BELLINO. The trustees are the ones that have the authority. I might say in Detroit, there is no question but Mr. Hoffa can tell the trustees what to do.

Senator CURTIS. Who are the trustees?

Mr. BELLINO. Mr. Fitzsimmons, Mr. Holmes, and Mr. Minick. I believe there may be another one. Two employers, I think, and two union.

Senator CURTIS. Who signs the checks?

Mr. BELLINO. Holmes, I believe, is one. I don't recall the other one. I think it is Mr. Minick.

Senator CURTIS. Did you find that the trustees examined the receipts and disbursements periodically?

Mr. BELLINO. Well, they have auditors. Just what they do, I do not know.

Senator CURTIS. Then do the trustees have to sign the checks?

Mr. BELLINO. Yes, sir.

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

Senator CURTIS. All trustees?

Mr. BELLINO. No. The names I recall offhand are Mr. Minick and Mr. Holmes. Mr. Fitzsimmons may have occasion to sign also.

Senator CURTIS. By whom were Mr. Minick and Mr. Holmes and Mr. Fitzsimmons nominated?

By management?

Mr. BELLINO. Holmes and Fitzsimmons would be labor and Minick would be management. There is another one, but I don't recall his name.

Senator CURTIS. Did Minick sign any of these checks to Davidson?

Mr. BELLINO. I believe he did, but I can't say for certain. I looked at these checks a long time ago.

Senator CURTIS. Do you have a contract arrangement—

Mr. BELLINO. I might say on the payroll checks, we never did get the payroll checks. This was from the payroll book. We did not actually see the payroll checks in this case.

Senator CURTIS. Do you have in your possession the contract between management and the union for the setting up of this welfare fund and its operation?

Mr. BELLINO. We have copies of the welfare fund plan, with the Union Casualty Co. which carries the insurance, sir.

Senator CURTIS. That carries the insurance?

Mr. BELLINO. Yes, sir.

Senator CURTIS. But the payments made into the fund, are they paid direct to the insurance company?

Mr. BELLINO. No, the payments are made to a bank and a copy of their deposits go to insurance welfare fund office.

Senator CURTIS. Do all of the receipts go then into the insurance?

Mr. BELLINO. The premium payments go to the insurance company. The balance is used for administration and added to surplus funds of their own.

Senator CURTIS. Who makes the payments into the fund?

Mr. BELLINO. The employers.

Senator CURTIS. Do the employees pay anything?

Mr. BELLINO. Not in the welfare fund; no, sir.

Senator CURTIS. What benefits are provided by the welfare fund?

Mr. BELLINO. There are various benefits. I couldn't tell you offhand. There are various benefits for the employees as well as dependents and they vary from time to time.

Senator CURTIS. Health and accident?

Mr. BELLINO. Yes.

Senator CURTIS. Any unemployment benefits?

Mr. BELLINO. I don't think so.

Senator CURTIS. All the money comes from management?

Mr. BELLINO. Yes, sir.

Senator CURTIS. Are audits of that fund ever submitted to the payers into the fund?

Mr. BELLINO. They are submitted to the trustees. Whether they are distributed to all the employers, I do not know.

Senator CURTIS. Who are those two management trustees?

Mr. BELLINO. Mr. Minick is one, and possibly Mr. Hoffa could tell us the other one. I don't recall him.

Senator CURTIS. Who is Mr. Minick?

Mr. BELLINO. He is connected with the Red Star Transit Co. of Detroit.

Senator CURTIS. That is all.

The CHAIRMAN. As I understand the way this welfare fund is handled, the employer pays the fund into the union?

Mr. BELLINO. Yes, sir.

The CHAIRMAN. And they have a welfare fund. The union, in turn, buys the protection from the insurance company, who agrees to meet the obligation under the welfare plan.

Mr. BELLINO. Yes, sir.

The CHAIRMAN. Therefore, out of this fund a premium is paid to some insurance company who takes the coverage?

Mr. BELLINO. That is right.

The CHAIRMAN. On that basis, what I am trying to ascertain is: When would the union ever need to employ a claim investigator in that fund, because the responsibility shifts, I think to the insurance company that gives the insurance to service the policy.

Mr. BELLINO. We have tried to obtain some of the reports submitted by alleged claim investigators, but we have not seen any. There is another one on the payroll also, which may come out later on. In that case he was employed directly by Mr. Hoffa, reported only to Mr. Hoffa. No reports of any kind went to the welfare fund.

The CHAIRMAN. If I understand the arrangement, and maybe I don't, but the insurance company when they pay it a premium, it issues a policy by which it undertakes to meet the obligations that the welfare plan provides.

Mr. BELLINO. That is correct.

The CHAIRMAN. Therefore, it services the plan, using its own claim investigators to ascertain whether a false claim is being made; is that not correct?

Mr. BELLINO. Yes, sir.

The CHAIRMAN. Mr. Davidson, you were hired as a claim investigator?

Mr. DAVIDSON. Yes, sir.

The CHAIRMAN. Were you ever directed to investigate any claim whatsoever during the time you drew this money?

Mr. DAVIDSON. No.

The CHAIRMAN. Did you ever go see the sick?

Mr. DAVIDSON. No.

The CHAIRMAN. Did you ever make a report?

Mr. DAVIDSON. No.

The CHAIRMAN. You did nothing at all for the union, as such?

Mr. DAVIDSON. No.

The CHAIRMAN. You performed no service for the welfare fund or the welfare plan?

Mr. DAVIDSON. No.

The CHAIRMAN. Such services as you performed were personal to Mr. Brennan, around his house and feeding his race horses? Carrying the feed out to the racetracks?

Mr. DAVIDSON. Yes.

The CHAIRMAN. In other words, that is all of the work you did, except your training for your fights?

Mr. DAVIDSON. That is right.

The CHAIRMAN. Did you realize at the time that this money was being paid out of funds that had been paid in for the benefit of the working people?

Mr. DAVIDSON. No, sir; I did not. I did not know where it was coming from and I did not inquire.

The CHAIRMAN. You made no inquiry?

Mr. DAVIDSON. No, sir.

The CHAIRMAN. But you are positive you did nothing for the union, no service connected with the welfare program?

Mr. DAVIDSON. No; I did not.

The CHAIRMAN. Senator Curtis.

Senator CURTIS. I would like to ask about this, Mr. Bellino. Are benefit payments made by the fund in addition to or separate and apart from those benefit claims paid by the insurance company.

Mr. BELLINO. The only payments that I know about are the insurance companies. There are on benefits paid out of the fund directly.

Senator CURTIS. How large is the fund that is in the hands of the trustees in addition to their payments to the insurance company?

Mr. BELLINO. I don't have the figures before me, but my recollection goes into the millions.

Senator CURTIS. Then into the millions? Where do they keep the money?

Mr. BELLINO. Mostly in banks in Detroit. A good deal of it is invested, such as the investments that we heard from Mr. Grosberg yesterday.

Senator CURTIS. Do you know what the annual or monthly income to the welfare fund is, including the amount that is paid to the insurance company?

Mr. BELLINO. I could not tell you, offhand, Senator. My records are downstairs, and I was not prepared for that.

The CHAIRMAN. The Chair would suggest during the recess, if you will pardon me, Senator—during the recess hour, if you can get us the approximate figures, get them and submit them and let them go into the record at this point. I think that is pertinent information, and it may be inserted when he presents it in the record at this point.

(The information referred to follows:)

MICHIGAN CONFERENCE OF TEAMSTERS WELFARE FUND

Summary of employer contributions and payments for group insurance

Period	Employer contributions	Payments for group insurance
Aug. 31, 1949—Mar. 31, 1950.....	\$247,985.56	\$110,970.68
Apr. 1, 1950—Mar. 31, 1951.....	926,879.27	784,828.85
Apr. 1, 1951—Mar. 31, 1952.....	1,699,161.86	1,496,706.70
Apr. 1, 1952—Mar. 31, 1953.....	2,807,943.08	2,407,867.75
Apr. 1, 1953—Mar. 31, 1954.....	3,547,105.95	2,924,394.73
Apr. 1, 1954—Mar. 31, 1955.....	3,788,465.12	3,184,534.41
Apr. 1, 1955—Mar. 31, 1956.....	4,489,609.36	3,707,923.58
Apr. 1, 1956—Mar. 31, 1957.....	4,975,615.57	4,489,871.33
Total.....	22,482,765.77	19,107,098.03

Senator CURTIS. Who is the insurance carrier?

Mr. BELLINO. It is now known as the Northeastern Life Insurance Co., I believe. It was Union Casualty, originally, and then it changed to Mount Vernon, but it is all the same company.

Senator CURTIS. Where is it located?

Mr. BELLINO. Mount Vernon, N. Y.

Senator CURTIS. Has that been a company long in existence?

Mr. BELLINO. It has been since they obtained the insurance. It was not in existence—that is, there was not much to the company before they obtained the insurance for the Michigan Conference of Teamsters and the Central States, which is another Teamsters. But I believe we are going to go into that, Senator, later on, to cover that whole phase.

Senator CURTIS. Does Central States have the same company?

Mr. BELLINO. The same company; yes, sir.

Senator CURTIS. That is all, Mr. Chairman.

Senator ERVIN. Mr. Chairman, may I ask a question?

The CHAIRMAN. Senator Ervin.

Senator ERVIN. How many fights did you engage in while Mr. Brennan was acting as your manager?

Mr. DAVIDSON. I couldn't give you an exact amount, but approximately 7 or 8.

Senator ERVIN. How did you and he divide the net profits from the fight?

Mr. DAVIDSON. Well, as I said, we would split 50-50, and he would take care of the expenses.

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

Senator ERVIN. Do you know about how much you got in the fights, or how much Mr. Brennan's share was of the fights that you fought, while he was your manager?

Mr. DAVIDSON. The total amount of his?

Senator ERVIN. Yes.

Mr. DAVIDSON. No; I don't know.

Mr. KENNEDY. Approximately how much each fight?

Mr. DAVIDSON. There were some fights that I would get say, \$250. That was around the Motor City Arena. When I fought for the State title, I think I got \$735. I got 50 percent of that. We had agreed that we split that way because of the expenses that were paid.

Senator ERVIN. I want to say to you that it is certainly refreshing to find a witness whose memory functions and who does not have to hide behind the fifth amendment. If the fifth amendment did not have a lot of constitutional and legal virility, it would have been worn plumb out in the hearings this week. I just want to thank you, on behalf of the committee and on behalf of the country, for your coming here and making a frank disclosure of the matters within your knowledge to this committee. You are to be thanked and commended for doing that.

Mr. DAVIDSON. Well, I would like to say, sir, that the law is something that I don't know too much about. You ask me about boxing, as far as defending yourself, and I think I am capable of taking care of myself. I don't know anything about subpoenas, the law, as a lawyer. I don't know too much about acquiring counsel. But, as I have said,

what I say is the truth. I am not trying to involve anybody or harm anybody. I don't want anybody to harm me. As far as I can, I am going to stand up for myself and protect myself to anyone.

Senator ERVIN. In acting as you have acted, coming and cooperating with the committee, and giving evidence which has all the ring of sincerity and truth, you are not only defending yourself, but you are assisting in defending the best interests of your country. You deserve the thanks of this committee, for so doing.

The CHAIRMAN. Are there any other questions?

Senator CURTIS. Yes; I have a question.

The CHAIRMAN. Senator Curtis.

Senator CURTIS. Did you perform any fighting, other than in the ring and training therefor, for the Teamsters' Union?

Mr. DAVIDSON. Any fighting.

Senator CURTIS. Yes.

Mr. DAVIDSON. Any fight?

Senator CURTIS. Yes.

Mr. DAVIDSON. I have given the honest truth about things. I don't consider myself the smartest man in the world and I don't consider myself the dumbest man in the world. I think I know just about what you are referring to. I had nothing whatsoever to do with many strikes or anything that the unions had. I don't even know about them. In fact, I don't know anything about any of the unions' business. I had no other fights no more than inside the 4 posts and the 3 ropes.

Senator CURTIS. Your talents, then, were not used in any strike or labor difficulties of any kind?

Mr. DAVIDSON. None whatsoever. It was never even mentioned.

Senator CURTIS. Thank you.

The CHAIRMAN. Mr. Kennedy.

Mr. KENNEDY. I want to refer you to the testimony on page 5017, in which Mr. Hoffa, when he testified, was asked—and this was last year, part 13—Mr. Hoffa was asked:

Have you been in any other projects with Brennan?

Mr. HOFFA. Well, let's see. Yes, we had a prizefighter in 1952.

Question: What was his name?

Mr. HOFFA. Embrel Davidson.

Question: How long did that last?

Mr. HOFFA. It says we discontinued in 1955, from 1952 to 1953.

Question: Davidson?

Mr. HOFFA. Yes.

Question: Where did he fight, primarily out of where?

Mr. HOFFA. Primarily out of Detroit, and where else he would go.

Question: Were some of the Teamster funds used in connection with him at all?

Mr. HOFFA. Not with him.

The CHAIRMAN. You say that isn't true, that they did pay you \$75 a week out of the welfare fund?

Mr. DAVIDSON. Just like I said before. I received a check every week from the welfare fund. It is filed with the Internal Revenue. The fellow that came to see me and talked to me, knew more about me than I knew myself.

In other words, I am saying that to say I am not telling you anything that you are not already familiar with, that you already don't know.

The CHAIRMAN. As Senator Ervin has said, you are not telling us anything that we did not know, particularly with respect to records, what records show. You have not told us anything in that regard that we did not know.

But it is not only refreshing, it is almost inspiring to have a witness come before us, as you have, and say, "I am not smart, nor am I dumb. I don't know any law. I just know how to fight."

But you also know how to tell the truth and you have the courage and the good, genuine American system and love of your country to come here and tell the truth.

You are not only a credit to your race, but you are a credit to every good citizen in this country who wants law and order and decency. You make some of these witnesses who have come up here, who smirk behind the fifth amendment, you have made them look like the lack of quality that they really are.

You are to be commended and I commend you highly. I think you will find that the American people approve of what you are doing, what you have done, and they are earnestly solicitous that others will have the same courage and the same honesty and the same integrity and the same loyalty to country, and follow your example.

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

The CHAIRMAN. Is there anything further?

Senator KENNEDY. Did you fight most of the time at the Motor City Arena?

Mr. DAVIDSON. Well, not most of the time. I fought a large percentage of my fights at Motor City. I fought a total of four fights in New York.

Senator KENNEDY. After Mr. Brennan had you, did you fight most of the time in the Motor City Arena?

Mr. DAVIDSON. At the Motor City Arena, the Fairgrounds.

Mr. KENNEDY. Was there any reason? Did you protest about fighting in the Motor City Arena?

Mr. DAVIDSON. Well, to an extent I was interested, as I say, in making some money, making a living. I suppose every prizefighter has his dreams on making some money. Mine was to make enough money to invest it and eventually get out of the fight game.

Mr. KENNEDY. You weren't making very much fighting there, were you?

Mr. DAVIDSON. No, nobody makes much.

Mr. KENNEDY. Did you speak to Brennan about fighting some place else other than Motor City Arena?

Mr. DAVIDSON. Naturally, I brought it up.

Mr. KENNEDY. What did he say to you?

Mr. DAVIDSON. He said the fellows at Motor City Arena were doing a favor to get us back started on the fight game and we owed them a favor.

Mr. KENNEDY. That is Finazzo.

Mr. DAVIDSON. Well, him and everybody else who was concerned.

Mr. KENNEDY. Did he say anything about the amount of money that you would make at the Motor City Arena as compared to what you would make some place else?

Mr. DAVIDSON. Well, I think it was more so a figure of speech, only to the extent that you suppose by chance we could get a fight maybe

someplace else for four or five thousand dollars, and if we were asked to fight at Motor City for \$400 or something like that, that we should fight there first because of the fact that they have given us the chance could have been the case.

MR. KENNEDY. Did Mr. Hoffa or Mr. Brennan speak to you or tell you anything about Sam Finazzo, their relationship with Sam Finazzo?

MR. DAVIDSON. No; only Mr. Brennan said once that he knew Finazzo, and he did not think very highly of him. But I suppose he went along with him because of the fact that Mr. Brennan, I assume, did not have much time to put in in getting me fights because of his job. He had to take care of his fights.

MR. KENNEDY. Did he say anything that he had been on their payroll at one time and they had gotten rid of him?

MR. DAVIDSON. Well, maybe it was something to that extent. I don't know.

MR. KENNEDY. Do you remember the conversation?

MR. DAVIDSON. It was something to the extent that he knew him, that maybe he had done some work for him or something. I don't know, maybe it was just a 1-day thing. And that he did not think too much of him. That is all.

The CHAIRMAN. Is there anything else?

Again, you have the thanks of the committee. We appreciate your cooperation and the assistance you have given us.

I think your testimony has clearly indicated that Mr. Hoffa and Mr. Brennan owe the welfare fund something in the neighborhood of \$8,000. I hope the membership will insist that they reimburse the fund, with interest, for the money they paid you for doing nothing for the union or for the welfare fund. I think that is the very least they can do. I think it is a debt that ought to be settled promptly.

Thank you.

Thank you very much.

Call the next witness.

MR. KENNEDY. Mr. Chairman, the next witness we have to request that no pictures be taken of him. He is from the Bureau of Narcotics, and the Commissioner of Narcotics has requested that no pictures be taken of him.

The CHAIRMAN. That request will be granted. That includes movies, television, snapshots, everything else used to make pictures.

MR. KENNEDY. Mr. O'Carroll.

The CHAIRMAN. Will you be sworn, please?

You do solemnly swear 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. O'CARROLL. I do, sir.

TESTIMONY OF PATRICK P. O'CARROLL

The CHAIRMAN. I may say with respect to this order regarding pictures that it applies anywhere in this building, while this witness is here, and in the approach to it. I think the Senate has that jurisdiction, certainly, to protect those who appear as witnesses before one of its committees.

That order will stand. Any violation of the appropriate action. State your name, your place of residence, and your business or occupation.

Mr. O'CARROLL. My name is Patrick P. O'Carroll. I live at 5614 Hamilton Manor Drive, Hyattsville, Md. I am employed by the United States Treasury Department, in the Bureau of Narcotics, as a narcotics agent.

The CHAIRMAN. How long have you been in the service?

Mr. O'CARROLL. Since 1948, sir.

The CHAIRMAN. 1948?

Mr. O'CARROLL. 1948; yes, sir.

The CHAIRMAN. You waive counsel, of course?

Mr. O'CARROLL. Yes, sir.

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

Mr. KENNEDY. Mr. O'Carroll, you have made an examination of some of the records of the Bureau of Narcotics prepared by some of your agents?

Mr. O'CARROLL. Yes, sir; I have.

Mr. KENNEDY. And specifically the Bureau of Narcotics had been interested in the activities of Mr. Raffaele Quasarano and Mr. Jimmie Finazzo; is that correct?

Mr. O'CARROLL. That is correct, sir.

Mr. KENNEDY. Do you have some reports dealing with their activities in 1952?

Mr. O'CARROLL. Yes, sir; I have.

Mr. KENNEDY. Do you have those reports with you?

Mr. O'CARROLL. Yes, sir; I have.

Mr. KENNEDY. Could you give the committee what those reports contain?

Mr. O'CARROLL. I have one report from the Bureau of Narcotics. It is a memorandum report from district No. 2—district No. 2 is the territory comprised of New York and part of New Jersey—in the Bureau of Narcotics. The general file title is Antonino Battaglia. This report was made in New York City on February 11, 1953.

The report was made by Narcotic Agent K. P. Gross, and the subject of the memorandum is an "Investigation of Antonino Battaglia and Raffaele Quasarano, suspected major violators."

It reads as follows:

Reference is made to a letter dated January 28, 1953, from District Supervisor Irwin Greenfield, Detroit, Mich., relative to Raffaele Quasarano, subscriber of TE 1-3877, a Detroit, Mich., telephone number, found in the premises leased by Antonino Battaglia, at 4515 40th Street, Long Island City, Long Island, N. Y. Further investigation discloses that Raffaele Quasarano, 830 St. Clair Street, Grosse Point, Mich., and Jimmie Finazzo, 781 Lakewood Avenue, Detroit, Mich., registered at the Hotel Lexington, New York City, on June 28, 1952, and checked out on June 29, 1952.

Toll calls were made as follows: Quasarano.

These are telephone calls, telephone tolls of Mr. Quasarano from the Hotel Lexington.

He called Tuxedo 1-9258, Detroit, Mich.

There is no listing on this particular number.

The next number he called was TR 7-6175. This number is listed to the A B & S Sportswear, 176 East 106th Street, New York City, which is allegedly operated by Antonino Battaglia. Plaza 5-5900,

listed to the Hotel Barclay, 111 East 48th Street. JU-6-6400, to be reported. IL 7-0580, listed to John Ormento, our international list number 253, which is a Bureau list of major suspects, who lives at 5819 79th Street, Elmhurst, Long Island. It should be noted that Ormento was arrested and sentenced in 1951 as reported in special enforcement 226.

Mr. KENNEDY. Let me interrupt there. John Ormento attended the meeting in Apalachin, did he not?

Mr. O'CARROLL. That is right, sir.

Mr. KENNEDY. And he is also a fugitive from justice at the present time?

Mr. O'CARROLL. That is correct.

Mr. KENNEDY. On a narcotics charge?

Mr. O'CARROLL. Right, sir.

CI 6-1680, listed to Anthony Vitale, M. D., 7512 12th Avenue, Brooklyn, N. Y., identified as Quasarano's brother-in-law.

We now have toll calls made by Jimmie Finazzo. Peconia, N. Y., 4-6234, to be reported. CI 6-5600, listed to the Hotel Edison, 47th and Broadway, New York City.

The next paragraph reads—

It was also learned that Finazzo purchased three railroad tickets to Detroit, Mich., for the sum of \$110.31, indicating that Quasarano, Finazzo, and 3 other unidentified persons returned to Detroit, Mich.

The next paragraph reads:

Raffaele Quasarano again registered at the Hotel Lexington on July 27, 1952, and checked out July 29, 1952. A person identified as B. Brennan, residing at 2741 Turnbull Avenue, Detroit, Mich., accompanied Quasarano and occupied the same room.

Mr. KENNEDY. Mr. Chairman, I would like to interrupt there; 2741 Turnbull Avenue in Detroit is the headquarters of the Teamsters.

Mr. O'CARROLL. Toll calls were made as follows:

Quasarano: AP 7-0433, listed to John Bonaventure, 115 Cleveland Street, Brooklyn, N. Y. This office has no record of this person.

However, a discreet investigation will be made to ascertain the extent of his association with Quasarano.

Mr. KENNEDY. Mr. Chairman, I might interrupt again. This Bonaventure was also at Apalachin.

The CHAIRMAN. Is that correct, so far as your knowledge?

Mr. O'CARROLL. I understand that is the same person.

The CHAIRMAN. Do we have that proof? It is already in the record?

Mr. KENNEDY. Yes, sir.

Mr. O'CARROLL. CI 6-5252, listed to the Hotel Forrest, 224 West 49th Street, New York City; PL 5-5900, listed to the Hotel Barclay, 111 East 48th Street, New York City, also called by Quasarano on June 28, 1952, from the Hotel Lexington.

LE 4-4522, listed to Jennie Bracco (Battaglia), 225 East 107th Street, New York City. Battaglia's wife resided at this address before her marriage, and they still maintain the apartment. Battaglia has been seen at this location on numerous occasions, and it is believed that he conducts his numerous activities at this location.

CI 6-1680, listed to Anthony Vitale, M. D., 7512 12th Avenue, Brooklyn, N. Y.

This man has been identified as Quasarano's brother-in-law. CI 6-4398, listed to Michaelangelo Vitale, 1357 85th Street, Brooklyn, N. Y. This man has also been identified as a brother-in-law of Raffaele Quasarano and is not mentioned in the files of this office.

Coming to the next paragraph, it is calls made by B. Brennan on the same date at the Hotel Lexington.

The CHAIRMAN. Where is that call made from?

Mr. O'CARROLL. All calls were made from the Hotel Lexington, Senator.

Mr. KENNEDY. The point is that they registered at the hotel and Quasarano and Brennan were staying together in the same room; is that correct?

Mr. O'CARROLL. That is correct.

Mr. KENNEDY. There were certain calls made by Quasarano, and now you are going to give the calls made by Brennan.

Mr. Chairman, this was the night before the fight of Mr. Embrel Davidson in New York, that he testified about earlier.

Go ahead.

Mr. O'CARROLL. Calls made by B. Brennan:

Temple 1-3883, Detroit, Mich.

Olinville 2-1496, Olinville, N. Y. To be reported.

CI 6-5252, listed to the Hotel Forrest, 224 West 49th Street, New York City. Also called by Quasarano on this date.

PE 6-7895. Listed to B. Wollman & Sons Co., 352 7th Avenue, New York City. This is a retail clothing concern, and is not mentioned in the files of this office.

Mr. KENNEDY. Isn't it correct, and let me interrupt, B. Wollman & Sons is the place that is owned by a man called "Hyney the Mink"?

Mr. O'CARROLL. I don't know, sir.

Mr. KENNEDY. We will have some testimony on that man, who is now under indictment in connection with fixing fights in New York.

Mr. O'CARROLL. CI 5-8100, listed to Al Weill, International Boxing Club, New York City. Also called by Quasarano from his Detroit home on December 13, 1952, and December 26, 1952.

Following are four numbers that were not reported—

Mr. KENNEDY. I don't think it is necessary to give those.

Mr. O'CARROLL. The next paragraph is Raffaele Quasarano again checked in at the Hotel Lexington on October 18, 1952, and checked out the following day. Toll calls were made as follows:

CI 6-4239, to be reported.

AP 7-0433, listed to John Bonaventure, 115 Cleveland Street, Brooklyn, N. Y. This office has no record of this person, but an investigation will be made to determine his association with Quasarano.

CI 6-1680, listed to Quasarano's brother-in-law, Anthony Vitale, M. D., 7512 12th Avenue, Brooklyn, N. Y. No record of this person in this office.

Mr. KENNEDY. Mr. Finazzo and Mr. Quasarano have been identified in connection with the narcotics traffic, have they not, by your agency?

Mr. O'CARROLL. I understand Mr. Quasarano, and I am not certain of Mr. Finazzo.

Mr. KENNEDY. Mr. Chairman, I think that will be all for this witness, and I would like to give a summary of Mr. Finazzo's background that we have in addition to that.

The CHAIRMAN. Do you have a witness?

Mr. KENNEDY. One of our staff investigators.

The CHAIRMAN. Thank you very much, Mr. O'Carroll.

If you find the order violated in anyway, you will report it, please.

TESTIMONY OF PIERRE E. G. SALINGER--Resumed

Mr. KENNEDY. Now, Mr. Chairman, Mr. Salinger has been sworn. Could you tell us, Mr. Salinger, if you have the background information on Mr. Finazzo and Mr. Quasarano?

Mr. SALINGER. I have.

Mr. KENNEDY. Would you give that to us in brief.

Mr. SALINGER. This information is provided to us by several Federal agencies, and first with reference to Raffaele Quasarano: Raffaele Quasarano was born in Pennsylvania in 1910. As a small infant he was taken to Sicily by his mother who had become widowed. He returned to the Detroit area on an unknown date, but they can establish him in Detroit on March 1, 1931, because that was his first arrest there. Mr. Quasarano has been arrested on five occasions.

Now, according to reports of Narcotics Bureau, Mr. Quasarano has been active in the narcotics traffic and in March of 1952 he was indicted by the Italian Government in absentia as a conspirator in the case which involved the shipping of 6 kilograms of heroin to the United States. Among the others who were indicted with him at that time are three other Detroit figures, Poppa John Prizzola, Paul Comina, and Pietro Gardino, and the narcotics were being shipped to them for Mr. Giuseppe Chamino of Sicily.

Following Mr. Quasarano's release from the service—he served in the Army for 3 years—he married the daughter of Vito Vitali, who is reputedly an international gangster, smuggler, and leader of the Mafia in Sicily.

Mr. KENNEDY. The father is, you mean?

Mr. SALINGER. Yes. He became a partner in the operation of the Motor City Arena Gymnasium, 4647 Woodward Avenue, Detroit, with Sam Finazzo, and Julius Piazza, and he and his partner promoted boxing matches and managed fighters.

He is known by the Narcotics Bureau to have made a number of trips to Italy and Sicily in recent years. He has been connected with at least two figures at the Appalachian meeting, and he received telephone calls from Joseph Barbaro, at whose home the Appalachian meeting was held, and he also received telephone calls from John Ormento, who is considered a major trafficker of narcotics and currently a fugitive from an indictment in the southern district of New York, in which Vito Genovese, of Atlantic Highlands, N. J., is a codefendant.

Raffaele Quasarano is also known as Jimmie Quasarano, and Jimmie Queer.

Mr. KENNEDY. That is the man that Mr. Brennan was with and in whose room Mr. Brennan stayed the night of the fight; is that right?

Mr. SALINGER. That is correct.

Mr. KENNEDY. Of Mr. Davidson's fight in New York?

Mr. SALINGER. We have the record here from Nat Fleischer's Ring Record Book and Boxing Encyclopedia in 1936, which shows that Embrel Davidson fought Charley Riggs, of New York, in New York,

on July 28, which is one of the days he was at the Hotel Lexington with Raffaele Quasarano.

Mr. KENNEDY. Mr. Brennan made several telephone calls while he was at the hotel?

Mr. SALINGER. That is correct.

Mr. KENNEDY. There was a call to B. Wollman & Son?

Mr. SALINGER. The call was made to B. Wollman & Sons, and this is the firm operated by Hymey the Mink Wolman, who is currently under indictment in New York for the fixing of prize fights.

He also made a call to Al Weill, who at that time was manager of Rocky Marciano, and who just last month was barred as a manager in the State of California as a result of his association with Frank Carbo, who is a notorious underworld figure connected with the fight business.

Mr. KENNEDY. We have already had testimony that Mr. Davidson and Mr. Finazzo referred to Frankie Carbo as "My boy, Frankie."

Mr. SALINGER. He did.

With reference to Sam Finazzo, he was born in St. Louis, Mo., in 1908, and he has records with both the FBI and the Detroit Police Department, and it is a rather lengthy record, and shows 29 arrests and 4 convictions. One of the most significant cases Mr. Finazzo was involved in was the murder of James G. Hays, a Cleveland and Toledo gambling operator, murdered in Detroit, Mich., on October 4, 1934. He was indicted for this murder along with Tony Bate, and the prosecution witnesses against him were Scarface Joe Bomorette and Joe Massie, important racket figures in the Detroit area. They refused to testify at the trial and were given contempt sentences and sent to jail for their refusal and as a result of their refusal, the judge ordered a directed verdict of acquittal against Mr. Finazzo and Mr. Bate. We have had testimony about Mr. Massie and his influence in the Detroit area and his operations out of Miami, Fla.

"Scarface" Bomorette is still a fugitive from this committee on a subpoena we have had out for him for a month.

Mr. Finazzo was an operator of the Motor City Arena along with Quasarano, and Julius Piazza.

Mr. KENNEDY. We had some testimony last year with reference to a man by the name of "Little Sammy."

Mr. SALINGER. We did, and there was a telephone conversation between Anthony Tony "Ducks" Corallo and Al Reiger, in which they discussed a union problem, and it was suggested by Mr. Corallo to Mr. Reiger in this telephone conversation, a part of the record of this committee, that he contact Mr. Hoffa in Detroit. When Mr. Reiger protested he didn't know Mr. Hoffa, Mr. Corallo told him to call Mr. Hoffa and tell him he was a friend of "Little Sammy," from Detroit.

Mr. KENNEDY. Mr. Finazzo is known as "Little Sammy"?

Mr. SALINGER. Yes; he is known as "Little Sammy."

Mr. KENNEDY. That is all.

The CHAIRMAN. Is there anything further?

Senator CURTIS. How many of these individuals referred to by Mr. Pat O'Carroll of the Bureau of Narcotics, are connected with any labor union?

Mr. SALINGER. How many of the individuals mentioned by Mr. O'Carroll are connected with labor unions? The only individual is Mr. Brennan.

Senator CURTIS. The only one is Mr. Brennan?

Mr. SALINGER. That is correct.

Mr. KENNEDY. So that we have this whole situation: From the testimony of Mr. Embrel Davidson, we determined that Mr. Finazzo and Mr. Brennan were close together; isn't that correct?

Mr. SALINGER. That is correct.

Mr. KENNEDY. And Mr. Finazzo and Mr. Quasarano went to New York together and registered at the hotel together?

Mr. SALINGER. Yes, sir.

Mr. KENNEDY. Subsequently, just before Davidson fought, Mr. Quasarano, the narcotics figure, and Mr. Brennan, both registered at the hotel together, and Mr. Brennan, while he was in New York in connection with this matter, made telephone calls to some of the important gangsters and hoodlums throughout the United States.

Mr. SALINGER. That is correct.

Mr. KENNEDY. To, namely, "Hymie the Mink"; is that correct?

Mr. SALINGER. Yes.

The CHAIRMAN. Is there anything further?

Mr. KENNEDY. And the union funds were used to finance the activities of Mr. Embrel Davidson during this period of time?

Mr. SALINGER. That is correct.

Mr. KENNEDY. Mr. Quasarano and Mr. Finazzo.

The CHAIRMAN. Do you and each of you, 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. FINAZZO. I do.

Mr. QUASARANO. I do.

TESTIMONY OF SAM FINAZZO AND RAFFAELE QUASARANO, ACCOMPANIED BY THEIR COUNSEL, CHRISTOPHER J. MULLE

The CHAIRMAN. Beginning on my left, identify yourself by stating your name, your residence, and your place of business, please.

Mr. MULLE. Mr. Chairman, if I may interrupt at this point.

The CHAIRMAN. I always try to get the witnesses identified, and then permit counsel to make statement.

Mr. MULLE. I appreciate that very much.

Mr. Chairman, it so happens that Mr. Quasarano is not extremely familiar with the English language, and under the tension of the circumstances, I am sure that you can agree he would not be able to understand your questions and answer them in the English language as readily as he should. Therefore, I am going to ask your kind permission to be permitted to act as counsel for Mr. Quasarano and also to act as, in a sort of way, interpreter, so I can give him the questions as presented to him by your honorable committee.

The CHAIRMAN. All right. Are you an attorney?

Mr. MULLE. Yes; my name is Christopher Mulle, my address is 20183 Mack Avenue, Grosse Point Woods, Mich., and I am an attorney in Detroit, Mich.

The CHAIRMAN. You are licensed under Michigan statute?

Mr. MULLE. Yes.

The CHAIRMAN. The Chair is not going to swear you as an interpreter, and we are going to rely upon your standing at the bar and

your obligation as a lawyer to interpret in such interpretations as you make, to interpret them both correctly to the witness and also to the committee.

Do you feel that you can interpret and you understand his language well enough that you can convey to him the questions and in turn interpret his answers to the committee in English?

Mr. MULLE. I feel that I can, Your Honor, and I expressly wish to thank you for this courtesy and cooperation.

The CHAIRMAN. I respect your position in the bar, and I will not swear you as an interpreter.

All right, now my question to the witness on my left sitting next to you, Mr. Counsel, is please state your name, and your residence, and your business or occupation.

Mr. QUASARANO. My name is Raffaele Quasarano, 190327 Esther Williams Court, Grosse Point.

The CHAIRMAN. Your occupation, please, or your business?

Mr. QUASARANO. My business is mostly barber supplies.

Mr. MULLE. He is a partner in the so-called Motor City Barber Supply & Beauty Supply Co.

The CHAIRMAN. Now, the one on my right; will you state your name, and your place of residence, and your business or occupation.

Mr. FINAZZO. Sam Finazzo, 2502 Newport, and I am in the salvage business.

The CHAIRMAN. Thank you. And the attorney here, Mr. Mulle.

Mr. MULLE. I shall at this point present myself as an attorney for Mr. Finazzo.

The CHAIRMAN. All right. You may proceed.

Mr. KENNEDY. Mr. Finazzo, could you tell us when you were born?

Mr. FINAZZO. 1906.

Mr. KENNEDY. Where?

Mr. FINAZZO. Italy.

Mr. KENNEDY. You were born in Italy?

Mr. FINAZZO. Yes.

Mr. KENNEDY. And are you an American citizen now?

Mr. FINAZZO. Yes.

Mr. KENNEDY. When did you get your American citizenship?

Mr. FINAZZO. Through my father.

Mr. KENNEDY. When did you come to the United States?

Mr. FINAZZO. When I was 4 years old.

Mr. KENNEDY. Now Mr. Finazzo, have you an interest in any boxers or professional fighters?

Mr. FINAZZO. I respectfully decline to answer this question and exercise my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

Mr. KENNEDY. Specifically, could you tell me what your relationship was with Mr. Embrel Davidson?

Mr. FINAZZO. I respectfully decline to answer this question and exercise my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

Mr. KENNEDY. And could you tell us what arrangements you made on behalf of Mr. Bert Brennan for Mr. Embrel Davidson?

Mr. FINAZZO. I respectfully decline to answer this question and exercise my privilege under the fifth amendment of the United States Constitution.

Mr. KENNEDY. Do you know Mr. Bert Brennan?

Mr. FINAZZO. I respectfully decline to answer this question and exercise my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

Mr. KENNEDY. Do you know Mr. James Hoffa?

Mr. FINAZZO. I respectfully decline to answer this question and exercise my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

Mr. KENNEDY. Could you tell us how many times you have been arrested, Mr. Finazzo?

Mr. FINAZZO. I respectfully decline to answer this question and exercise my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

Mr. KENNEDY. Could you tell us how many times you have been convicted?

Mr. FINAZZO. I respectfully decline to answer this question and exercise my privilege not to answer this question.

Mr. KENNEDY. Could you tell us why Mr. Bert Brennan and Mr. Hoffa would be dealing with you?

Mr. FINAZZO. I respectfully decline to answer this question and exercise my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

Mr. KENNEDY. The testimony that we have had regarding your visit to New York; is that correct?

Mr. FINAZZO. I respectfully decline to answer this question and exercise my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

Mr. KENNEDY. Mr. Chairman, I would like to ask some questions of Mr. Quasarano.

The CHAIRMAN. Proceed.

Mr. KENNEDY. Mr. Quasarano, could you tell the committee where you were born?

Mr. QUASARANO. In Pennsylvania State.

Mr. KENNEDY. When did you move to Detroit?

Mr. QUASARANO. In 1929.

Mr. KENNEDY. Do you have anything to do with professional fighting now, Mr. Quasarano?

Mr. MULLE. Mr. Chairman, if I may interrupt, at this particular point, Mr. Quasarano is going to assert the fifth amendment, and as such he is not going to try to be a witness against himself, and as a result, he is going to ask to decline to answer these questions.

The CHAIRMAN. We will let him answer it in his language and you tell us that that is what he said.

Mr. MULLE. Very good.

The CHAIRMAN. All right.

If he doesn't understand the question, you make sure he understands it and let the witness answer. Here is the thing about it: We can't accept the invoking of the fifth amendment by proxy. We are sure he intends to do it, but intending to do it doesn't put it on the record. Doing it makes it a matter of record.

Mr. MULLE. I appreciate that, Mr. Chairman. I merely wanted to tell the committee that he was going to do so, and under the circumstances, Mr. Kennedy, would you grant me the courtesy of repeating the question.

Mr. KENNEDY. Do you have anything to do with professional fighters or professional boxing?

Mr. QUASARANO (through Mr. Mülle). I respectfully decline to answer this question and exercise my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

Mr. KENNEDY. He can say what he says to you out loud, anyway.

Mr. MÜLLE. Oh, yes.

Mr. KENNEDY. What did he say to you; will you repeat that? You just interpret it for us, if that is necessary.

Mr. QUASARANO. I refuse to be a witness.

The CHAIRMAN. The Chair won't hold him to exact language, and if he says, "I refuse to be a witness against myself," that is sufficient in his case. The Chair will accept that, if he just says, "I refuse to be a witness against myself," or "I decline."

I am not trying to belabor this, but after all, we will make a record, and you can make a shabby one or you can make one that has some meaning.

Mr. KENNEDY. Now, Mr. Quasarano, you have been identified before this committee in the hearings we held approximately a month ago as a recipient of telephone calls from John Ormento, who is a notorious trafficker in narcotics. Could you tell us about that?

Mr. QUASARANO. I refuse to be a witness against myself.

Mr. KENNEDY. Now, this was just about the time of the meeting at Apalachin. Could you tell us what you know about the meeting at Apalachin?

Mr. QUASARANO. I refuse to be a witness against myself.

Mr. KENNEDY. And Mr. Quasarano, we also identified you as a recipient of a telephone call from Mr. Joseph Barbara, who was the host at the meeting at Apalachin.

Mr. QUASARANO. I refuse to be a witness against myself.

Mr. KENNEDY. Could you tell us what you discussed with him?

Mr. QUASARANO. I refuse to be a witness against myself.

Mr. KENNEDY. You were identified here by a Bureau of Narcotics representative, about a month ago, as one of the leading traffickers in narcotics yourself in the Detroit area. Could you tell us about whether you do deal in narcotics?

Mr. QUASARANO. I refuse to be a witness against myself.

Mr. KENNEDY. And whether you import and distribute narcotics throughout the United States?

Mr. QUASARANO. I refuse to be a witness against myself.

Mr. KENNEDY. Could you tell the committee, and I will repeat my question, whether you have been in or are now in professional boxing?

Mr. QUASARANO. I refuse to be a witness against myself.

Mr. KENNEDY. Could you tell us or the committee why, with this background, Mr. Bert Brennan of the Teamsters' Union would be staying with you in New York City?

Mr. QUASARANO. I refuse to be a witness against myself.

Mr. KENNEDY. Did you also have an interest in Mr. Embrel Davidson, together with Mr. Brennan and Mr. Hoffa?

Mr. QUASARANO. I refuse to be a witness against myself.

Mr. KENNEDY. Do you know Mr. James Hoffa?

Mr. QUASARANO. I refuse to be a witness against myself.

Mr. KENNEDY. Could you tell us what you did for Mr. Embrel Davidson on behalf of Mr. Hoffa and Mr. Brennan?

Mr. QUASARANO. I refuse to be a witness against myself.

Mr. KENNEDY. Could you tell us why Mr. Brennan would be calling on the telephone Himey "the Mink" Wollman?

Mr. QUASARANO. I refuse to be a witness against myself.

Mr. KENNEDY. Were you present when the telephone call took place?

Mr. QUASARANO. I refuse to be a witness against myself.

Mr. KENNEDY. Could you tell us what connection you have had with any other Teamster Union officials, in Detroit?

Mr. QUASARANO. I refuse to be a witness against myself.

Mr. KENNEDY. Now, could you tell us what you have had to do with the LaSalle Distributors, at 9018 12th Street, in Detroit, Mich?

Mr. QUASARANO. I refuse to be a witness against myself.

Mr. KENNEDY. Could you explain why it was that the Teamsters began organizational drive of the LaSalle Distributors, and that they then got in touch with you and that the organizational drive was then called off?

Mr. QUASARANO. I refuse to be a witness against myself.

Mr. KENNEDY. Could you tell us why the LaSalle Distributors have sold over 1,000 watches that have been distributed to union officials?

Mr. QUASARANO. I refuse to be a witness against myself.

Mr. KENNEDY. Does that have anything to do with the organizational drive of the Teamsters being called off?

Mr. QUASARANO. I refuse to be a witness against myself.

Mr. KENNEDY. You have nothing to say about that, Mr. Quasarano?

Mr. QUASARANO. I refuse to be a witness against myself.

Mr. KENNEDY. Are you a labor management consultant?

Mr. QUASARANO. I refuse to be a witness against myself.

Mr. KENNEDY. Is that why employers would come to you to consult about their labor problems?

(Witness consulted with his counsel.)

Mr. QUASARANO. I refuse to be a witness against myself.

Mr. KENNEDY. Can you tell us anything about your relationship with Mr. Hoffa, Mr. Brennan, or other Teamster officials?

Mr. QUASARANO. I refuse to be a witness against myself.

The CHAIRMAN. Is there anything further?

These two witnesses will remain under their present subpoena subject to being recalled by the committee for further interrogation.

Will you acknowledge that recognizance?

Mr. MULLE. Yes, Mr. Chairman. I plead ignorance at this point, and I would like to ask a question. Does that mean that they have to stay within the jurisdiction of Washington?

The CHAIRMAN. No, just stay within the jurisdiction of the United States, and should we need them again, I don't want to have to go through the process of subpoenaing them. Upon their accepting this recognizance it will not be necessary to do so, and they would be expected to return upon reasonable notice to them of the time and place where the committee desires to hear them.

Would you give your address? I don't know whether you did or not.

Mr. MULLE. My address is 20183 Mack Avenue, Grosse Point Woods, Mich. That is my office address.

The CHAIRMAN. All right, if there is nothing further, I think that you are excused. You may stand aside.

Mr. Brennan, will you come around, please?

**TESTIMONY OF OWEN B. BRENNAN, ACCOMPANIED BY HIS
COUNSEL, GEORGE FITZGERALD—Resumed**

The CHAIRMAN. Mr. Brennan, you have been previously sworn, and will you just have a seat? You will remain under the same oath, and proceed, Mr. Counsel.

Mr. KENNEDY. Could you tell the committee, Mr. Brennan, about your relationship with Embrel Davidson?

The CHAIRMAN. Let the record show Mr. Fitzgerald appears also as counsel.

Mr. BRENNAN. I respectfully decline to answer the question and exercise my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

Mr. KENNEDY. Would you tell the committee why you as a teamster official and recently made vice president of the International Brotherhood of Teamsters would be dealing with Mr. Quasarano and Mr. Finazzo?

Mr. BRENNAN. I respectfully decline to answer the question, and exercise my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

Mr. KENNEDY. Did you know when you were working with Mr. Finazzo he had been arrested some 26 times?

Mr. BRENNAN. I respectfully decline to answer the question, and exercise my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

Mr. KENNEDY. When you stayed with Mr. Quasarano in New York did you know he was one of the major traffickers in narcotics in the United States?

Mr. BRENNAN. I respectfully decline to answer the question, and exercise my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

Mr. KENNEDY. Would you tell the committee why you put Embrel Davidson on the payroll of the welfare fund where he did no work on behalf of the welfare fund?

Mr. BRENNAN. I respectfully decline to answer the question, and exercise my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

Mr. KENNEDY. According to the testimony we have had, the only work he did was training for his fights and some work that he did at your home; is that correct?

Mr. BRENNAN. I respectfully decline to answer the question, and exercise my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

Mr. KENNEDY. You used him to feed your horses; is that correct?

Mr. BRENNAN. I respectfully decline to answer the question, and exercise my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

Mr. KENNEDY. Do you consider that the money of the welfare fund and the union are to be used by you and Mr. Hoffa for whatever purpose you see fit to help you and your friends?

Mr. BRENNAN. I respectfully decline to answer the questions, and exercise my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

Mr. KENNEDY. And these funds should be used to help you and help Mr. George Fitzgerald and help Mr. Herbert Grosberg, is that the purpose of the fund?

Mr. BRENNAN. I respectfully decline to answer the questions, and exercise my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

Mr. KENNEDY. Do you feel that it is an advantage to have someone around you working for the Teamsters or be working with someone who has a criminal record, Mr. Brennan?

Mr. BRENNAN. I respectfully decline to answer the questions, and exercise my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

Mr. KENNEDY. I have something I want to show Mr. Brennan.

Senator MUNDT. When you made this trip to New York City with Mr. Quasarano to attend the prize fights, did you charge your expenses to the Teamsters Union, or did you pay for those expenses yourself?

Mr. BRENNAN. I respectfully decline to answer the question, and exercise my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

Senator MUNDT. Not being a lawyer, could you explain to me how answering that question by saying, "I paid those expenses myself, could incriminate you?"

Mr. BRENNAN. Well sir, without getting into the area of losing my privileges, I understand and have been advised by my attorneys that answering any question would lose me my privileges. Under those circumstances naturally I have to decline to answer any of the questions regardless of how they are put with an unlimited imagination. So I have to respectfully decline to answer the question, and exercise my privileges under the fifth amendment, sir, of the United States Constitution.

Senator MUNDT. Could you have your attorney tell you, so that you could tell me, the precedent for this decision that you say he mentioned to you; that, by answering one question, you would lose all immunity?

(Witness consulted with counsel.)

Mr. FITZGERALD. May I address the Chair?

The CHAIRMAN. Yes; you may.

Mr. FITZGERALD. I will answer Senator Mundt. I don't believe Senator Mundt is a lawyer, are you?

Senator MUNDT. I said I was not.

Mr. FITZGERALD. I wasn't sure. Well, there is a confusion in the law or case law on the question of this fifth amendment, and there is a very serious question among lawyers who have very closely analyzed the Supreme Court decisions on the subject regarding a witness when he exercises his privilege, when he can draw a line of demarcation between what he should and what he can't answer without waiving his privilege. Now, that has been the subject of some very learned treatises by Dean Griswold, of Harvard, and other writers. The feeling among lawyers, if I may just finish——

Senator MUNDT. I am aware there have been a lot of treatises, and there are a lot of learned people who have pontificated on the subject,

and my question through Mr. Brennan to you, and I would just as soon ask it to you directly, is whether or not there is a Supreme Court decision which holds that to answer one question waives immunity for all?

(At this point, the following members were present: Senators McClellan, Kennedy, and Mundt.)

Mr. FITZGERALD. There are Supreme Court decisions which hold that, if a person answers the first in a chain of questions, it may constitute a waiver of his privilege that he has already asserted. We are proceeding on that theory. That is the only way I can advise Mr. Brennan at the present time, in view of the situation on the case law.

Senator MUNDT. Inasmuch as the whole area of Supreme Court jurisdiction is a matter presently before the Senate of the United States, and inasmuch as legislation has come from the Judiciary Committee of the Senate trying to clarify the position of Congress from the standpoint of its ability to elicit information from witnesses and to cite witnesses for contempt, if you have, as you say you have, a decision or a series of decisions, upon which you now base your advice to the witness that he cannot answer one question without waiving immunity to all, would you be good enough to prepare a short statement or a brief to put into the record at this point, listing those cases and designating them?

Mr. FITZGERALD. Well, I will do it, but I am not going to do it right now. I can't.

Senator MUNDT. I mean for the record.

Mr. FITZGERALD. I will be very happy. I furnished a lot of other things to the counsel, and I will be very happy to do that, also.

Senator MUNDT. This is an important point. If your fear is based in fact, it would certainly imply that something the Supreme Court had done had stultified entirely the capacity of the people of America, acting through Congress, to get the information required in a situation like this to legislate properly. For that reason, I would like to have you list those, so that we can analyze them. You may be correct. I don't know. But at least I want something more than just a treatise by a learned lawyer on which to base this disclaimer now being utilized by your witness.

Mr. FITZGERALD. As soon as I have the opportunity, Senator, I will be glad to furnish that to you and anyone else who is interested.

The CHAIRMAN. This should properly be made an exhibit. You could write indefinitely on this. You could write almost a book on it, I suppose.

Senator MUNDT. I am not asking, Mr. Chairman, for Mr. Fitzgerald's opinion. I am asking if he would be good enough, because he has obviously made a study of this in preparing for these hearings, to list the precedents and the cases, so that we can have them definitely before us.

The CHAIRMAN. Mr. Fitzgerald, if you will simply submit citations, there would be no objection to them going into the record at this point. But I did not want to open up the record to a long dissertation.

Senator MUNDT. No; I was not asking this, that he do it, and I would not be interested in having Dean Griswold's treatise or

Fitzgerald's treatise. I want the citations. Any comment you wish to make, of course, you are privileged to make.

Mr. FITZGERALD. Thank you.

(The document referred to was requested several times and never received.)

The CHAIRMAN. Mr. Brennan, you and Mr. Hoffa, according to his testimony, had an interest in this fighter, Davidson. Mr. Hoffa so testified previously. Mr. Davidson has come on the stand and testified that, during the time he was under your management as a fighter, he received \$75 a week from the welfare fund of the union; that he did no work for the union. The only thing he did was train and, occasionally, do some personal work for you.

In round numbers, according to the records, according to his testimony, there was expended out of the welfare fund of the union approximately \$8,000, a little more or a little less, during nearly a 2-year period of time, as payments to him, weekly payments, \$75 a week, for performing no services for the union or for the welfare fund. Do you feel that you should reimburse the welfare fund of your members for the money that was so expended with your approval and with your knowledge?

Mr. BRENNAN. I respectfully decline to answer the question, and exercise my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

The CHAIRMAN. Do you intend now to pay this money back to the welfare fund?

Mr. BRENNAN. I respectfully decline to answer the question, and exercise my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

The CHAIRMAN. Do you regard and will you concede that such action, if you do not make restitution, constitutes embezzlement, and embezzlement, as you know, is a form of theft?

Mr. BRENNAN. I respectfully decline to answer the question and exercise my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

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

The CHAIRMAN. I am very hopeful that the monitors appointed by the court, a part of whose duty, I understood, was to supervise the cleanup of the Teamsters Union, the corruption in it, and other improper practices, that they will make some expression about this, and if they have it within their power, that they will try to see that this welfare fund is reimbursed by you and Mr. Hoffa for the money you took out of it, for any legal purposes so far as the union is concerned in the welfare fund, and for your own personal gain and profit so far as you and Mr. Hoffa are concerned. I am hopeful they will do that.

In the meantime, I hand you a photograph and ask you to examine it. State if you can identify any person in it.

(The photograph handed to the witness.)

(The witness conferred with counsel.)

Mr. BRENNAN. I respectfully decline to answer the question and exercise my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

The CHAIRMAN. Look at No. 50083. See if you recognize him.

Mr. BRENNAN. I respectfully decline to answer the question and exercise my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

The CHAIRMAN. As you look at it, can you not imagine yourself looking in a mirror?

Mr. BRENNAN. I respectfully decline to answer the question and exercise my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

The CHAIRMAN. Name some of the buddies there with you.

Mr. BRENNAN. I respectfully decline to answer the question and exercise my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

The CHAIRMAN. Is there anything further?

Senator MUNDT. Yes. I would like to know who the buddies are. Perhaps somebody from the staff can tell us who is in the picture.

The CHAIRMAN. The picture will be made exhibit No. 8.

(The document referred to was marked "Exhibit No. 8" for reference and may be found in the files of the select committee.)

The CHAIRMAN. Now you may interrogate him about it.

Senator MUNDT. There is no use to interrogate him, but somebody else might be able to identify them. I think we should have them in the record by name.

The CHAIRMAN. Mr. Bellino.

Senator MUNDT. Mr. Bellino, may I ask you to identify the other individuals in the picture insofar as you are able to do so?

The CHAIRMAN. I may say, Senator, they are all identified on the picture.

Mr. BELLINO. This is a photograph obtained from the Detroit police. It is called Truck Bombers.

The names are from the left: Raffaele Bennett, Samuel Hurst, Russell Gregory, Bernard Brennan, Eugene Schnitzler, George King, Harry Apers, and John Floria.

Senator MUNDT. You do know Bernard Brennan; do you not?

Mr. BRENNAN. I respectfully decline to answer the question and exercise my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

Senator MUNDT. Have you any information about these people whose names you read other than the fact that they were bombing trucks?

Mr. BELLINO. We have information in our files. We could get it, Senator.

Senator MUNDT. I think it would be well, if you can, now that you have put the names into the record, to insert the information describing them a little bit more adequately.

Mr. KENNEDY. We think we have some information about several of them. Mr. Bennett—wasn't he a Teamster official?

Mr. BELLINO. Mr. Bennett was a Teamster official. I believe he was top man before Mr. Hoffa, if he is the correct one that I recall.

Samuel Hurst is a Teamster official.

Senator MUNDT. Mr. Bellino, is that the same Mr. Bennett whose name was brought into the hearings previously involving some kind of a fight in Detroit?

Mr. KENNEDY. That was Harry Bennett.

Mr. BELLINO. Harry Bennett from the Ford Co.

Senator MUNDT. A different Bennett.

Mr. KENNEDY. Don't the records show that Mr. Brennan had been arrested about 3 times or approximately 3 times, during this period of time 1935-36, in connection with bombing trucks and places of business?

Mr. BELLINO. Yes, sir.

Mr. KENNEDY. Was there an organized group that was going around bombing people, homes, buildings, truck establishments, and companies, Mr. Brennan?

Mr. BRENNAN. I respectfully decline to answer the question and exercise my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

Mr. KENNEDY. Were you a member of that group, Mr. Brennan?

Mr. BRENNAN. I respectfully decline to answer the question and exercise my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

The CHAIRMAN. Is there anything further?

The Chair will make this observation before we recess: With the approval of the committee, I shall direct that the transcript of these hearings this morning, particularly, and the record, if it has not already gone to the Justice Department, of Mr. Hoffa's testimony when he appeared before the committee before, be referred to the Justice Department for ascertaining who has committed perjury.

Definitely there is such a conflict of testimony here that there could hardly be any misunderstanding. Mr. Hoffa testified that no union funds went to pay this prizefighter.

Now he comes on this morning and says that he was paid \$75 a week out of welfare funds; that he did no work. Of course, if he did no work, Mr. Hoffa and Mr. Brennan definitely knew about it. The records, in part, as far as we have been able to get the records, further corroborate and substantiate the testimony of Mr. Davidson. Again, it gives us concern, very deep concern, about our work here as we try to get the truth. We run into, as I stated, and as everyone has observed, the fifth-amendment device being used and being improperly used, in my judgment, to prevent or to escape giving testimony against others, not self-incriminating testimony.

Then we run into these conflicts of testimony where somebody is imposing on this committee and on their Government by committing perjury.

This committee has no authority to prosecute; it can only expose. But there are other agencies of Government who have a duty to perform after this committee has performed its function.

I think this record should go there immediately. Again I express the hope that the monitors will exercise such power as they have in the court, to see that these funds are replaced, this money is replaced in the fund, from which it came, for the benefit of the workers of the Teamsters Union, for whose welfare it was paid into that fund by employers.

Senator Ives.

Senator IVES. Mr. Chairman, I think there is a possible conflict in Mr. Hoffa's own testimony. As I recall, and I have not checked the record in this respect, though it ought to be checked, the day before

yesterday Mr. Hoffa testified that he did not have authority to intercede in local contracting negotiations; whereas yesterday he says he stopped a number of strikes.

There is possibly no conflict there at all, and possibly there is. I think that matter ought to be checked.

The CHAIRMAN. Of course, wherever there is conflict the testimony is whether there is willful falsehood. Sometimes language may be susceptible of different interpretations. But again we have such a conflict here that you cannot dissolve it, as I see it, where both were telling the truth. Either Davidson has perjured himself or Mr. Hoffa did not tell the truth when he testified before. I said a moment ago all this committee can do is expose. I just used that in relation to a prosecution.

Of course, this committee's primary function is to expose these evils, develop the information, so that Congress can legislate to remedy, to prohibit, and to regulate or direct.

As I repeatedly stated, there is no doubt in anyone's mind that the disclosures that have been made in the course of these hearings cry out for legislation in many areas so as to give protection to the working people of this country and so as to protect our society and our economy from the character assaults being made upon it in some instances.

Senator Kennedy.

Senator KENNEDY. I hope that the monitors will examine their authority to see whether they could take action with regard to Mr. Brennan, not only because of his refusal to give the committee information to which I believe it is entitled, but also because of his association with gangsters and criminals; particularly in view of his position of authority within the Teamster organization at the present time as one of the chief officers in charge of the whole Teamster Union in the United States. He is the seventh international vice president.

In view of his disregard for the responsibility of the union funds, his tieup with criminals and gangsters, his gambling, which he refused to give us very much information about, but which must have been considerable if Mr. Hoffa is telling us the truth, I would think that his position should certainly be studied by the monitors as to whether he should not be removed.

The CHAIRMAN. Is there anything further?

If not, the committee will stand in recess until 2 o'clock.

(Whereupon, at 12:35 p. m. a recess was taken until 2 p. m. of the same day, with the following members present: Senators McClellan, Ives, Kennedy, Mundt.)

AFTERNOON SESSION

The CHAIRMAN. The committee will come to order.

(Members of the select committee present at this point: Senators McClellan, Ives, and Curtis.)

The CHAIRMAN. All right, Mr. Kennedy, call the next witness.

Mr. KENNEDY. Mr. Hoffa. Mr. James Hoffa.

TESTIMONY OF JAMES R. HOFFA, ACCOMPANIED BY COUNSEL,
EDWARD BENNETT WILLIAMS, GEORGE FITZGERALD, AND
DAVID PREVIANT—Resumed

The CHAIRMAN. Proceed, Mr. Kennedy.

Mr. KENNEDY. Mr. Hoffa, are you planning to take steps to reimburse the union for the money that was used from the pension and welfare fund for Mr. Embrel Davidson?

Mr. WILLIAMS. Before we begin the interrogation of the witness, Mr. Chairman, may I say for the record that this morning I was called at 9:35 a. m. by one of your staff members, Mr. Paul Tierney, and he told me that Mr. Kennedy had asked him to call me to advise me that Mr. Hoffa's presence would not be required during the morning session, but that it would be required during the afternoon. I told Mr. Tierney that this did not meet the thrust of the objection which I had lodged with the Chair yesterday morning, in which I complained about putting the witness on and then having him stand aside for rebuttal testimony, and then recalling him.

I want to renew my objection, Mr. Chairman, and point out for the purpose of the record that at the direction of the committee, we were here present throughout yesterday afternoon, although the witness was not called to the stand to testify yesterday afternoon. We did come here voluntarily this morning, because I felt that if testimony was going in which the witness would be required to respond to, immediately, this afternoon, that he should have the benefit of hearing it, since the record would not be prepared in time for him to read it.

So I must renew my objection, Mr. Chairman, the same objection that I made yesterday, wherein I said to the Chair that the calling and recalling of this witness for an hour or an hour and a half a day with rebuttal witnesses placed in juxtaposition to him, constitutes a legislative trial, in which he is not given a right to cross-examine the adverse witnesses against him. I would like that objection renewed.

I again ask the Chair to allow the witness to testify through to a conclusion, or to excuse him until the end of all the other testimony, and allow him to return and testify through to a conclusion without these interruptions.

The CHAIRMAN. The objections, I believe, are the same as you interposed yesterday, upon which the Chair made a ruling after an executive session of the committee.

I may repeat that we do not order or direct Mr. Hoffa to remain present at all times during the taking of testimony.

But as I stated yesterday, the committee felt that as it somewhat concludes each phase of the case, Mr. Hoffa should be given the opportunity to comment upon it, and be interrogated about it. Insofar as we can, as I said yesterday, we are going to permit Mr. Hoffa to be absent, if he desires to do so, to continue with his own enterprises, whatever his pleasure is. But, as the Chair said yesterday, from time to time he will be called in the course of these hearings, and he should stay available for response to the committee's calling. We have just

concluded one part of these hearings, and I think pretty serious testimony has been given, as I indicated this morning. There have been a number of witnesses on the stand since Mr. Hoffa appeared, and there are some questions that we have to ask him about these matters.

He should be given, I think—and I don't know what is so disturbing about this—given the opportunity to answer or refute charges that are made.

The principal complaint that the Chair agreed with you on yesterday, is that part of your objection to the committee which I thought you were right about, instead of putting him on and then immediately putting on the witnesses where he hadn't had the opportunity to hear them before we interrogate him, and question him about it, I think there was some validity in that objection.

But to say that you object to us putting him on after he has heard the testimony with respect to some activities of his, until we get through here 2 or 3 weeks later and then putting him on, I don't see any validity in that.

To tell you the truth, it seems to me that in this way he is given the opportunity, almost simultaneously with the development of this information, given the opportunity to get his version in the record along with that that may have been testified to by other witnesses. I just don't see the validity of it. I know in the past when we didn't give the opportunity to witnesses who came up here, we were criticized for not doing it.

Mr. WILLIAMS. One of the bases, if I may state, Mr. Chairman, of my objection yesterday, was that it requires the witness to remain here present for several weeks in order to give several hours of testimony. I think this is a harrassment, and I said this to you yesterday, because I must advise this witness, as I did this morning, after I received Mr. Tierney's call. I must advise him in his own interest to be here present when testimony of the character that went in this morning is being offered. I think he must be here present in the interest of self-preservation when that kind of testimony goes in, so that he may hear it and then respond to it, unless he were given the opportunity, sir, to read the record before being interrogated on this subject.

The only way that I knew of, and I suggested this to the Chair yesterday, wherein this end could be accomplished, would be to allow him to come in and testify after all of the so-called adverse witnesses have concluded their testimony, and when he has had an opportunity to read the evidence that has been offered here against him.

So I say, Mr. Chairman, that it does not meet the real thrust of my objection, which is that he is being required to remain here, really out of self-preservation, throughout the life of an investigation in order that he may give only several hours or several days testimony.

I say, Mr. Chairman, most respectfully to you, sir, that I believe that this constitutes a legislative trial in which he is the defendant, and that the sole concession that was made by the ruling of the Chair is that the defendant, who is on trial, may be absent, when, of course, his absence would be the most detrimental and harmful thing to him if he is to defend himself and his reputation before this committee.

I again implore you, Mr. Chairman, to reconsider the objection that I lodged yesterday, and I urge you most respectfully to allow this witness, either to testify through to a conclusion, or to return here at

the end of this inquiry and testify with continuity instead of being put on the stand for an hour a day and then pulled off the stand while witnesses testify in juxtaposition to his testimony on each given subject.

The CHAIRMAN. Mr. Williams, of course, I can appreciate that your client may need to be present most any time during the course of these hearings. I am not going to require him to be present, except at such times as we may desire to interrogate him. But I know you realize we are dealing with some pretty serious matters, serious from the standpoint of this Congress and the American people. I want this record to be as clear and concise as it can be made, and made fairly to all parties, under oath. I am trying to keep this record as much under oath as it is possible to do.

Occasionally some remark or statement get in. I have repeatedly said such statements are not evidence. They may be stated as the basis upon which to predicate a question, if we have information to that effect, but not as evidence.

We are going to proceed this afternoon. Insofar as the Chair and committee can grant your request with respect to not placing Mr. Hoffa on the witness stand any more often than we feel is necessary to the proper functioning of the committee, we will grant the request. But as I advised yesterday, we would try to wind up a phase of the testimony, and when we felt that was completed, then Mr. Hoffa would be called, given the opportunity to explain or refute.

I did agree, and I think you were right about it, that instead of putting Mr. Hoffa on and asking him a few questions about something where testimony had not been developed, and then developing the testimony, I thought possibly you were right about it. But that is going to be the ruling of the Chair, and we are going to proceed accordingly.

But I can see no valid objection whatsoever, as we conclude one hearing or one phase of this particular series of hearings, for Mr. Hoffa to be given an opportunity to testify, and the committee will want him to do so.

I shall undertake, however, not to do that any more often than the committee feels that it should be done that way.

Your judgment and your advice will prevail, I am sure, with Mr. Hoffa as to whether he remains here at all times. The committee will not impose that requirement on him, of course.

But I think when testimony like that is being presented, being developed here, I think he should want to be present.

We will proceed.

Mr. WILLIAMS. Mr. Chairman, for the record, and I will state this in 10 seconds, may it be understood that the witness' continued presence here as of now is not a waiver of the objection that I have made yesterday and today.

The CHAIRMAN. No, sir. I would not so construe it. His presence here is by direction of the committee, and there is no waiver of any right that counsel seeks to protect for him.

Proceed.

Mr. KENNEDY. Mr. Hoffa, are you going to reimburse the welfare fund for the services of Mr. Embrel Davidson?

Mr. HOFFA. Mr. Chairman, may I consult with my lawyer?

The CHAIRMAN. Yes, sir.

(The witness conferred with his counsel.)

Mr. HOFFA. In listening to testimony this morning, I can state to the Chair and to the record, that any money that was paid to Davidson, which I had no knowledge of, if it had any part of the fighting, fight promotion, which I was a partner of Brennan of, I firmly believe the money should be immediately returned to the health and welfare fund.

Mr. KENNEDY. Therefore, you will take steps to return your portion of that money?

Mr. HOFFA. That is correct.

Mr. KENNEDY. Mr. Davidson said you were present at the time the arrangements were made to place him on the payroll. Were you present at that meeting with Mr. Davidson?

Mr. HOFFA. I have met Davidson in the office. I don't recall any such discussion. It may have been in the office. It is a large office. I may have been busy on the phone, or something else.

Mr. KENNEDY. You don't remember?

Mr. HOFFA. I do not recall any conversation as such.

Mr. KENNEDY. Did you know at all that Mr. Davidson was on the payroll, Mr. Hoffa?

Mr. HOFFA. I do not know exactly who is on the payroll of the welfare fund from time to time, and I did not know that Mr. Davidson was on the fund. To the best of my knowledge, it may have been brought to my attention—I don't know—but I don't recall him ever being on the fund.

Mr. KENNEDY. You don't remember that at all?

Mr. HOFFA. I don't.

Mr. KENNEDY. And you don't remember being present at the time that he was placed on the payroll of the pension fund; is that right?

Mr. HOFFA. I say that I may have been in the office, but I may have been occupied doing something else.

Mr. KENNEDY. You don't have any recollection about this at all?

Mr. HOFFA. I don't recall it.

Mr. KENNEDY. You don't recall it?

Mr. HOFFA. No.

Mr. KENNEDY. Have you taken steps to place anybody else on the payroll of the fund, pension fund?

Mr. HOFFA. Are you talking about employees?

Mr. KENNEDY. Yes.

Mr. HOFFA. I may have from time to time recommended somebody for a position.

Mr. KENNEDY. Who else have you placed on that?

Mr. HOFFA. I can't tell you at this moment. It isn't of that much importance to remember the names.

Mr. KENNEDY. It might not be important to you, but it is important to us. Could you tell us who else you placed on the payroll?

Mr. HOFFA. Offhand, I can't recall, and I can't even recall who is on the payroll.

Mr. KENNEDY. You can't remember anybody?

Mr. HOFFA. I know some on the payroll.

Mr. KENNEDY. Just give us the names of some of the people that you recommended be placed on the payroll.

Mr. HOFFA. Well, that I can't do.

Mr. KENNEDY. Why not?

Mr. HOFFA. Because I don't recall who I may have recommended, and it may have been brought to my attention by somebody else, and they may have asked my opinion, and I may have made a comment about it, but I just don't remember.

Mr. KENNEDY. Mr. DeLamalier, did you take steps to put him on the payroll?

Mr. HOFFA. Yes, I think that I recommended DeLamalier.

Mr. KENNEDY. Now that I refreshed your recollection, you remember that?

Mr. HOFFA. I recommended DeLamalier.

Mr. KENNEDY. What is his role on the payroll, and what does he do?

Mr. HOFFA. He is an investigator.

Mr. KENNEDY. Who does he investigate, Mr. Hoffa?

Mr. HOFFA. Whatever the fund has him do.

Mr. KENNEDY. Do you give him instructions to investigate anyone, Mr. Hoffa?

Mr. HOFFA. Just a moment, please.

(Witness consulted with counsel.)

Mr. HOFFA. I would think that being a participant in a fund, and if I requested them to do something, he would carry out the orders.

Mr. KENNEDY. So you have him investigate certain things that you are interested in?

Mr. HOFFA. I would, if I thought it was necessary.

Mr. KENNEDY. Do you have him investigate only in the interests of the fund?

Mr. HOFFA. Not necessarily.

Mr. KENNEDY. Some of the matters that you are personally interested in?

Mr. HOFFA. He could investigate anything I asked him to.

Mr. KENNEDY. So he does that, and if there are any personal charges against you, for instance, any criminal charges against you, Mr. DeLamalier is often called upon to investigate that, is that right?

Mr. HOFFA. DeLamalier would investigate what he was told to investigate.

Mr. KENNEDY. And he can be told by you, is that right?

Mr. HOFFA. I could suggest it, yes.

Mr. KENNEDY. And he is paid by welfare fund?

Mr. HOFFA. That is right.

Mr. KENNEDY. What about Mr. Patrick?

Mr. HOFFA. Who is that?

Mr. KENNEDY. Mr. Patrick.

Mr. HOFFA. Mr. Patrick is an old man and he is on the payroll of the welfare fund and he is very ill, and he does have little work but occasionally I understand he does do some investigation, and I don't know how much.

Mr. KENNEDY. Do you give him instructions to do any investigations?

Mr. HOFFA. I may have asked Pat to do something from time to time.

Mr. KENNEDY. Is this always to deal with the welfare fund?

Mr. HOFFA. Not necessarily, no.

Mr. KENNEDY. Mr. Hoffa, do you consider these welfare funds as funds that you can use for your own personal purposes, to put people on the payroll?

Mr. HOFFA. I believe that the trustees of the fund have the final word in the operation of the fund, but I reserve the right, being a participant in the fund to make recommendations from time to time, and also since individuals who are working there I know, I wouldn't hesitate to ask them to do things outside of the fund.

Mr. KENNEDY. So you consider that this is a payroll that is available in case you want to place someone on there to do some work for you personally, is that right?

Mr. HOFFA. I do not consider any such thing.

Mr. KENNEDY. You placed Mr. DeLamalier on there, on your recommendation, and he does personal investigations for you.

Mr. HOFFA. Mr. DeLamalier primarily works for the welfare fund, but I reserve the right and I have asked him from time to time to make investigations for me.

Mr. KENNEDY. Well: there is one individual that has been placed on the payroll, and he does personal investigations for you. What was Mr. DeLamalier's position prior to the time that he was placed on the payroll?

Mr. HOFFA. DeLamalier was, I believe, and I don't want to get held to this, I believe DeLamalier was on the payroll of the insurance fund for local 876. I am quite sure that is right.

Mr. KENNEDY. What is that, the Retail Clerks?

Mr. HOFFA. Yes, sir.

Mr. KENNEDY. Was that the Retail Clerks in your own headquarters?

Mr. HOFFA. Yes, sir.

Mr. KENNEDY. Did you take steps or did you recommend him for that position?

Mr. HOFFA. Yes, I did.

Mr. KENNEDY. For his position with the Retail Clerks?

Mr. HOFFA. Yes, sir; I did.

Mr. KENNEDY. Where did he work prior to that time?

Mr. HOFFA. Detroit Police Department.

Mr. KENNEDY. And——

Mr. HOFFA. Just a moment, he didn't work for the Detroit Police Department immediately prior to going on there, and he had retired, and he had been in other business, and I think running a bar and I don't know what else he did, and I think selling some real estate. But primarily and principally his occupation had been during his life a police officer.

Mr. KENNEDY. Charges had been made against him just prior to his resignation from the police department?

Mr. HOFFA. There had been some statements, and I don't believe that the trial board found him guilty.

Mr. KENNEDY. But he was requested to resign, was he?

Mr. HOFFA. I wouldn't know that, and I don't believe it is true, but I wouldn't want to state yes or no.

Mr. KENNEDY. Who defended him before the trial board, the police department?

Mr. HOFFA. Just a moment, and I can find out for you.

(Witness consulted with counsel.)

Mr. HOFFA. George Fitzgerald.

Mr. KENNEDY. Was that during the period of time that he was supposed to be investigating or in charge of the investigation of the shooting of Walter Reuther?

Mr. HOFFA. I believe that was one of his assignments.

Mr. KENNEDY. And the charge was that he had close relationship with Mr. Santo Perrone, one of those who was alleged to be responsible for the shooting of Walter Reuther.

Mr. HOFFA. I am not familiar with the charges enough to be able to discuss those with you.

Mr. KENNEDY. Does that sound reasonably correct, though, Mr. Hoffa?

Mr. HOFFA. I would rather not discuss something I am not positive about, after what happened here this morning.

Mr. KENNEDY. Now, Mr. Hoffa, are you going to take any steps against Mr. Owen Bert Brennan for his role in this situation?

Mr. HOFFA. Mr. Brennan will be requested to refund any moneys concerning Davidson.

Mr. KENNEDY. That is all?

Mr. HOFFA. And the other charges will be discussed.

Mr. KENNEDY. Well, you were here while the testimony developed, and are you going to take some steps against Mr. Brennan yourself, as international president of the Teamsters?

Mr. HOFFA. I will discuss that.

Mr. KENNEDY. That is all you are going to say?

Mr. HOFFA. That is all I am going to say.

Mr. KENNEDY. Are you going to make any recommendation that charges be made against Mr. Brennan?

Mr. HOFFA. I will discuss the question and make my own decision.

Mr. KENNEDY. Did you know Mr. Finazza yourself?

Mr. HOFFA. I know Sam Finazza.

Mr. KENNEDY. How long have you known Sam Finazza?

Mr. HOFFA. Probably 10 or more years.

Mr. KENNEDY. How about Quasarano?

Mr. HOFFA. I know Jimmy for about the same time.

Mr. KENNEDY. And you say that you will discuss or consider charges against Mr. Brennan?

Mr. HOFFA. I said that I will discuss it, and I will then make a decision after I have had time to analyze it and decide what to do.

Mr. KENNEDY. Who will you discuss it with?

Mr. HOFFA. The necessary officials of our union.

Mr. KENNEDY. Who would they be?

Mr. HOFFA. Various individual members of our executive board.

Mr. KENNEDY. Is Mr. Owen Bert Brennan on your executive board?

Mr. HOFFA. He is, indeed.

Mr. KENNEDY. When you were here last time, Mr. Hoffa, you make a statement in answer to a question of the chairman, and also in answer to the question of Senator Ives, that you were going to make an investigation of various individuals with criminal backgrounds and criminal records, and I would like to ask you about that. Have you made any investigation, for instance, of Owen Bert Brennan prior to this time?

Mr. HOFFA. I have known Owen Bert Brennan since I was a young fellow, and I don't need to make any investigation of Bert Brennan, because I know him probably better than his own wife knows him.

Mr. KENNEDY. Then you knew about his participation in the bombings during the 1930's?

Mr. HOFFA. I know he was found innocent by a jury.

Mr. KENNEDY. Did you know of his arrests in connection with the bombings during the 1930's?

Mr. HOFFA. I know he was accused but never indicted nor convicted, to the best of my knowledge, in any of those incidents.

Mr. KENNEDY. And isn't it correct that he was alleged at that time to have received his instructions for those bombings from you?

Mr. HOFFA. Not to my knowledge.

Mr. KENNEDY. Now—

Mr. HOFFA. Just a moment; I would like to have you state where such information originated from, if you will, so we can be able to answer the questions.

Mr. KENNEDY. I just asked you a question. We have a report here that you and he were the ones responsible for the bombings, and also involved in the bombings was Mr. Herman Kierdorf. How long have you known him?

Mr. WILLIAMS. Mr. Chairman, I think in the interest of fairness, if a charge like that is going to be mouthed in public, in this hearing room, that the counsel include what the origin of this report is, and on what information it is based. I don't think that a reckless charge should be made unless Mr. Kennedy can support it by stating whom he got the information from, and on what facts it was based.

Unless that is done, I think it should be stricken.

Mr. KENNEDY. You say it is a reckless charge, and you don't know that, Mr. Williams.

Mr. WILLIAMS. If it isn't, you can clear it up right away.

The CHAIRMAN. Just a moment. If counsel has information and the committee does not want to reveal it at the moment, he may not give it. But instead of saying that he has information, just ask the question, did you do so and so, and did you know so and so, without stating you have the information.

Proceed.

Mr. KENNEDY. How long have you known Mr. Herman Kierdorf?

Mr. HOFFA. I told you for a considerable number of years.

Mr. KENNEDY. How long?

Mr. HOFFA. Better than 10; I will put it that way.

Mr. KENNEDY. Did you know him during the 1930's?

Mr. HOFFA. I think so.

Mr. KENNEDY. Was he arrested with Owen Bert Brennan in connection with these bombings?

Mr. HOFFA. There was a series of arrests at one time, and where a large group, or a large number of teamsters were arrested and quite a few headlines, but I don't remember anything coming out of the headlines or out of the arrests, and I think they were all released.

Mr. KENNEDY. Now, would you answer the question, whether Mr. Herman Kierdorf was involved in that?

Mr. HOFFA. He could have been, and it is a long time ago, and I don't remember who was picked up.

Mr. KENNEDY. You don't remember that?

Mr. HOFFA. No; you probably have the information from the Detroit Police Department.

Mr. KENNEDY. Was he known then as Mr. Herman Richards?

Mr. HOFFA. Was who known?

Mr. KENNEDY. Was Mr. Herman Kierdorf known at that time as Mr. Herman Richards?

Mr. HOFFA. I don't recall him being called Herman Richards.

Mr. KENNEDY. Have you made—

Mr. HOFFA. I have never called him that.

Mr. KENNEDY. Mr. Hoffa, have you made an investigation since your last appearance when you stated on page 5240 and 5241:

I said I would not turn my back on people, but I would make investigations just for the sake of making a statement so I will make an investigation as I stated and what I told Senator Ives will happen to determine whether I do or not. I think when I say something that I keep my word.

Did you make an investigation of Mr. Herman Kierdorf?

Mr. HOFFA. I knew something of Kierdorf's background, and Kierdorf has now resigned from the Teamsters Union, and he no longer is affiliated with or on the payroll of the Teamsters Union, after the first of this month.

Mr. KENNEDY. You didn't answer the question, Mr. Hoffa. Did you make an investigation of Mr. Herman Kierdorf?

Mr. HOFFA. I knew something of his background.

Mr. KENNEDY. Did you make an investigation of him?

Mr. HOFFA. In my own mind, I analyzed the situation concerning Kierdorf, and Mr. Kierdorf had a few more months—excuse me.

The CHAIRMAN. The question is, Did you make an investigation of him? and the point would be, Have you made an investigation of him since you gave that testimony?

Mr. HOFFA. No.

The CHAIRMAN. Proceed.

Mr. KENNEDY. Did you request that he resign from the union?

Mr. HOFFA. Herman Kierdorf submitted his resignation at a suggestion from myself.

Mr. KENNEDY. Mr. Hoffa, how did it happen that Mr. Herman Kierdorf came into the Teamsters Union in the first place? He had been convicted in 1932 or 1933, and he spent some time in Leavenworth prison, and then in 1940, after the arrest for bombing in connection with Owen Bert Brennan, he was convicted for armed robbery. How did it happen that he then ended up on the payroll of the Teamsters Union?

Mr. HOFFA. If I remember correctly, this is from memory quite a while back, Herman Kierdorf worked for the CIO. The CIO had the petroleum or cylinder gas drivers organized. A group of them came over with us and to the best of my recollection, Kierdorf came over with that group, if I remember correctly.

Mr. KENNEDY. Now, he was in the penitentiary for armed robbery, and he stated that he came to work for you within a short time after coming out of the penitentiary?

Mr. HOFFA. That is a different time.

Mr. KENNEDY. Excuse me.

Mr. HOFFA. I think that you will find the record that he worked for us and left us and then came back.

Mr. KENNEDY. He came to work for you after he spent some time in Leavenworth for impersonating an officer, is that right?

Mr. HOFFA. When was that?

Mr. KENNEDY. In 1932.

Mr. HOFFA. I would think that you are right.

Mr. KENNEDY. So he came to work for you after that, then went back to the penitentiary in 1941, was convicted of armed robbery, and he got out of the penitentiary and then came to work for you again?

Mr. HOFFA. That is correct.

Mr. KENNEDY. Could you explain to the committee why you were so anxious to have somebody like Mr. Herman Kierdorf working as a business agent and officer of the Teamsters Union?

Mr. HOFFA. Mr. Kierdorf was a good organizer, and he did organizing, and I used Kierdorf for organizing purposes.

Mr. KENNEDY. Now, there are a lot of people in Detroit that could perform that service, are there not, Mr. Hoffa? Those that do not have this extensive criminal record, that you could have obtained for that position?

Mr. HOFFA. A lot of people who are available for any position, and Mr. Kierdorf was an experienced organizer, and he was placed on the payroll for that purpose.

(At this point, the following members were present: Senators McClellan, Ives, Curtis.)

Mr. KENNEDY. He had been arrested at least a dozen times. He had been in the penitentiary twice. Don't you think you could have found some better person to control the individuals that worked in your union?

Mr. HOFFA. We don't have anybody controlling anybody. Mr. Kierdorf's position was not controlling anybody. It was organizing.

Mr. KENNEDY. As an officer, he was in charge of strikes on occasion. He had some control over the members of the union. Isn't there anybody that you could get in Detroit better than Mr. Herman Kierdorf for that position?

Mr. HOFFA. The fact is that I hired Kierdorf.

Mr. KENNEDY. You can't give us any better explanation as to why you hired him?

Mr. HOFFA. I don't know of any better explanation.

Mr. KENNEDY. Did you arrange with the penitentiary for him to come to work for you?

Mr. HOFFA. I don't believe that I did.

Mr. KENNEDY. Do you deny that you did?

Mr. HOFFA. I don't know whether I did or not. I don't know whether he wrote me a letter and asked whether there was a position open or not. I cannot recall that.

Mr. KENNEDY. Did you tell the penitentiary that you could put him to work?

Mr. HOFFA. I don't think I was ever in touch with him. I don't recall that I was.

Mr. KENNEDY. Do you deny that you were?

Mr. WILLIAMS. If we are going to allow that type of question, Mr. Chairman, you can't get in touch with the penitentiary, you have to get in touch with responsible officers of the State in charge of prisoners.

I think we are going to button down a question like that by asking the witness if he is going to deny something, in the interest of fairness counsel should direct his attention to what person he is alleged to have communicated with, with respect to Kierdorf.

The CHAIRMAN. The Chair feels that the question can be better framed when you ask about the penitentiary. Of course, it is a little technical to say the officers of the penitentiary. But he may ask in that way: Did you get in touch with the officers of the penitentiary and request Mr. Kierdorf's release or make arrangements with them for his release on the promise or with the understanding that you would give him a job?

It all comes down to the same thing. I will ask the question. Did you get in touch with any officials of the penitentiary, or others, responsible officers, and make arrangements with them to have Mr. Kierdorf released from the penitentiary so that he might come to work for you?

Mr. WILLIAMS. What year was that, sir?

The CHAIRMAN. Give us the year, Mr. Kennedy.

Mr. KENNEDY. The year that Mr. Kierdorf came to work for Mr. Hoffa.

Mr. WILLIAMS. What year was that, sir?

Mr. KENNEDY. 1949.

I think Mr. Hoffa knows the answer.

The CHAIRMAN. 1949 or 1952, whatever the year was.

Mr. HOFFA. That is 12 years ago, 10 years ago if it was 1948. If I would have been requested by anybody to intercede for him, I would have, but I do not recall doing it.

The CHAIRMAN. Now, then, Mr. Kennedy, ask him the question, if you have the officer there, ask him if he contacted that particular person.

Mr. KENNEDY. Did you contact anybody from the division of pardons and paroles in connection with Mr. Kierdorf coming to work for the Teamsters Union?

Mr. HOFFA. I don't believe that I did. I may have. I don't know.

The CHAIRMAN. Ask him specifically, if you have the name of the one that he did contact.

Mr. KENNEDY. Did you have any conversations with Mr. Philip Collins, the parole officer, at the division of pardons, paroles, and probation, 109 State Office Building, Lansing, Mich.?

Mr. WILLIAMS. Mr. Chairman, this is what I object to, you see. After all, the purpose of this hearing isn't to set up a perjury trap for this or any other witness. I think manifestly in the interest of fairness, when you are asking anyone something that took place 10 years ago, you call his attention to the names and the places and the officers with whom he is alleged to have talked, so that in the basic interest of elementary fairness—

The CHAIRMAN. The Chair has just so ruled, and the question has been asked accordingly, giving you the name.

Mr. WILLIAMS. It was not asked that way after you ruled, Mr. Chairman.

The CHAIRMAN. It was asked that way, the last question. Read it. Read the last question. It is asked in that manner. I instructed counsel to give the name of the person, and he understood and did so.

(The pending question, as requested, was read by the reporter.)

The CHAIRMAN. The witness may answer.

Senator CURTIS. May I inquire? Is this before the release of Mr. Kierdorf or after the release?

Mr. HOFFA. This is after. If he is referring to Collins, may I say for your information, sir, I believe it would have to be after, because I believe that Collins was his probation officer.

I think it was after he was released. I don't think it occurred during the time he was in jail.

The CHAIRMAN. We can determine that. The question is, Did you get in touch with this party named on the parole board, or the parole officer, regarding the release of Mr. Kierdorf?

Mr. HOFFA. I don't recall getting in touch with him 10 years ago, but I may have.

The CHAIRMAN. All right. Proceed, Mr. Kennedy.

Mr. KENNEDY. Mr. Chairman?

The CHAIRMAN. Is that before or after.

Get that into the record.

Mr. KENNEDY. As far as Mr. Hoffa is concerned, our experience has been that he will answer only questions that he knows we have definite information on. On all other questions he says "I don't remember" or "I can't recall." That makes it very difficult. This is an important matter dealing with Mr. Herman Kierdorf.

The CHAIRMAN. The Chair will rule that you may ask the question "Did you do so and so" in general terms. If the witness says then he does not remember or does not recall, then pursue it and ask him the specific question.

Mr. KENNEDY. I asked him the general question at the beginning. Obviously we get into more specific questions.

I am asking general questions as we continue.

The CHAIRMAN. You may ask the general question, even if you have no further information. You have a right to ask a general question, if you have reason to believe the witness has some knowledge about it. Where you do have specific information, you may proceed then to ask him about the specific factors involved.

All right, let's proceed.

Mr. KENNEDY. Were you contacted or did you contact the division of pardons, paroles and probation in connection with Mr. Herman Kierdorf while he was still in the penitentiary?

Mr. HOFFA. I don't believe that I did. If you say it was Mr. Collins, it must have been after, to the best that I can recall.

Mr. KENNEDY. The document, Mr. Chairman, is the field report dated August 12, 1948, and it is in connection with Mr. Herman Kierdorf. It is a report by Philip H. Collins, parole officer, and the reason for the report is the preparole investigation.

The CHAIRMAN. What member of the staff procured this document?

Mr. SALINGER. I did, Mr. Chairman.

The CHAIRMAN. You have been previously sworn?

Mr. SALINGER. Yes.

The CHAIRMAN. What is this document which I hand to you?

Mr. SALINGER. This document is a copy of the field report of the Michigan, State of Michigan, Division of Pardons, Paroles, and Probation. It was obtained from the files of the State of Ohio, Bureau of Probation and Parole, Columbus, Ohio, and is a report which the

State of Michigan Division of Pardons, Paroles, and Probation sent to the State of Ohio, prior to the parole of Mr. Kierdorf, indicating what plans they had made for Mr. Kierdorf when he returned to the State of Michigan.

The CHAIRMAN. That document may be made exhibit No. 9.

(The document referred to was marked "Exhibit No. 9" for reference and may be found in the files of the select committee.)

Mr. WILLIAMS. May we see the document, Mr. Chairman?

The CHAIRMAN. Yes, you may. You may interrogate the witness about its contents and his knowledge of it.

(The document was handed to the witness.)

(The witness conferred with his counsel.)

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

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

The CHAIRMAN. Proceed. Mr. Counsel, interrogate him about this document.

Mr. KENNEDY. Does that refresh your recollection now, Mr. Hoffa?

Mr. HOFFA. Mr. Chairman, after having an opportunity to read the documents, it very conclusively shows that I did intervene for Herman Kierdorf. That was 1949.

Mr. KENNEDY. 1948, I believe.

Mr. HOFFA. Well, I just got that from Attorney Williams. Well, 1948 or 1949.

Mr. KENNEDY. The records show, Mr. Chairman, that he, Mr. Kierdorf, was paroled on October 5, 1948, into the custody of police officials in Michigan where he was to be tried for armed robbery in that State. But during the time that he had been in the Ohio Penitentiary, the witnesses against Herman Kierdorf had died, so it was impossible to try him.

The intervention or the interest of Mr. Hoffa in Mr. Kierdorf came, according to these records, at least as early as 8-12-48, August 12, 1948, which is some 2 months prior to the time he was paroled.

The CHAIRMAN. Do you recall now, Mr. Hoffa, that you intervened prior to the time that he was released from the penitentiary, and sought his release?

(The witness conferred with his counsel.)

Mr. HOFFA. Apparently the letter that was given to us is a letter wrote to the parole board after he was released, trying to get his parole revoked, according to Attorney Williams.

Mr. KENNEDY. That is correct. We will go into that later. But the documents I showed you first, the top document, is dated August 12, 1948, and involves Herman Kierdorf, and it says:

Job: Mr. Hoffa, Teamsters Union, Detroit, Mich. Conditional offer of employment has been received from Mr. Hoffa, union head of the Teamsters Union in this area. The work would be semiexecutive, paying \$75 a week as a beginning wage.

Then subsequently, on July 5, 1949, you wrote a letter, or it would appear that you wrote a letter, to Mr. Klofenstein, Chief, Department of Public Welfare, Columbus, Ohio, and the letter reads:

DEAR MR. KLOFENSTEIN: I am writing to you in an effort to enlist your consideration for the cancellation of the parole of Mr. Herman Kierdorf. At a recent election of our council board, Mr. Kierdorf was unanimously elected to the board at a salary of \$12,000 a year. In our opinion, this man is and can be a

valuable addition to our executive board. But owing to the fact that his parole will not expire until some time in 1952, his confirmation has been temporarily withheld. It is my understanding that his record while he was in your care was very excellent, and the local parole board here would like very much to see his name cleared.

If you will consider the cancellation of Mr. Kierdorf's parole, I will personally vouch for him and will greatly appreciate anything you can do for him.

Yours very sincerely,

JAMES R. HOFFA, *President.*

So there are two matters here.

The CHAIRMAN. Let's deal with the first one. It appears that in the first one, the report of the parole officer was to the effect that you had tendered him a job, assured his employment at a salary of \$75 a week if they would parole him, is that correct?

Mr. HOFFA. From the record it appears so, sir.

The CHAIRMAN. From the record—

Mr. HOFFA. From the record Mr. Kennedy just read, it appears so.

The CHAIRMAN. Then thereafter, within a year's time or less—

Mr. KENNEDY. July 1949.

The CHAIRMAN. He was paroled when, October?

Mr. KENNEDY. October 1948.

The CHAIRMAN. In October 1948 he was paroled. In July 1949 you were seeking to have his parole canceled. I suppose you meant by canceled to have him released from any further obligation under the parole board, so that he might be made—what was the position?

Mr. KENNEDY. A member of the executive board.

The CHAIRMAN. A member of your executive board of your union at a salary of—

Mr. KENNEDY. \$12,000 a year.

The CHAIRMAN. \$12,000 a year. Do you recall that incident? Do you recall the letter?

Mr. HOFFA. I don't recall it, but my signature is on the letter. I must have sent the letter.

The CHAIRMAN. All right. Proceed.

Mr. KENNEDY. Then Mr. Kierdorf came to work for your union, and according to the testimony we developed last week was interesting himself in obtaining accounts for a company that was owned by Mr. Vincent Meli and Mr. Joe Lehr in Detroit, Mich. Can you tell us? This was drawn to your attention, according to the testimony, in October or November of 1957. Did you take any steps against Mr. Kierdorf at that time?

Mr. HOFFA. I don't recall in total what I did, but I think that there was a telegram sent to me concerning the complaint of somebody losing a stop. I discussed the matter with Kierdorf, and he said he did not intercede in getting the stop.

Having no other way of finding out the information, there was nothing to do about it.

Mr. KENNEDY. Did you call the people who sent the telegram?

Mr. HOFFA. I did not.

Mr. KENNEDY. Why didn't you get in touch with them and see what evidence they had?

Mr. HOFFA. I very rarely get in touch with people making complaints.

Mr. KENNEDY. You took this man—

The CHAIRMAN. Mr. Hoffa, is it not your policy when serious complaints are made, to try to find out the validity of them?

Mr. HOFFA. I tried to find out from the only man that could have told me, Senator.

The CHAIRMAN. Well, I don't know. If someone writes in complaining about something and you talk to the man complained about and say he is the only man he knows, maybe the fellow who complained knows, too.

Mr. HOFFA. From reading the testimony that he gave here, apparently he was not positive, Senator.

The CHAIRMAN. Well, if that is the character of investigations you make on complaints, it is no wonder—

Mr. HOFFA. On that type of complaint, sir.

The CHAIRMAN. Senator Ervin.

Senator ERVIN. Mr. Chairman, it is possible Mr. Hoffa has a precedent for that in the conduct of the Pennsylvania Dutchman who was appointed a justice of the peace. The first case came up before him. Instead of calling the witnesses for the prosecution to the stand he looked over at the defendant and asked the defendant, "Are you guilty or not guilty?" The defendant said, "I am not guilty." He said, "Well, if you are not guilty, go on home. If you are not guilty, you have no business being here in court."

The CHAIRMAN. Senator Ives.

Senator IVES. I would like to ask Mr. Hoffa a question very pertinent to this matter now before us. As Mr. Hoffa undoubtedly knows, or very likely knows, under the terms of the Kennedy-Ives bill, rehiring or hiring in such a way as he did Mr. Kierdorf back in 1949 would be illegal, if it had been a law at that time. A question I would like to ask Mr. Hoffa is this: Is that one of the reasons you are opposed to this bill?

Mr. HOFFA. I am opposed to any bill that deprives a man from making a living in any occupation.

Senator IVES. I am not going to get into the bill itself. I don't want to get into that. I want to ask you that question, and the answer you gave is not an answer.

Mr. HOFFA. It isn't an answer?

Senator IVES. It is not.

Mr. HOFFA. Then I did not understand your question, then, Senator.

Senator IVES. I told you that under the terms of that bill, had it been in effect in 1949, you could not have taken him back or hired him or put him in there, in that executive capacity, in that executive committee or executive board you were putting him on—wasn't that what it was, at \$12,000?

Mr. HOFFA. I don't think he ever reached that salary.

Senator IVES. That is what you were proposing, wasn't it?

Mr. HOFFA. I think that was the discussion.

Senator IVES. Yes, I gathered that. All right. You could not have done that, had that bill been a law at that time. Is that one of the reasons you are opposed to it? It isn't just a question of earning a living. That has nothing to do with it. It is a question of being given a job in a union of an important nature in an executive capacity. Is that one of the reasons?

Mr. HOFFA. One of the reasons—that is one of the reasons that I objected, because it sets up a distinction between working for a union and an employer.

Senator IVES. Well, I don't follow that at all. It does not follow at all. It is a nonsequitur, entirely; you have answered my question, however.

That is one of the reasons, isn't it?

Mr. HOFFA. I do not believe there are two classes of Americans, and that is my reason. I think all Americans are equal.

Senator IVES. There are no two classes of Americans at all.

Mr. HOFFA. You are trying to make them, Senator, in my humble opinion.

Senator IVES. That is the reason you are opposed to the bill, one of the reasons?

Mr. HOFFA. One of the reasons is correct.

Senator IVES. Because we have that provision in it?

Mr. HOFFA. One of the reasons is correct.

Senator IVES. All right. Thank you.

Mr. KENNEDY. Mr. Hoffa, we talked about Herman Kierdorf. What about Mr. Frank Kierdorf, who was also—

Senator CURTIS. May I ask one question before we leave the first Kierdorf?

The CHAIRMAN. Senator Curtis.

Senator CURTIS. During what period did Mr. Kierdorf, the one we have been discussing, work for the CIO?

Mr. HOFFA. Senator, it was in the 1930's. I can't tell you the exact year.

Senator CURTIS. It was before he was employed by the Teamsters?

Mr. HOFFA. That is right. He was in the CIO—carried a CIO book. The first time I met Kierdorf was when we took over the union.

Senator CURTIS. And that was prior to his first employment?

Mr. HOFFA. That is correct, sir.

Senator CURTIS. That is all.

Mr. KENNEDY. Mr. Hoffa, I was asking you about Mr. Frank Kierdorf, who was, until his death today, a business agent for local 332 up in Flint, Mich. He also, according to the testimony, was in the penitentiary for armed robbery and came out of the penitentiary to this job as a business agent of local 332. We have had some testimony about him; I would like to ask you, in accordance with your statement before the committee last year, if you made an investigation or had made an investigation of him?

Mr. HOFFA. Just a moment.

(The witness conferred with his counsel.)

Mr. HOFFA. I checked into Frank Kierdorf's record. I found out that the offense he had committed was not connected with the union.

Mr. KENNEDY. Mr. Hoffa, did you arrange for him to come to work for local 332 after he came out of the penitentiary for armed robbery?

Mr. HOFFA. I don't believe, if my memory serves me right, that he went to work for 332 right after he came out.

Did he? You must have the records.

Mr. KENNEDY. Yes.

Mr. HOFFA. Wasn't it a couple of years later?

Mr. KENNEDY. According to the testimony of his uncle, Herman Kierdorf, he came to work for local 332 shortly after he got out of

the penitentiary, and Mr. Herman Kierdorf further testified that he talked to you about it and you put Mr. Frank Kierdorf to work.

Mr. HOFFA. He may have been on right after, but I thought it was about 2 years. I say that Frank Kierdorf—we needed an opening, needed an experienced man, and Kierdorf was recommended for the position.

Mr. KENNEDY. Why, Mr. Hoffa? Wasn't there in the city of Flint, Mich., another man that could serve the position of business agent for the local other than someone who just came out of the penitentiary?

Mr. HOFFA. We needed an experienced organizer in the position; there is plenty of men in Flint, capable of handling this job.

Mr. KENNEDY. Is it a good training to be serving time in the penitentiary for armed robbery, to serve as a business agent for a local?

Mr. HOFFA. No, sir; it isn't.

Mr. KENNEDY. You said you needed a good business agent.

Mr. HOFFA. I am very certain that Frank Kierdorf, working with Herman, had experience prior to going into the penitentiary. I am quite sure of that.

Mr. KENNEDY. The only experience we can find, Mr. Hoffa, is the experience in armed robbery.

Mr. HOFFA. Well—

Mr. KENNEDY. Why did you employ him, then?

Mr. HOFFA. I told you, sir.

The CHAIRMAN. Let me ask you, Mr. Hoffa:

Did you have any record or information that he had served as a business agent or organizer before he went to the penitentiary?

Mr. HOFFA. No. I believe Herman told me that he had worked with him.

The CHAIRMAN. You were looking for experienced and competent organizers, agents. I would just like to have the evidence, if there is anything to substantiate it, to show that he had that experience and was successful, was trained, was a desirable man by reason of that experience and training and his accomplishments for the position. Do you have any such evidence?

Mr. HOFFA. I have no such evidence, sir, except what I was told by Kierdorf.

The CHAIRMAN. Proceed.

Mr. KENNEDY. Mr. Hoffa, we had some testimony on Mr. Kierdorf's activities back a year ago, in October and November of 1954, when it was testified that he was working with Mr. George Kamenow, of the Shefferman organization, and was shaking down small employers up in Flint, Mich. Did you investigate or look into that?

Mr. HOFFA. Are you talking about Frank?

Mr. KENNEDY. Yes.

Mr. HOFFA. I discussed the matter with Frank, and he flatly denied it.

Mr. KENNEDY. Did you make any other investigation of it?

Mr. HOFFA. What other investigation would I possibly make?

Mr. KENNEDY. Well, now, you told Senator Ives that what you did as far as investigations were concerned of these individuals would show whether you kept your word or not.

Mr. HOFFA. I have kept my word by the fact that I did what I thought was necessary investigation.

Mr. KENNEDY. You talked to Frank Kierdorf?

Mr. HOFFA. That is right.

Mr. KENNEDY. Let me just read to you from page 6428, as to the activities of Mr. Frank Kierdorf. I will ask Mr. Salinger to read it.

This is the testimony of Mr. Skaff, a small-business man in Flint, Mich.

Mr. SALINGER (reading):

The overriding theme in the entire incident is that we were prepared to have a vote of the employees involved from the very first day that we were approached by the Teamsters. They were unwilling to have a vote. They wanted to organize from the top and have us sign and not have a vote of the employees.

The CHAIRMAN. Who wanted you to do that?

Mr. SKAFF. The Teamster business agent, Mr. Frank Kierdorf.

The CHAIRMAN. He wanted you to sign without having a vote of the employees?

Mr. SKAFF. That is correct. So on February 22, 1956, they started picketing our store.

Mr. KENNEDY. Was that the first time you had heard from them, or had you originally?

Mr. SKAFF. No, we talked, and their demanding recognition and our refusing recognition, all during the month of February. On February 22, the picketing started.

Senator MUNDT. Prior to that time had you told the business manager you were willing to have a vote?

Mr. SKAFF. Many, many times we expressed our desire to have a vote.

Senator MUNDT. Prior to the time of the picketing?

Mr. SKAFF. Prior to the time of picketing.

Mr. KENNEDY. Then it goes on to state that the picket line was set up.

Would you just read this [indicating]?

Mr. SALINGER (reading):

Approximately on March 20, were two stink bombs thrown into the window of my mother's home in an effort to make us succumb to their demands, at a cost of about \$1,500, and several months of misery. On March 28 or thereabouts, the front window of our store was broken and a fire was started in the store of unknown origin.

Mr. KENNEDY. Would you read over here, on page 6432?

Mr. SALINGER (reading):

On April 4, we had 2 men out, 1 by the name of Bill Moore, and he was standing beside his truck waiting for direction as to where to pick up his merchandise, and there was a vicious attack by 4 or 5 men who hit him with a sharp object, as the doctor called it at the hospital, and knocked him to the ground. Then they spun around the railroad station attempting to run over him and he rolled under his truck, and when we took him up to the hospital he had 20 stitches in his head and a very serious, brutal attack was made on him.

Mr. KENNEDY. Was there any identification of the car or automobile at that time?

Mr. SKAFF. Yes, sir: the car was recognized by railroad employees, the license number was taken, and it was a car owned by Local 332 of the Teamsters in Flint.

Mr. KENNEDY. What investigation did you make after this testimony was developed before the committee?

Mr. HOFFA. I discussed his entire testimony with Mr. Kierdorf, and he said it was not true.

Mr. KENNEDY. Did you contact anybody, any of these small-business men that were involved in this?

Mr. HOFFA. No, sir; I did not.

Mr. KENNEDY. You did not do any of that?

Mr. HOFFA. No, sir, because I do not believe Mr. Skaff would have been very acceptable to me talking to him, since he is very antiunion.

Mr. KENNEDY. What about the other businessmen?

The CHAIRMAN. Mr. Hoffa, you say he would be antiunion?

Mr. HOFFA. That is right.

The CHAIRMAN. Well, one has a right to be opposed to unions. The fact that he may be does not necessarily brand him as one unworthy of belief. If he gets hurt, even though he may oppose a union, if he gets hurt illegally, by acts of the union and union representatives, is that no concern of yours?

Do you condone and approve of such acts?

Mr. HOFFA. I don't condone or approve of it, but there is police departments who have investigative powers in Flint, Mich.

The CHAIRMAN. So you feel no responsibility?

Mr. HOFFA. What would I do about it, Senator?

The CHAIRMAN. Well, if you found that your agents were acting that way, you could do plenty about it, and do it fast.

Mr. HOFFA. If they deny it, what could I do, Senator?

The CHAIRMAN. You don't have to believe their denial, if the other facts absolutely sustain the position that they did it.

You apparently seem to have no concern in these cases. If they go out and beat them up or blow up their buildings or something, it is all right with you, if the fellow who is supposed to have done it tells you he didn't do it. You stop there. I can't understand it, unless that is your policy and philosophy.

Mr. HOFFA. Well, it isn't my policy nor philosophy. Neither is it to try to make people guilty who claim they are innocent, until there is proof positive.

The CHAIRMAN. You don't seek any proof to find out whether they are doing it or not, and attaching the blame to your union.

It is no matter whether you favor unions or want to belong to a union or don't want to belong to a union, people have a right to live in peace in this country and not be subjected to assaults, vandalism, and attacks. I can't understand your position having no concern and no interest, and doing nothing to try and stop it.

Mr. HOFFA. I don't think there is any difference between your views and mine, Senator.

The CHAIRMAN. There is a whole lot of difference between your action and mine if I occupied your position, I can assure you of that.

Let's proceed.

Mr. KENNEDY. Then according to the report out of Michigan over the last 24 hours, he was involved in an attempt to ignite or set on fire some places of business of other employers, Mr. Hoffa.

Do you know anything about that?

Mr. WILLIAMS. Mr. Chairman, I think this is where we ought to have the basis for that report. We are playing with a dead man's reputation. I did not know that he died. But I understand from counsel that he died. Now we are talking about him in terms of an act of arson, as I understand it. If there is a report on this dead man having committed arson, I think the dictates of decency would require that we have what the report is based on.

The CHAIRMAN. I think it is in the press, isn't it?

Mr. KENNEDY. It is, from the attorney general of the State of Michigan.

The CHAIRMAN. He is being investigated on that basis by the attorney general. The question is: Do you know anything about that activity?

Mr. HOFFA. Positively nothing.

Mr. KENNEDY. You did not give any instructions of any kind that there would be any arsons committed of any of these employers?

Mr. HOFFA. I did not.

Mr. KENNEDY. What about Mr. Herman Kierdorf, who ended up, according again to the reports in the newspapers, where he brought a gun with a silencer on it to his neighbors' home.

Mr. HOFFA. How would I know about that?

Mr. KENNEDY. These are the people you employ. These are the people you brought out of the penitentiary to work for you.

The CHAIRMAN. Just ask him if he knows.

Mr. KENNEDY. These are the people whose words you take. Do you know anything about that?

Mr. HOFFA. No.

Mr. KENNEDY. And he also delivered some telephones, extra telephones, to his neighbor's home. Do you know anything about that?

Mr. HOFFA. No.

Mr. KENNEDY. Let me ask you about another man. What about Mr. Lawrence Welch?

Mr. HOFFA. What about him?

Mr. KENNEDY. Did you make an investigation of Mr. Harry Welch after the testimony before the committee? He has been convicted of a crime against nature.

(The witness conferred with his counsel.)

Mr. HOFFA. I discussed this matter with Welch. He told me it happened during his time in the Army when he came back from the frontlines, and he has done nothing to the contrary since he came back. I think he was 17 years old at that time.

Mr. KENNEDY. Did you investigate his activities as they were sworn to before this committee regarding his activities as a business agent of local 985?

Mr. HOFFA. To what degree?

Mr. KENNEDY. Did you investigate them?

Mr. HOFFA. Well, I didn't know there was anything to be investigated.

Mr. KENNEDY. Did you read the testimony?

Mr. HOFFA. No, I didn't read the testimony.

Mr. KENNEDY. You say yesterday, "I read every bit of the testimony and I read it word for word." That is what you swore to yesterday.

Mr. HOFFA. I read the testimony but not concerning any investigations, and I simply went through the testimony in each individual case, but what was there in there that I was to investigate?

Mr. KENNEDY. Did you read the testimony regarding the activities of Mr. Lawrence Welch?

Mr. HOFFA. I have gone through each book that has been presented to me concerning Teamsters and I saw nothing in there unless you

can advise me now other than the incident you mentioned concerning Welch.

Mr. KENNEDY. The testimony before the committee is that he was picketing and he established pickets at a place of business in order to get business for a friend of his name Ziggy Snyder who operated a nonunion car-wash. He was also a business agent for your local, and he also has a long criminal record.

Mr. HOFFA. I don't think that is the testimony, and I can't recall it offhand, but I don't think that is the testimony. I think someone made that statement but I don't think Welch made that statement.

Mr. KENNEDY. Did you ask Welch about it?

Mr. HOFFA. Yes, sir, and Welch said he didn't do it.

Mr. KENNEDY. Did you make any further investigation?

Mr. HOFFA. Where would I investigate?

Mr. KENNEDY. Did you make any further investigation?

Mr. HOFFA. No.

Mr. KENNEDY. The only thing you did is you went to Mr. Welch?

Mr. HOFFA. That is right.

Senator ERVIN. How did it happen that you went to Mr. Welch to ask him about something that you swore just a moment ago that you never heard of and it wasn't in the record?

Mr. HOFFA. I didn't say that.

Senator ERVIN. Didn't you say just a minute ago that the only thing that reflected on Welch in the record was the fact that in his youth he had committed a crime against nature and there was nothing else derogatory about him in the record?

Mr. HOFFA. I think the statement was that in the record there was a complaint by other individuals and not Welch, but the committee complained that Welch had been involved in some situation.

Senator ERVIN. Suppose you go back and let me see if I was wrong. Wait a minute and let us read the record.

The CHAIRMAN. The crux of this particular inquiry at the moment is that you told the committee last year that you were going to make an effort to clean up some of these conditions we had found and that record, of course, was public information, and I am sure that you read the record or you had it called to your attention. The purpose of this inquiry at the moment is to ascertain what you have done and how you go about trying to clean up and find out what is wrong.

Mr. HOFFA. Senator, I have here in front of me, while looking for the record, to the best of our ability, a check on the individuals you mentioned. I am trying to give it to you from this sheet of paper.

The CHAIRMAN. What is that?

Mr. HOFFA. I am trying to give it to you from this sheet of paper, the information that you are asking for today.

The CHAIRMAN. All right; if you have any notes or memorandums or information that will help you give the facts, proceed with them.

You may refer to anything and any note that you have or any document or any memorandum refreshing your memory.

(Whereupon, the reporter read the previous testimony.)

Mr. HOFFA. These were people who made statements concerning Welch, and it was not Welch himself.

Mr. WILLIAMS. Senator Ervin, there is no question that you are right.

Mr. KENNEDY. Did you talk to Mr. Welch about it?

Mr. HOFFA. Yes; I talked to Mr. Welch about the situation that was revealed at the hearing. I talked to Welch about his activities with the union.

Mr. KENNEDY. What did you talk to him about?

Mr. HOFFA. Whether or not he had been involved in anything that was illegal in the union.

Mr. KENNEDY. Specifically, what did you talk to him about?

Mr. HOFFA. Whether or not he had been involved in anything, and nothing specific.

Mr. KENNEDY. Did you discuss this specific thing mentioned here in the transcript?

Mr. HOFFA. No. Specifically, was he involved in anything illegal in the union?

Mr. KENNEDY. You didn't ask him any questions about these things that were in the transcript?

Mr. HOFFA. They alleged that he did certain things, of which if it were true would probably be illegal, and so I asked him whether or not he had done anything illegal, and he said, "No."

Mr. KENNEDY. Did you discuss with him specific things mentioned in the transcript?

Mr. HOFFA. Not specifically, but in general.

Mr. KENNEDY. Did you go into any other source to find out the true information on it?

Mr. HOFFA. No; I did not.

Mr. KENNEDY. That is the total investigation that you made?

Mr. HOFFA. That is right.

Mr. KENNEDY. Would you just read the pertinent part of the transcript there regarding activities of Mr. Harry Welch, who has been convicted of a felony?

Mr. SALINGER. This was the testimony of Mr. Neff, manager of the parking garage in Detroit, on page 5525—

Mr. KENNEDY. Could you tell us whether you were approached by any union official to change the place where you were taking the cars?

Mr. NEFF. I was called by Mr. Welch.

Mr. KENNEDY. Identify Mr. Welch.

Mr. NEFF. He is business agent for the Teamsters and I don't know what local he is with. He called and asked me if I could send my cars.

Mr. KENNEDY. Local 985?

Mr. NEFF. I don't know.

Mr. KENNEDY. That is William Buffalino's local?

Mr. NEFF. I believe so.

Mr. KENNEDY. Mr. Welch is a business agent and he came to ask you to change the place you were sending your cars?

Mr. NEFF. He said he had a friend who was starting up a car-wash, and would like to have those cars sent over to him.

Mr. KENNEDY. Where did he say he wanted you to send your cars?

Mr. NEFF. He didn't say the exact name of the place, and he said it would start up on Temple and Cass.

Mr. KENNEDY. Is it the Fort Wayne Manor Auto Wash in that area?

Mr. NEFF. That is right.

Mr. KENNEDY. Wasn't it later established that a picket line was placed in front of this other place of business, and that the place that Mr. Welch wanted this gentleman, Mr. Neff, to send his cars was a non-union shop?

Mr. SALINGER. That is right.

Mr. KENNEDY. Did you look into that at all?

Mr. HOFFA. I found that you are right. I understand that you were right, and Ziggy Snyder was nonunion.

Mr. KENNEDY. Did you take disciplinary action against Mr. Welch for doing that?

Mr. HOFFA. I did not.

Mr. KENNEDY. I want to ask you about another individual, Mr. Glenn Smith, who is the president of local 515 in Chattanooga, Tenn., as well as president of Joint Council 87, which covers the whole State of Tennessee and part of Kentucky.

Did you make an investigation of Mr. Glenn W. Smith?

Mr. HOFFA. I understand there have been charges filed against Smith, and also understand he is under indictment.

Mr. KENNEDY. Did you make an investigation of Mr. Glenn W. Smith?

Mr. HOFFA. No; I didn't, because—or I said I didn't but I asked whether he had been arrested, and I was told he had been arrested, and I made no other investigation because he has charges now against him, and he is now indicted.

Mr. KENNEDY. You haven't taken any action against him yourself?

Mr. HOFFA. The union will follow the regular constitutional procedures.

Mr. KENNEDY. Is he still in office?

Mr. HOFFA. Yes; I believe he is.

Mr. KENNEDY. Now; he has admitted, Mr. Hoffa, that he paid \$20,000 of union funds for the purpose of fixing a case in which he was the defendant. That was the \$20,000 that was paid back in 1952 of Teamsters Union funds that were paid in connection with fixing a case.

Have you taken any action against him in that matter?

Mr. HOFFA. No; I haven't, because there are charges pending against him, which will be heard in the regular constitutional procedure of our constitution.

Mr. KENNEDY. You can remove him under the constitution?

Mr. HOFFA. I can remove him after a hearing; yes.

Mr. KENNEDY. You could remove him now?

Mr. HOFFA. Only in the case of an emergency.

Mr. KENNEDY. Don't you feel it is an emergency when a man admits he has paid \$20,000 of union members' dues money for the purposes of fixing a case? Isn't that sufficient for you, Mr. Hoffa?

Mr. HOFFA. There are charges filed, and as the due process takes place under the constitution we will deal with it.

Mr. KENNEDY. Mr. Hoffa, isn't that sufficient for you to take action? The man admitted it under oath, and he admitted paying \$20,000 of union members' dues money? Isn't that sufficient for you to take action, Mr. Hoffa?

Mr. HOFFA. I did not take action, and I will not take action until the decision on the charges has been heard.

The CHAIRMAN Mr. Hoffa, this is almost beyond comprehension, that a man will come in and admit that he took \$20,000 of union money and state it under oath before a legal or properly constituted tribunal, the senate of a sovereign state, acting as a trial court on an impeachment, and makes that statement, under oath, that he took union dues money and used it to fix a criminal case against him to keep from being

convicted or going to the penitentiary, as likely he would have had he been convicted. Now, do you mean to say that as president of this great international union that doesn't cause you any concern to act, to protect your membership?

Mr. HOFFA. Certainly it is disturbing news, but since there are charges filed, and the due process will take care of the question of that.

The CHAIRMAN. Everyone we have asked you about here, what you did to investigate, you said, "I asked them, and they say 'No,' and I just accept it."

Now, when a man says, "Yes, I took \$20,000 out of union dues money to fix a case," he says, "Yes," and not when somebody else says it, and says it under oath, will you act on that?

Mr. HOFFA. I will act on the charges that are filed.

The CHAIRMAN. When will you act on it?

Mr. HOFFA. As they come to my office, through due process of the constitution.

The CHAIRMAN. Have any charges been started toward your office?

Mr. HOFFA. Charges, I believe—

(Witness consulted with counsel.)

Mr. HOFFA. I believe what we can recall quickly, they are at the joint council level, and the next step will be the international union.

Mr. KENNEDY. But he is president of the joint council?

Mr. HOFFA. He would not be able to hear his own case, and the vice president would take the chair and fill the vacancy.

Mr. KENNEDY. He is president of local No. 515 and he is president of the joint council at this very moment?

Mr. HOFFA. That is right.

Mr. KENNEDY. And you have the power to get rid of him, and you haven't taken any step along those lines; is that correct?

Mr. HOFFA. That is right.

Senator IVES. I want to interpose something there, Mr. Chairman. I am not going to do this now, but my name has been mentioned here this afternoon, and before this hearing is over I am going to repeat out of the record of a year ago, or a year ago this month, when Mr. Hoffa was before us the last time, exactly what he said and exactly the pledge that he gave in connection with running a decent, orderly union. Do you remember those questions I asked?

Mr. HOFFA. I certainly do, and I believe we have a decent orderly union.

Senator IVES. I don't think in this instance you have. This is a direct violation of what we were talking about. Perhaps we didn't understand the matter the same way, though I certainly think that we did understand the matter the same way, but I will read it before we get through.

Senator CURTIS. My question has been partly answered in the last colloquy, but I wanted to make sure, when Mr. Hoffa referred to charges pending, are you referring to charges in the courts or charges within the union?

Mr. HOFFA. Senator, I believe he is indicted in the courts, and also there are charges from the union.

Senator CURTIS. Tell me just briefly what are the mechanics of bringing a charge in the union?

Mr. HOFFA. Charges are filed and they first go to the local executive board, and if it isn't adjudicated there to everybody's satisfaction, they have appeal to the joint council, and from the joint council to the international union and if they are not satisfied with the international union's decision they have a right of appeal to the monitors and before making a decision on the executive board we discuss the matter and consult with the monitors, before making a final decision.

Senator CURTIS. To your knowledge have the monitors gone into these cases that were presented in previous hearings, and have been mentioned today?

Mr. HOFFA. Excuse me.

(Witness consulted with counsel.)

Mr. HOFFA. We are working with the monitors on it. Mr. Williams is handling the monitors from our end of the union, and Mr. Williams is working with the monitors on these particular cases.

Senator CURTIS. That is all.

Mr. KENNEDY. Do you have a copy of the constitution there?

Mr. HOFFA. No.

Mr. WILLIAMS. I think that I have one.

Mr. KENNEDY. Mr. Chairman, this is page 18, section 5, entitled: Power of general president to appoint trustees and duties and obligations of local unions under trusteeship.

I would like to have Mr. Salinger read that section into the record, if I may?

The CHAIRMAN. A copy of the constitution was furnished by the witness or by his counsel, is that correct?

Mr. KENNEDY. That is correct.

The CHAIRMAN. All right, the section may be read into the record.

Mr. SALINGER (reading):

Section 5 (a). If the general president has or receives information which leads him to believe that any of the officers of a local union or other subordinate bodies are dishonest or incompetent or that such organizations are not being conducted in accordance with the constitution and laws of the international union, or for the benefit of the membership or are being conducted on such a manner as to jeopardize the interests of the international union, he may appoint a temporary trustee to take charge and control of the affairs of such local union or other subordinate bodies: *Provided, however,* That before the appointment of such temporary trustee the general president shall set a time and place for a hearing for the purpose of determining whether such temporary trustees shall be appointed: *And further provided,* That where in the judgment of the general president an emergency situation exists within the local union or other subordinate body, the temporary trustee may be appointed by or to such hearing but such hearing shall then commence within 30 days and the decision made within 60 days after the appointment of such temporary trustee.

Mr. KENNEDY. In all of these cases, Mr. Hoffa, you could step in and remove these officers, could you not?

Mr. HOFFA. In an emergency; yes.

Mr. KENNEDY. You don't feel this was an emergency?

Mr. HOFFA. The question of emergency is one that in my opinion should not place a local union in trusteeship and involve all of the members because of some one person. When there can be charges filed against the person and there are charges, and when I get it from Mr. Williams.

Mr. KENNEDY. It says here even without an emergency—

If the general president has or receives information which leads him to believe that any of the officers of a local union or other subordinate body are dishonest or incompetent—

and then it goes on—

that he may appoint a temporary trustee to take charge and control of the affairs of such local union or other subordinate body: *Provided, however,* That before the appointment of such temporary trustee, the general president shall set a time and place for hearing for the purpose of determining whether such temporary trustee shall be appointed: *And further provided,* That where in the judgment of the general president an emergency situation exists within the local union or other subordinant body.

Certainly where there was an admission of the use of union funds for these purposes, certainly a situation has arisen that you could take and should take such action, Mr. Hoffa? Do you not think so?

Mr. HOFFA. I believe that the action taken will clear up the situation in due time.

Mr. KENNEDY. What about Mr. Bolling, H. L. Bolling, secretary of local 515 of the Teamsters Union in Chattanooga, Tenn.? He was convicted in 1939 of illegal transportation of alcohol, and given an 18 months' sentence, and \$200 fine.

He was indicted for conspiracy to violate the income-tax laws with Glenn W. Smith, and he was linked with the violence in our hearings. Have you made an investigation of him?

Mr. HOFFA. Excuse me; I am trying to find out something; will you please?

(Witness consulted with counsel.)

Mr. HOFFA. I can't recall but Attorney Williams and myself seem to recall that there are the same charges against Bolling as against Smith, but we will have to check that and find out.

Mr. KENNEDY. Have you made any independent investigation of him yourself?

Mr. HOFFA. No; I don't believe that I did. I think that I talked to Bolling at the southern conference but insofar as an investigation was concerned I don't believe that I did, because the record regarding the money as far as the testimony was concerned was public knowledge in your record.

Mr. KENNEDY. Did you take any steps against him?

Mr. HOFFA. The same procedure will be handled as against Smith?

Mr. KENNEDY. Have you preferred any charges against H. L. Bolling?

Mr. HOFFA. No; I have not.

Mr. KENNEDY. Have you taken any steps against Mr. W. A. Smith who has been arrested some 14 times, and who is involved or tied up closely with the violence before the committee? He is a business agent of local 327 in Nashville, Tenn. Have you taken any steps against him?

Mr. HOFFA. I have taken no action, and he is on appeal regarding a sentence.

Mr. KENNEDY. Have you made an investigation of him?

Mr. HOFFA. There was a court case.

Mr. KENNEDY. Have you made any investigation of him?

Mr. HOFFA. And the question concerning Smith was a matter of newspaper articles, and I read the articles, and I have talked to Smith,

if I am not mistaken, concerning it on the telephone, and since he has been convicted there wasn't anything to investigate. If he is found guilty he will be out.

Mr. KENNEDY. He has been convicted, and he has been sentenced to 2 to 10 years.

Mr. HOFFA. He is out on appeal.

Mr. KENNEDY. He has been arrested 14 times prior to that, and he had a number of convictions, and he has just been sentenced from 2 to 10 years and he is still business agent of local 327, and you haven't taken any steps against him?

Mr. HOFFA. You are right.

Mr. KENNEDY. Have you made an investigation of it?

Mr. HOFFA. I think it was a matter of discussion on the phone with Smith and I realize he is under charges, and they were waiting for the appeal.

Mr. KENNEDY. Once again I call to your attention that you said when you appeared before the committee, how good your word was would depend on what kind of an investigation you made.

Mr. HOFFA. I think the investigation was all that could have been made. No matter how thoroughly you investigated, you wouldn't have found out anything else.

Mr. KENNEDY. Now, Mr. Hoffa, we had a good deal of sworn testimony before this committee, regarding these individuals Mr. Bolling and Mr. Glenn W. Smith have admitted to the \$20,000. Mr. W. A. Smith has just been convicted and sentenced from 2 to 10 years, and no steps of any kind have been taken by you.

Mr. HOFFA. I think the man has a right of appeal, to the final highest court in the country.

The CHAIRMAN. Mr. Hoffa, from this testimony do you know any other conclusions that fairminded men, impartial, can draw other than the fact that you surround yourself with criminals in the course of the administration of the affairs of the Teamsters Union, that you keep them there, and intend to keep them there if you can have your way about it?

Mr. HOFFA. This situation will clear up. I am sure of that.

Senator ERVIN. Is that your best answer?

Mr. HOFFA. The situation will clear itself up, I have been president 6 months, and I have been confronted with many problems much more serious than this particular problem, and I have attempted to work them out, and as I get to these problems and I have sufficient time I will work these problems out.

(At this point the following members were present: Senators McClellan, Ives, Ervin, Church, Kennedy, Curtis.)

Senator ERVIN. Mr. Hoffa, there is one thing that I cannot understand. I can understand why anybody would try to rehabilitate a man, and I am certainly sympathetic with the idea of giving people employment when they are released from prison.

But the thing I can't understand is your action in respect to Herman Kierdorf, the evidence was that he falsely impersonated a Federal officer, and served a term in the Federal prison at Leavenworth for so doing. Then the evidence is that after he had done that, he was convicted of armed robbery in Ohio, and sentenced to serve a term of not less than 10 or more than 25 years in the State prison of Ohio.

Now, a man who commits armed robbery is a man who steals. In other words, he has the heart of a thief. And a man who resorts to armed robbery is a potential murderer, because experience has shown that men who engage in robberies will not hesitate to kill to prevent apprehension.

As a consequence of that, I think that virtually every State in the American union has a statute making it murder in the first degree for a man to kill another while perpetrating or attempting to perpetrate a robbery. The evidence of this committee is uncontradicted about those matters.

It appears here that before Herman Kierdorf was released from the prison, that you offered him employment, and I would not criticize you for offering him employment. But the thing I don't understand is why you take a man of that character and bring him out of prison, and not only give him employment, but put him almost immediately in a position to exercise authority, over honest men, members of the union, and why a short time after his release you make him a business agent, as I recall the testimony; then you want to put him on the executive board at a salary of \$12,000 a year to exercise authority over honest men; and then when outsiders, people of the general public, make a complaint to you in the form of a telegram about his conduct, you not only do nothing about it but you don't even have the courtesy to make a reply to the people that are protesting to you about the conduct of one of the agents of your union.

That is something that just exceeds my comprehension. I cannot understand how such things could be done by a man who has the tremendous power and responsibility which you have as the head of the Teamsters Union, or as head of a conference of the Teamsters Union.

I cannot understand why you have such an apparently calloused indifference to the protests of the public about this conduct of this ex-convict.

The evidence before this committee would seem to justify the inference that after you took him out of prison and gave him a position of authority over other men, he practiced what the law calls extortion. When protest is made to you about some of his acts you pay no attention whatever to the protest and don't even reply to the protestants.

I could understand how a man out of the kindness of his heart would give employment to an ex-convict, but why he takes an ex-convict, an ex-felon, convicted of such serious crimes, and gives him a position of authority over honest men. You suggested that you oppose the Kennedy-Ives bill because it prohibits the holding of union offices by ex-convicts who had been convicted of felonies until their civil rights are restored. I belong to the legal profession. If a man in my profession or Mr. Williams' profession, is convicted of a felony, he is denied the right to practice his profession. He can't even follow his way of making a living that he was trained for.

For the life of me, I cannot understand how a man who heads a union of 1,500,000 dues-paying members would take a man, who has been convicted of crimes that involve stealing, out of prison and put him at the head of a local union to exercise authority over honest men. Then when people of the public protest to him about the conduct of that man, he makes no effort to investigate the alleged misconduct, and makes no inquiry of anybody except the man accused of being guilty of misconduct.

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

The CHAIRMAN. I don't think there is any justification. I don't think any justification can be found for taking people convicted of felonies of the character that Herman Kierdorf was convicted of, and giving them a position to exercise authority over honest men who, under the union contracts, are compelled to submit themselves to his authority in order to earn their daily bread by the sweat of their own brow.

Senator IVES. I think the answer is obvious. There is only one possible answer we can get out of all this. You want that kind of folks, don't you?

You want jailbirds and men like that, crooks, gangsters, racketeers, and that kind? Because you want tough people to make it doggone tough on these people you are leading. Just use force against them, if necessary. That is the kind you want. I think you are underestimating the members of the Teamsters Union. The ones I know, and I know a lot of them, are very fine people. You don't have to use force against that type of person at all. They will respond to anything that is reasonable. The vast majority, the great majority, are honest people.

But I want to say to Senator Ervin, I think the answer to the question he poses is obvious.

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

Senator ERVIN. I would say also I know some of the teamsters in North Carolina. They have a local at Hickory, about 20 miles from me, and the Hickory Teamsters are good people. But they have been kept under trusteeship. I think virtually every Teamsters local in North Carolina until lately was kept under trusteeship and deprived of the right to have officers of their own choice.

Mr. HOFFA. But the same officers who led them, sir, under trusteeship, by the majority were elected as their business agents and officers. I also may say the only way we could build a union in North Carolina was to have a trusteeship to where we could have supervision, funneling enough finances into that territory, because we could never have done it out of dues, to be able to organize and gain the benefits for the workers we have gained in Carolina. It so happens, sir, that I negotiated the major contract in both North and South Carolina, increasing their wages tremendously.

Senator ERVIN. There was a good deal of friction in the Charlotte local to get the trusteeship off. There was a considerable amount of notoriety about it. That is all I will say on that subject.

Mr. KENNEDY. Mr. Hoffa, according to a statement that was written by Mr. Mollenhoff, of Look magazine, when he asked you about individuals such as Glen Smith and W. A. Smith, and why they had been given positions of power, you replied, "We need somebody down there to kick those hillbillies around."

Mr. HOFFA. I am not responsible for what Mr. Mollenhoff wrote. He may have misunderstood me. But for clarification of the record, I don't consider southerners anything other than Americans, and I have many, many friends all over the South, and I highly respect them. I resented the remark, but there was nothing I could do about it.

Mr. KENNEDY. Did you make that statement?

Mr. HOFFA. I can never recall making that statement.

Mr. KENNEDY. Do you deny that you made it?

Mr. HOFFA. I don't believe I made it.

Mr. KENNEDY. Do you deny that you made it?

Mr. HOFFA. I am not going to get into a debate on the question, because I do not even recall Mr. Mullenhoff interviewing me on such a subject.

Mr. KENNEDY. Mr. Hoffa, all I am asking you is do you deny making the statement?

Mr. WILLIAMS. I think he has answered the question, and I don't think it has any pertinency what he may have said to Mr. Mullenhoff, writing a piece for Look magazine.

The CHAIRMAN. It does have a little pertinency in my mind, from my viewpoint. Here is testimony that we are developing that this man at the head of this great organization is absolutely failing to meet the moral responsibility that is his, that he gave a pledge here he would meet before this committee. Immediately afterward he steps out and says he has to have men like Glen Smith, characters like that, to kick American citizens around, whom he chooses to call hillbillies, and the employers of whom he calls liars. You tell me that is not pertinent when we are trying to find a way to clean up the corruption and violence in unionism?

Of course, it is pertinent. It goes to the very heart and crux of the things we are inquiring into here.

American dues-paying members in unions have a right to decent and honest administration.

Mr. WILLIAMS. I agree. I think he has answered the question, if you rule it is pertinent.

Mr. KENNEDY. Do you deny that you made such a statement?

Mr. HOFFA. I don't recall making such a statement.

The CHAIRMAN. Sometimes you go and say that is 10 years ago or 8 years ago, and "I can't remember." This was last December.

Mr. HOFFA. And I have met probably 100 or more reporters and have had that many interviews since then and cannot recall it.

The CHAIRMAN. Did you see this publication right after you said it?

Mr. HOFFA. I did.

The CHAIRMAN. Did that not refresh your memory then?

Mr. HOFFA. No; it did not.

The CHAIRMAN. How long was it after this interview with Mr. Mullenhoff before it appeared in print?

Mr. HOFFA. I don't recall how long, but I remember the article. I am quite sure I do.

The CHAIRMAN. You mean it did not refresh your memory then?

Mr. HOFFA. No, sir; it did not.

Mr. KENNEDY. Mr. Hoffa, you are leaving the record that you will not deny making such a statement?

Mr. HOFFA. I will not deny under oath, we may have made some discussions on a kidding basis or some way, but I did not make any such statement, and I do not intend to leave any impression here that I do not respect our members in the South, North, East, or West as American citizens.

The CHAIRMAN. You see, your action or your lack of action, tends to confirm exactly the sentiments the article conveyed.

You kept these men down there, crooks and criminals, and you used them to be there, and you still have them in there.

Mr. HOFFA. There are charges filed against them. It will be handled according to the constitution.

The CHAIRMAN. But they are still there with the authority of the official position they have in the union. They are there right now.

Mr. HOFFA. You are right to that point.

The CHAIRMAN. We are not beyond this point. We can't get beyond it until another day comes. I say to you, sir, right now, that those men have no right, in your hearts I believe you know it, to sit in any official position of your union another hour.

Proceed.

Mr. KENNEDY. Then the record will stand, unless you want to correct it, Mr. Hoffa. What about Mr. Tony Ducks Corrallo, vice president of Local 293 of the Teamsters? Excuse me, it is Local 239 of the Teamsters.

Mr. HOFFA. I never met the man, don't know the man, and never checked with the man. It is my understanding that the man is intending to resign from our union.

Mr. KENNEDY. Have you made any investigation of him? According to the testimony before our committee, he is a leader in the narcotics trade in New York City. This was when we had the hearings a year ago. He controls Local 875 of the Teamsters, Local 275 of the Teamsters, and influenced a good deal of control over Local 522 of the Teamsters, four teamster locals. Did you make any investigation of him?

Mr. HOFFA. I don't know what he is supposed to control. I think you said he is a vice president. Is that right?

Mr. KENNEDY. Vice president of local—

Mr. HOFFA. Vice president of the union.

Mr. KENNEDY. Wait a minute. According to the testimony before our committee, he controlled Local 875 of the Teamsters, in addition to Local 239, Local 275, and had influence over Local 522 of the Teamsters.

Mr. HOFFA. I believe that they have autonomy of their organizations. I don't think they are in trusteeship. How he would control them, I don't know.

Mr. KENNEDY. He has been arrested 12 times, ranging from robbery, grand larceny, and narcotics. He was identified before the committee as an important figure in narcotics, and he was a close friend of Johnnie Dioguardi. My question is, Have you made any investigation of him?

Mr. HOFFA. I discussed that question concerning him. As I stated before, I understand he intends to resign from his position in the union.

Mr. KENNEDY. This is a year ago that we had this testimony, Mr. Hoffa.

Mr. HOFFA. That is right.

Mr. KENNEDY. Have you taken any steps against Mr. Tony Ducks Corrallo?

Mr. HOFFA. As of now, no.

Senator KENNEDY. Mr. Corrallo, from 1929 to 1941 only could show 2 weeks of gainful employment, but he was deferred from the draft because he was the sole support of his mother. Do you know anything about him at all?

Mr. HOFFA. I never met him, Senator.

Senator KENNEDY. It has been a year since you came before the committee or taken any action. I thought he was one of the worst witnesses we had last summer; have you taken any action about it?

Mr. HOFFA. Not yet, no, sir.

Senator KENNEDY. Weren't you disturbed? He was pretty well characterized before this committee as one of the most notorious hoodlums we had in the country. Do you mean to say that didn't cause some disturbance in your mind, some distress about the reputation of the Teamsters? Did you proceed to take any action?

Mr. HOFFA. The testimony certainly was not good publicity for the organization of the Teamsters. But on the other hand, the organization certainly had a right to file charges against him and remove him if they find he is not a proper person.

Senator KENNEDY. We asked him some questions about his activities as a Teamster official and he took the fifth amendment and gave no information. Mr. Hoffa, when Mr. Ives talked to you last year, you made some pledges which I hoped you would carry out to clean up the Teamsters Union. But I don't see any indication that you are prepared to take that action. You don't seem to feel that when a witness comes before us and takes the fifth amendment, quite obviously technically he is entitled to that right but it does not seem to disturb you at all. You said yesterday "Why don't you leave him alone?" Talking then about Mr. Bushkin. Then you were about to pull out a Supreme Court decision talking about his rights. Mr. Corrallo is a notorious hoodlum in this country. This matter has been in your knowledge for a year.

I can't understand how you, who are about to attempt to acquire a dominant position in the whole transportation system in the United States, can be so indifferent to that.

Quite obviously, if you don't do something about it, someone else will have to.

Can you tell me why you wouldn't?

Mr. HOFFA. In my opinion, the situation will be corrected.

Senator KENNEDY. When? That is a year now, Mr. Hoffa.

Mr. HOFFA. I have been president of this international only since, I believe, the 31st of January. I have had many problems facing me, many important contracts. I have not gotten around to adjusting all of the problems that I will be adjusting as I get to them.

Senator KENNEDY. I don't think that is an adequate excuse. In 7 or 8 months, your powers are very vast under the constitution. In addition, you, for example, supported two international vice presidents who took the fifth amendment. You supported them in October for international vice president, two witnesses who came before us and took the fifth amendment. This was after you came before the committee yourself.

Mr. HOFFA. Senator, I am not going to change my mind for this committee or anybody else concerning a man's right to exercise a con-

stitutional right of a free American citizen, and I do not believe that I have the right to deprive them of a constitutional privilege he desires to put into effect.

Senator KENNEDY. Mr. Hoffa, can I just ask you, when a witness comes before this committee and takes the fifth amendment on matters involving the use of union funds, whether that puts up a danger signal in your mind, and, therefore, it is your custom and habit to immediately begin an investigation as to what he may have done with union funds? Is that your practice or not?

Mr. HOFFA. We will sit as an investigating committee under the constitution to check into the affairs of his union.

Senator KENNEDY. Have you done that?

Mr. HOFFA. We have in many, many instances, yes.

Senator KENNEDY. Have you done it in the case of your international vice presidents who took the fifth amendment?

Mr. HOFFA. Do you mean Mr. O'Rourke and Mr. Brennan?

Senator KENNEDY. That is correct.

Mr. HOFFA. I have not had the opportunity to send anybody into those local unions, because I have been busy, insofar as other affairs of this union are concerned.

Senator KENNEDY. Mr. Hoffa, I don't think there is any thing more important. You are now seeking to arrange an alliance with Mr. Bridges, with the west coast union, to extend your power over the transportation system in the United States. You don't seem to be interested in cleaning up corruption in your own union. It is not very difficult to you. You have extensive powers. These people are notorious, some of them who came before us. You don't seem to take any action.

Mr. HOFFA. There will be action taken in due time.

Senator KENNEDY. Yet you oppose the Congress taking action.

Mr. HOFFA. I don't think the bill you introduced would keep a man from taking the fifth amendment and becoming an officer of a union.

Senator KENNEDY. No, but it would make it a Federal crime to embezzle union funds, it would make it necessary to report the expenditures of unions' funds to the Government, it would make the destruction of union records or books a Federal crime.

I think chiefly you, Mr. Hoffa, have failed to take action yourself. You are the greatest stimulus to all of the legislation we have had down here.

Mr. HOFFA. When those bills go into effect, every citizen will have to comply with them.

Senator KENNEDY. That is correct, and you are opposing their going in. But I say your failure to take action yourself with all the power you have seems to me to be a major reason why we have to do it, even though it is not a happy situation that we are forced to do it. But you are totally uninterested in it.

Now, Mr. Hoffa, the other day when you came down here, did you talk to those witnesses that appeared before us on the laundry matter?

Mr. HOFFA. The laundry matter?

Senator KENNEDY. Yes. Mr. Meissner.

Mr. KENNEDY. The Detroit Institute of Laundry.

Mr. HOFFA. I said hello to them, yes.

Senator KENNEDY. Where?

Mr. HOFFA. On the way down on the airplane and both airports.

Senator KENNEDY. Did you discuss Mr. Holtzman?

Mr. HOFFA. Yes. I said, "Did you fellows have any business with Mr. Holtzman?" And they said "Yes."

Senator KENNEDY. Did you say anything about the fact that any money they got must have gone to Mr. Holtzman and not to you?

Mr. HOFFA. Did I say anything to them?

Senator KENNEDY. Yes.

Mr. HOFFA. I don't know. I think they mentioned it, if I remember it correctly.

Senator KENNEDY. Did you use the words "any money that they received must have gone to Mr. Holtzman, it did not go to you?"

Mr. HOFFA. It certainly did not go to me.

Senator KENNEDY. Did you say that to them? Did you remind them of that? We have been rather concerned with their change of testimony. Did you refresh their recollection?

Mr. HOFFA. What did you say?

Senator KENNEDY. I said we have been concerned in the committee about the change of testimony of some of these witnesses. I am asking you if you refreshed their recollection on the way from Detroit to Washington that the money they paid went to Mr. Holtzman and did not go to you?

Mr. HOFFA. I don't think that matter was discussed. It may have been. They may have told me that they paid Holtzman some money. Well, I think that it what happened.

Senator KENNEDY. When you came before this committee, Mr. Kennedy, the counsel said, talking about the Detroit Institute of Laundry, Mr. Bushkin and Mr. Holtzman:

Did you have some discussions with them about that?

Mr. HOFFA. I don't think I discussed it with them.

Mr. KENNEDY. Discuss—

Mr. HOFFA. With who?

Senator KENNEDY. Mr. Bushkin and Mr. Holtzman.

Mr. HOFFA. I did not discuss it with Mr. Bushkin and Mr. Holtzman, as I remember.

Senator KENNEDY. You don't recall ever discussing the Detroit Institute of Laundry case with Mr. Bushkin or Mr. Holtzman?

Mr. HOFFA. Are you talking about the question of these negotiations?

Senator KENNEDY. What did you say?

Mr. HOFFA. Are you talking about the question of these negotiations?

Senator KENNEDY. The 1949 negotiations, that is correct.

Mr. HOFFA. As I said, I don't recall discussing the question.

Senator KENNEDY. Why did you bring up the matter with the two witnesses coming down here?

Mr. HOFFA. I had read in the newspaper articles, and I had listened to discussions around concerning the problem.

Senator KENNEDY. What newspaper?

Mr. HOFFA. I don't remember.

Senator KENNEDY. Was it in the newspaper actually, Mr. Hoffa?

Mr. HOFFA. I think there was some insinuation that there had been a payment made by some laundry or something.

Senator KENNEDY. You don't recall——

Mr. KENNEDY. There was nothing in the newspapers about such a situation.

Mr. HOFFA. There was something in the paper about somebody having made a payoff.

Mr. KENNEDY. Irving Paul Miller. But how did you know it was in connection with Holtzman?

Mr. HOFFA. I did not know it was.

Mr. KENNEDY. You told these witnesses coming down to remember that they gave the money to Mr. Holtzman.

Mr. HOFFA. I discussed with the witness——

Mr. KENNEDY. Do you deny that you said that to them?

Mr. HOFFA. What is that?

Mr. KENNEDY. Do you deny that you said to them, "Remember that you gave the money to Holtzman"?

Mr. HOFFA. I don't remember discussing that with them.

Mr. KENNEDY. Do you deny it?

Mr. HOFFA. I am not going to sit here and tell you from memory what I did or did not, but I don't believe that I did.

Mr. WILLIAMS. Mr. Chairman, I think in the interests of fairness, Senator Kennedy has said that these witnesses changed their testimony.

Senator KENNEDY. Right.

Mr. WILLIAMS. I think if there was ever any testimony given to this committee in executive session, or if anyone ever said to any investigator from this committee that any of this money went to this witness, that we ought to have that evidence now. I invite it to go into this record, sir.

Senator KENNEDY. Mr. Williams, I made the statements that the witnesses changed their testimony before the committee. You were here when Mr. Miller changed his affidavit that had been notarized and that he had initialed. I am giving you one example of the change of testimony before this committee.

Mr. HOFFA. I don't think I even know Miller.

Senator KENNEDY. I am just giving you the example of the change of testimony. I gave you the second example of Mr. Meissner. I think when you remember what the changes were in the testimony, I think it will be a matter of record.

Mr. WILLIAMS. I think in the interests of fairness, we should say for the record that if Mr. Meissner changed his testimony, it was a change of speculation or assumption concerning the ultimate destination of the money to which he testified.

Senator KENNEDY. Mr. Hoffa, then, the counsel asked you on page 33 of the testimony, "Did you discuss the Detroit Institute of Laundry with Mr. Holtzman?" You said, "I may have."

Mr. KENNEDY. Do you remember that?

Mr. HOFFA. No, I don't.

Mr. KENNEDY. You don't remember?

Mr. HOFFA. No, I don't.

Mr. KENNEDY. In 1949, did he make arrangements for you to visit with any of the representatives of the Detroit Institute of Laundry?

In other words, you were rather familiar with this whole matter when you discussed it with the witnesses. The question that Mr.

Kennedy asked you regarding the Detroit Institute of Laundry with Mr. Holtzman did not come as a surprise to you.

Mr. HOFFA. I still say that I may have discussed it with them.

I think I said the other day after LoCicero got through testifying—

Senator KENNEDY. Why did you raise the question of Holtzman with them?

Mr. HOFFA. Well, I think they know Holtzman. No particular significance.

Senator KENNEDY. Did you think you were under suspicion at that time by the committee for receiving the money?

Mr. HOFFA. I am not under suspicion now.

Senator KENNEDY. That is why I am asking you about Monday. I am asking you if you knew before you came down here that this matter would come up, and how you knew it.

And why you chose to discuss it with witnesses and why you chose to remind them it was Mr. Holtzman who got the money.

Mr. HOFFA. They told me they were coming down to testify.

Senator KENNEDY. They called you?

Mr. HOFFA. No. I met them at the airport. I did not even know they were going to be on the same plane.

Senator KENNEDY. Why did you raise the matter of Holtzman?

Mr. HOFFA. Why did I raise the matter with Holtzman?

Senator KENNEDY. Of Holtzman?

Mr. HOFFA. Maybe they did. I don't know.

Senator KENNEDY. You don't recall?

Mr. HOFFA. No, I don't.

Senator KENNEDY. Who was it you talked to?

Mr. HOFFA. I think both Meissner and Balkwill was there. But I think it was in a kidding way. I don't think we made any serious discussion concerning this problem. As a matter of fact, I know we did not.

Mr. KENNEDY. Mr. Hoffa, after the hearing was over on Tuesday, while leaving the hearings after these people had testified regarding this matter, did you say, "That S. O. B., I'll break his back"?

Mr. HOFFA. Who?

Mr. KENNEDY. You.

Mr. HOFFA. Say it to who?

Mr. KENNEDY. To anyone. Did you make that statement after these people testified before this committee?

Mr. HOFFA. I never talked to either one of them after they testified.

Mr. KENNEDY. I am not talking about them. Did you make that statement here in the hearing room after the testimony was finished?

Mr. HOFFA. Not concerning them, as far as I know.

Mr. KENNEDY. Who did you make it about, then?

Mr. HOFFA. I don't know. I may have been discussing someone in a figure of speech. I don't even remember it.

Mr. KENNEDY. Whose back were you going to break, Mr. Hoffa?

Mr. HOFFA. It was a figure of speech. I don't know what you are talking about.

Mr. KENNEDY. I am trying to find out whose back you were trying to break.

Mr. HOFFA. It is a figure of speech.

Mr. KENNEDY. What?

Mr. HOFFA. A figure of speech.

Mr. KENNEDY. A figure of speech about what?

Mr. HOFFA. I don't know.

Mr. KENNEDY. Who were you talking about?

Mr. HOFFA. I have no knowledge of what you are talking about.

Mr. KENNEDY. Do you deny that you made the statement?

Mr. HOFFA. I don't recall making it.

Mr. KENNEDY. Do you deny that you made it?

Mr. HOFFA. I could have made a remark to somebody we had been talking about the day before or the day after.

It is a figure of speech.

Mr. KENNEDY. Whose back were you going to break?

Mr. HOFFA. It does not mean physically.

Mr. KENNEDY. Let's find out whose back you were going to break figuratively.

Mr. HOFFA. I don't know. I don't know.

The CHAIRMAN. Let me ask you this question: Whether physically or figuratively—

Mr. HOFFA. What, sir?

The CHAIRMAN (continuing). Did you make that remark about any member of this committee, any member of its staff, or any witness who may have testified before it or whose testimony is expected?

Mr. HOFFA. I do not recall making any such a statement. I certainly did not make it about any member of this committee or any staff member or any witness that I can recall. I know I did not. I am sure of that.

The CHAIRMAN. You certainly could recall back to Monday.

Mr. HOFFA. I can't recall making any such statement, sir.

Senator CURTIS. Mr. Chairman?

Mr. KENNEDY. Let me ask you—excuse me.

Senator CURTIS. Mr. Chairman, I just want to state for the record that in reference to cases that have been called up of gross wrongdoing on the part of union officials, agents, others, I concur in the belief that those men should be removed from their jobs. I do not think that the matter should end there.

I do not think that if that is accomplished this committee has completed its work or the Congress has.

A few weeks ago we had as our witness Mr. Daniel P. Sullivan, of the Crime Commission of Greater Miami and Miami, Fla. He discussed some of their problems down there and the fact that some of the hoodlums and gangsters they were dealing with did have and had had union connections, and I asked Mr. Sullivan this question:

Why does this gangster element move into the field of unions?

Mr. Sullivan replied by quoting one such gangster, as he had stated to him, as the reason, and this is what he said:

Well, first of all, when you have a checkoff system, you have a foolproof system of collections. It does not cost you any money to operate. Secondly, if you run one of these insurance companies or welfare outfits, you don't pay out any money and you take it all in. And thirdly, you have no inspection on the local, county, State, or Federal level, so your funds are not audited.

My point in bringing that up is that while I concur strongly that responsible union officers should remove unworthy characters from places of trust in the union, that this committee and this Congress have not discharged their responsibilities until laws are made that take the power and opportunity away from these people.

The CHAIRMAN. All right. Proceed, Mr. Kennedy.

Mr. KENNEDY. I would like to call a witness, Mr. Chairman.

Mr. WILLIAMS. Are we excused?

The CHAIRMAN. No. You may remain where you are. There is one point we want to clear up, and see if we can refresh Mr. Hoffa's memory a bit.

Mr. KENNEDY. Mr. Roberts.

The CHAIRMAN. Be sworn, please. You do solemnly swear 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. ROBERTS. I do.

TESTIMONY OF ROBERT D. ROBERTS

The CHAIRMAN. State your name, your place of residence, and your present employment.

Mr. ROBERTS. My name is Robert D. Roberts. I live at 120 C Street NE. I am a member of the Capitol Police force.

The CHAIRMAN. You live here in the city of Washington?

Mr. ROBERTS. Yes, sir; I do.

The CHAIRMAN. Where is your home?

Mr. ROBERTS. My home is Jefferson City, Mo.

The CHAIRMAN. Jefferson City, Mo.?

Mr. ROBERTS. Originally, yes, sir.

The CHAIRMAN. How long have you been in Washington?

Mr. ROBERTS. About a year and a half, sir.

The CHAIRMAN. How long have you been on the Capitol Police force?

Mr. ROBERTS. A year June 7.

The CHAIRMAN. A year June 7?

Mr. ROBERTS. Yes, sir.

The CHAIRMAN. You waive counsel? You know you are entitled to have an attorney present, if you desire.

Mr. ROBERTS. Yes, sir.

The CHAIRMAN. All right, Mr. Kennedy. Proceed.

Mr. KENNEDY. You are a member of the Capitol Police?

Mr. ROBERTS. That is right, sir.

Mr. KENNEDY. You have been a member how long?

Mr. ROBERTS. One year June 7.

Mr. KENNEDY. You were on duty, were you, on Tuesday in this hearing room, of this week?

Mr. ROBERTS. Tuesday; yes, sir, I was on duty here in the hearing room.

Mr. KENNEDY. Mr. Roberts, you were on duty at the end of the session, were you?

Mr. ROBERTS. Yes, sir; until the session was over. I stayed here until the area was cleared.

Mr. KENNEDY. Did you hear a statement made by the witness, Mr. Hoffa?

Mr. ROBERTS. Yes, sir; not in this room, though.

Mr. KENNEDY. Where was the statement made?

Mr. ROBERTS. On the street.

Mr. KENNEDY. Would you tell the—

Mr. ROBERTS. After the session was over, then I went downstairs, and from there I was to perform the rest of my duties outside, in front of the entrance of Delaware and C Streets, right by the trolley-car tracks. I was standing there, and that is where I overheard the statement.

The CHAIRMAN. Speak a little louder.

Mr. KENNEDY. Would you tell the committee what he stated, what Mr. Hoffa stated, putting blanks in where blanks are necessary.

First, would you write it out, and then would you make the statement?

Mr. ROBERTS. You want me to write it out, leaving out the profanity?

Mr. KENNEDY. No; just state what he said and leave out the profanity. Then I will have you write it out.

Mr. ROBERTS. He said, "That sneaky little 'blank.' I'll break his back."

I have no way of knowing what he was talking about or who he was referring to. It was just that one statement that I heard.

The CHAIRMAN. Had he just left the hearing room here?

Mr. ROBERTS. I presume so.

The CHAIRMAN. Had we just adjourned?

Mr. ROBERTS. Yes. It was very soon after adjournment.

Senator CURTIS. Mr. Chairman?

The CHAIRMAN. Senator Curtis.

Senator CURTIS. To whom did he make the statement?

Mr. ROBERTS. He was talking to this gentleman that was with him.

Senator CURTIS. Do you know who he was?

Mr. ROBERTS. I am not sure who he was. I think I know who he was, but I am not sure. I could identify the man, but I don't know if this is his name. I think it was Mr. Fitzgerald.

Senator CURTIS. Do you know about whom he made the statement?

Mr. ROBERTS. I have no idea, sir. I only heard that one statement; that is all.

Senator CURTIS. Do you know what subject matter was under discussion when he made the statement?

Mr. ROBERTS. I have no idea, sir; none whatsoever.

The CHAIRMAN. Now write out the statement so that it may be incorporated into the record.

Mr. ROBERTS. Verbatim, sir?

The CHAIRMAN. Write it verbatim.

TEXTIMONY OF JAMES R. HOFFA, ACCOMPANIED BY COUNSEL, EDWARD BENNETT WILLIAMS, GEORGE FITZGERALD, AND DAVID PREVIANT—Resumed

Mr. KENNEDY. Does that refresh your recollection, Mr. Hoffa?

Mr. HOFFA. It doesn't refresh my recollection. We may have been discussing some situation, and I may have said that.

The CHAIRMAN. The important thing in this, and I don't know nor does anyone else, is whether you were directing those remarks to any member of this committee, any member of its staff, or any witness who had testified or whose testimony the committee expected to receive. That is the point.

Mr. HOFFA. You can rest assured it was not.

The CHAIRMAN. You can state unequivocally under oath you were not referring either physically or figuratively to any of those whom I have identified?

Mr. HOFFA. I did not.

(Senator Kennedy, at this point, withdrew from the hearing room.)

The CHAIRMAN. Proceed, Mr. Kennedy.

Mr. KENNEDY. Mr. Hoffa, we had some testimony before this committee regarding Mr. Milton Holt, secretary-treasurer of local 805, in New York. Could you tell us whether you have taken any steps—

Mr. WILLIAMS. Mr. Chairman, may I see what the witness wrote out?

The CHAIRMAN. Yes; you may. I cannot permit it to be verbally stated in the language in which it is written over the air or before this audience.

Mr. WILLIAMS. You can go ahead with the examination.

Mr. KENNEDY. Mr. Hoffa, we have had testimony regarding Mr. Milton Holt, secretary-treasurer of local 805.

Mr. HOFFA. Yes?

Mr. KENNEDY. O. K.

Mr. HOFFA. Sure. Go ahead.

Mr. KENNEDY. Secretary-treasurer of local 805, Mr. Hoffa.

Mr. HOFFA. What about it?

Mr. KENNEDY. Have you taken any steps against Mr. Milton Holt?

Mr. HOFFA. I have not. The man is indicted, waiting trial. He was found guilty of an antitrust, the same as all the employers who are involved with him. I have discussed the matter with him. But I have taken no action.

Mr. KENNEDY. You have taken no steps to have him removed from his position?

Mr. HOFFA. I have not.

Mr. KENNEDY. He is very close and was identified as being very close to Johnnie Dioguardi before this committee.

Mr. HOFFA. Is that a question?

Mr. KENNEDY. You have still taken no steps against him?

Mr. HOFFA. No.

Mr. KENNEDY. He was involved also in the so-called bouncing charter, where this charter bounced around from one individual to another, according to the testimony before our committee: that he was very close to Mr. Johnnie Dioguardi and Mr. Getlin, in that matter.

Can you tell us whether you looked into that at all?

Mr. HOFFA. I think I have talked to Milton Holt concerning the problem. His case is coming up in court. We will take proper action at that time if necessary.

Mr. KENNEDY. You have taken no steps against him?

Mr. HOFFA. No; we have not.

Mr. KENNEDY. What about Mr. Abe Gordon, the administrator of the welfare fund of local 805 of the Teamsters?

Mr. HOFFA. What about him?

Mr. KENNEDY. Have you taken any steps against him?

Mr. HOFFA. No; I have not.

Mr. KENNEDY. He is a vice president of local 805. An investigation by the New York Insurance Commission in 1956 revealed that he received a certain percentage of the contributions as salary. Also it

was developed that he formed a trucking company back in 1932, he became president in 1934, his partner was Kovolick, who was described by former New York District Attorney Tom Dewey as a vicious strong-arm man for Lepke and Durra, when these two men controlled the garment industry in New York City during the 1930's. Have you taken any steps against Abe Gordon?

Mr. HOFFA. I have not.

Mr. KENNEDY. Kovolick has a long police record.

Mr. HOFFA. I don't think he is a Teamster member.

Mr. KENNEDY. No; he is a partner of Mr. Abe Gordon.

Mr. HOFFA. Isn't it true that Gordon gave up his truck company?

Mr. KENNEDY. Had he given it up?

Mr. HOFFA. I am under the impression he has.

Mr. KENNEDY. Also, Mr. Hoffa, according to an investigation that was made by the New York Insurance Agency, it was found that he sold a piece of property to the union welfare fund, which in April of 1953 he advertised for sale for \$15,000, plus the mortgage, which I believe was \$11,000. In October 1953 he sold the same piece of property to the union, to himself, for \$85,000.

Did you make an investigation of that?

Mr. HOFFA. I believe former President Beck did, and I believe the charges were dropped. They were never pressed.

Mr. KENNEDY. The evidence was in the record in connection with that. Have you ever looked into it?

Mr. HOFFA. Not into the question of his development.

Mr. KENNEDY. You did not look into that?

Mr. HOFFA. No.

Mr. KENNEDY. He was very close to Mr. Johnnie Dioguardi; isn't that correct?

Mr. HOFFA. I understand he knew him. How close he was is a question.

Mr. KENNEDY. Well, according to the testimony before our committee, Johnnie Dioguardi operated out of Abe Gordon's office, local 805.

Mr. HOFFA. He may have.

Mr. KENNEDY. Have you taken any steps against Mr. Gordon?

Mr. HOFFA. I have taken no steps against Gordon.

Mr. KENNEDY. And it was shown, revealed before the committee, that Mr. Johnnie Dio used Abe Gordon's office as his contact, as his telephone contact, when he and Tony "Ducks" were working on the election of a joint council in New York. Did you look into that?

Mr. HOFFA. No; I did not.

Mr. KENNEDY. In fact, Mr. Abe Gordon is a close friend of yours, is he not, Mr. Hoffa?

Mr. HOFFA. A friend of mine; yes.

Mr. KENNEDY. Is he over at the Teamsters headquarters now?

Mr. HOFFA. No; I think he went home this afternoon.

Mr. KENNEDY. He has been over there until now?

Mr. HOFFA. Yes.

Mr. KENNEDY. He was over there yesterday?

Mr. HOFFA. That is right.

Mr. KENNEDY. And the day before?

Mr. HOFFA. That is right.

Mr. KENNEDY. And on Monday?

Mr. HOFFA. That is right.

Mr. KENNEDY. And he was down here with you?

Mr. HOFFA. That is right.

Mr. KENNEDY. This is Mr. Abe Gordon, Mr. Chairman, one of Johnnie Dio's closest associates, who has been involved, linked up, with numerous racketeers and gangsters in New York City.

Mr. HOFFA. Let the record show—excuse me.

The CHAIRMAN. What is his connection?

Mr. KENNEDY. Administrator of the welfare fund of local 805 of the Teamsters, vice president of local 805, and the New York Insurance Commission found that he had sold property, his own personal property, his family's, to the welfare fund for an exorbitant profit back in 1953.

Mr. HOFFA. I think the record ought to show, sir, that the New York Insurance Commission, I believe, regularly checks welfare funds. There is nothing reported to be wrong with that fund.

Senator IVES. May I get something straight here before you go any further on the commission business? Is that the New York State Insurance Commission or the New York State Insurance Department?

Mr. HOFFA. It could be either one.

Senator IVES. I don't think they have a New York State Insurance Commission. I think it is a department.

Mr. HOFFA. Whichever one checks the records. I know you have to file some type of form.

Senator IVES. It is department.

Mr. HOFFA. Department.

Mr. KENNEDY. You have not made an investigation of him, then, either?

Mr. HOFFA. I have discussed Gordon's operation with him.

Mr. KENNEDY. What about John McNamara, local 808 and local 295 of the Teamsters?

Mr. HOFFA. I discussed John McNamara's operations of both local unions with John McNamara. We have under consideration now an audit of 295 and an audit of 808 by Price Waterhouse, to determine whether or not the books are in order.

Mr. KENNEDY. And you had an investigation and hearing of him?

Mr. HOFFA. There are no charges filed against McNamara. He is out on a certificate of reasonable doubt.

Mr. KENNEDY. You stated specifically before this committee in answer to a question of Senator Ives, that based on the material that we developed regarding McNamara's tie-in with the paper locals, you would conduct a hearing and have an investigation of Mr. McNamara.

Mr. HOFFA. It is a question of what you call an investigation. I have discussed this matter with McNamara and I consider that an investigation.

Senator IVES. I pointed out, you know, that Mr. Hoffa's interpretation of a clean and decent administration of a union might be somewhat different from mine.

The CHAIRMAN. Mr. Hoffa, surely, a man of your intellect does not want the record to stand that that is what you consider an appropriate investigation, just to simply ask a man who may be charged, or whom all the testimony has accumulated against, just ask him, and then you say that is your investigation?

MR. HOFFA. McNamara has no charge against McNamara except the fact that while he was in jail they asked to have the vacancy filled. If I recall correctly, the vacancy was filled by the board. McNamara came out. It is our report that he appeared in front of the membership and the membership retained him, subject to the question of a hearing by the higher court.

There is no complaint that I know of concerning McNamara's organization, except that the monitors have requested and we have agreed, to have both local unions audited by Price, Waterhouse.

MR. KENNEDY. There is one other thing that might have slipped your mind, and it might be very small in your estimation, but he was convicted with Johnny Dio in an extortion matter, and he was found guilty by a jury.

MR. HOFFA. And it is still subject matter of an appeal.

MR. KENNEDY. But this is the man that still holds this position.

MR. HOFFA. Subject later to appeal.

MR. KENNEDY. He has been found guilty by a jury, and he is still holding the important position in two locals in New York City.

MR. HOFFA. I recognize that, and I recognize he has a right of appeal.

MR. KENNEDY. You said you were going to make an investigation and have a hearing on him.

MR. HOFFA. I did make an investigation.

MR. KENNEDY. You talked to him?

MR. HOFFA. That is right, and that is an investigation.

SENATOR CHURCH. In view of Mr. Hoffa's definition of an investigation, I would like to ask him what his definition might be of another term I have heard him use this afternoon.

MR. HOFFA. I was not a member of this committee at the time you first appeared. I understand that at that time you indicated to the committee that it was your intention to clean up these problems in the Teamsters Union with reference to many people whose names have now been discussed and who had criminal records and were convicted of serious crime, and that at that time, it is my understanding, that you gave your pledge that this would be your effort as president of the Teamsters Union.

Today I have heard many of these names discussed, and I have heard you testify that you have taken no action, but you have said repeatedly that these matters would be cleared up in due time.

Now, your earlier appearance was about a year ago, and no apparent progress has been made, and what do you mean by "these matters will be cleared up in due time"? How would you define that? What do you mean by it?

MR. HOFFA. I wasn't the general president of this union when I appeared here last time, and I became general president, I believe, the 31st of January of this year. I have had a considerable number of problems which arose during the question of the court proceedings, and the question of monitors, and we have had trusteeship hearings, and executive board hearings, and we have had several hearings or many hearings out in the field by panels, reporting them back to the monitors. It is my intention to do the same thing as complaints come in, because when a complaint comes in we submit the complaint to the monitors, and the monitors are aware of the complaints, and

we in turn send out panels and hold hearings, and those hearings come back, and the monitors have an opportunity to listen or read the testimony and prior to making a decision we consult with the monitors on those cases.

As the cases come in from the membership, under our constitution I will apply the procedure of the constitution.

How long that will take, that is an undetermined time.

Senator CHURCH. In other words, you couldn't give this committee any estimate of what "in due time" would mean?

Mr. HOFFA. No; I could not.

Senator IVES. You have changed that now to make it your intention to do that and it is no longer your pledge. Remember you promised me a few things, and I am going to read them to you before we get through.

Mr. HOFFA. Senator, I am well aware of what I said last time to you.

Senator IVES. You have got a good memory today, I know that.

Mr. HOFFA. I am also aware of the question of the responsibility of this union, and the problems that I had facing me when I took over, and I have adjusted many of them. Those problems will be adjusted as time goes on and will be corrected.

Senator IVES. Your idea of "as time goes on" seems to be indefinite.

Mr. HOFFA. I don't think 6 months is a long time, Senator, to take a position that it is indefinite.

Senator IVES. It is a little more than 6 months; isn't it?

Mr. HOFFA. It is not more than 6 months. It was January 31, and it is a little after August now, the 6th or 7th.

Senator IVES. There are some of these things that are crying for attention.

Mr. HOFFA. I beg your pardon?

Senator IVES. There are some of these things that are demanding attention.

Mr. HOFFA. They are getting attention.

Senator IVES. You know what we were talking about in our conversation that day. Now, it seems to me if you really would put your mind to it and your will to it, you could have taken care of these things in much less than 6 months.

Mr. HOFFA. Well, Senator, if you would sit in the office of the Teamsters Building I think you would be willing to testify that I put in a good day's work, and I think that I put in a good evening's work. I think I have attended to my business concerning the teamsters as faithfully as any international president of any international union. This is a tremendous job to do, and it cannot be carried out overnight.

Senator IVES. I am not talking about your routine work. I am talking about placing first things first.

Mr. HOFFA. First things first is to get this union on an operating basis.

Senator IVES. First things first in your position is to have a decent, honest union, operating under decent and honest leaders. You haven't done that so far.

Mr. HOFFA. This union is a union of one-million-five-hundred-thousand-odd members, and it has local unions all over the country, with all types of people working for it and all types of members. The

members have a perfect right to file complaints concerning the operation of this union, and I have tried to adjust those complaints as they come into our office, either in front of the board by sending out panels, or personal interviews, by telephone conversations, and other methods of adjusting this union.

Senator IVES. You realize, and I suppose you do, that the larger your union is, the more imperative it becomes that this question of honesty and decency in the administration of the affairs of that union be paramount, and have first attention. I don't think that you have done that, and you haven't convinced me you have done it in any way, shape, or manner.

Mr. HOFFA. There is no question that there must be honesty in the organization, but also we must keep in mind the fact that those things will be adjusted as they are brought to our attention, with due process of the constitution, and we must keep in mind, also, that the everyday affairs of this union affecting the worker driving a truck and working in warehouses is of primary importance of this union, and the other things will be taken care of in due time.

Senator IVES. It is what you consider first things first. Apparently you consider these other things you are talking about as most important, and I don't.

Mr. HOFFA. I think wages, hours, and conditions, Senator, and contracts, are very urgent and very important to our members.

Senator IVES. You mean to tell me that those matters are more important than common honesty?

Mr. HOFFA. No; it isn't; common honesty is——

Senator IVES. That is what is involved here basically.

Mr. HOFFA. Common honesty will be taken along the same course in our constitution as everything else.

Senator IVES. Common honesty is first and demands first attention and there can be no delay in that at all.

You have delayed, and that is what I am driving at.

Mr. HOFFA. As they are brought to my attention, as charges are filed, and they follow the constitution, we will take care of them.

Senator IVES. Whose constitution? Your own constitution, or the Constitution of the United States?

Mr. HOFFA. The international constitution, and the Constitution of the United States.

Senator IVES. You have got a peculiar constitution if it allows that kind of interpretation. Certainly the Constitution of the United States, unless you want to be very technical, never embraced that idea of carrying out the thought of honesty. Honesty is honesty, and you know whether you have been honest about this yourself, and you know whether you have carried out the promise you made to this committee. Down in your heart you know darn well you haven't.

The CHAIRMAN. Are there any other questions?

Senator ERVIN. I believe that I would like to ask him one question, in view of the testimony of Mr. Brennan.

How many vice presidents do the Teamsters have?

Mr. HOFFA. Thirteen, sir.

Senator ERVIN. Where is Mr. Brennan's office?

Mr. HOFFA. In Detroit, Mich.

Senator ERVIN. In the same building with yours?

Mr. HOFFA. In the same building; yes.

Senator ERVIN. And you have daily associations with him?

Mr. HOFFA. We used to, and today I am in Washington primarily the bulk of my time.

Senator ERVIN. Now, I notice that when Mr. Brennan, a vice president of the Teamsters, was called here as a witness the other day, he swore in substance that if he told this committee anything whatever about any action taken by him as a vice president of the Teamsters Union that the disclosure he would make would tend to incriminate him. You heard his testimony, I believe.

Mr. HOFFA. I did.

Senator ERVIN. How can you, as the president of the International Union of Teamsters, tolerate the presence in as important an office as a vice president, of a man who comes and states on his oath that any disclosure he might make about his action as a vice president, or action taken by him as a vice president of the Teamsters, might tend to incriminate him, that is, might tend to show he was guilty of some criminal offense? Don't you think that your members of your union are entitled to have the services of officers who can make a frank and honest and a full disclosure of all of their actions as officers under the glare of the noonday sun in the presence of everybody?

Mr. HOFFA. Senator, I must say that Mr. Brennan has a right as a citizen to take the fifth amendment without me trying to decide—

Senator ERVIN. As a citizen; yes.

Mr. HOFFA. To decide whether or not he has performed some duty that he does not want to disclose, but until that duty is brought to the attention of the union, it may be a personal responsibility.

Senator ERVIN. He was asked about his actions as an officer of the union.

Mr. HOFFA. I understand, but I believe that Mr. Brennan in answering those questions. I think he said something here, and I can't recall exactly what he said, about being able to differentiate between one as against the other, and so he felt that to protect himself he ought to take the fifth on every question.

Senator ERVIN. But he is protecting himself, he swore, against a possible criminal charge by refusing to make any disclosure not about his conduct as an individual, but about his conduct as a vice president of the Teamsters Union.

Now, I would commend to your reading a very celebrated opinion of Chief Justice Holmes. Your very brilliant lawyer, for whom I have the highest regard, can explain it to you.

On one occasion, in the city of Boston, they discharged a policeman for participating in politics in violation of a city ordinance which forbade policemen participating in politics. So he went to court on the theory, he said, that every American citizen had a constitutional right to be interested in politics.

But Judge Holmes said that it was true that every American citizen has a constitutional right to be active in politics, but every American citizen doesn't have a constitutional right to be a policeman of the city of Boston.

Now, I would say it seems to me that every American citizen has a constitutional right to plead the fifth amendment, but I don't think that a man who pleads the fifth amendment when he is asked about the

discharge of the duties and obligations which he owes as an officer of the union, has a right to remain in that office after he pleads the fifth amendment. I would be glad to have your views on that subject.

Don't you think that the Teamsters are entitled to have officers whose conduct in their offices is such that they are not compelled to invoke the fifth amendment when they are required to give an account of their official conduct?

Mr. HOFFA. Senator, my answer to you is that the membership of Brennan's local union, through its duly elected representatives, had an opportunity to decide that question. They decided the question in favor of Mr. Brennan, and he brought to their attention the fact that he had taken the fifth amendment here, and they still voted that he did a job for them in negotiating wages, hours, and conditions and voted to retain him in his position.

Senator ERVIN. I didn't ask you anything about the opinion of the members of Mr. Brennan's local. I asked you as the president of the largest labor union in the United States, whether or not you think that the members of your union are entitled to have in office, to look after union affairs, men of such character that when they are asked about their official conduct in union offices, they do not have to invoke the privilege of the fifth amendment.

Mr. HOFFA. I believe we have a right to be a president or vice president of this union as long as the people that we are vice president or president of desire to maintain them in office, fifth amendment or not.

Senator ERVIN. You know, there are three ways to avoid answering a question. One is to plead the fifth amendment, and another is to say you do not remember, and a third is not to answer the question but talk about something else.

Mr. HOFFA. I thought I answered your question. I am sorry.

Senator ERVIN. You said you thought they ought to be allowed to stay there as long as the people wanted to keep them, but I am not asking you about that. I am asking you for your personal opinion.

Mr. HOFFA. My opinion is the same as the people, and they have a right to stay there.

Senator IRVIN. In other words, you think it is perfectly all right for men to be retained in offices of the Teamsters Union who are conducting themselves in such a way in the discharge of their official duties that they have to succumb to the temptation to plead the fifth amendment when inquiry is made of them about their official conduct. You think that is perfectly all right.

The CHAIRMAN. Do you have any more questions?

Mr. KENNEDY. Well, this is the group that we have who have criminal records, in addition to those we have established before the committee that have committed some acts that would appear to be detrimental to the union. This is not just the group of those who have criminal records, but in addition, in their capacity as union officials we have had some testimony about them.

So we haven't really started yet. These people are all still union officials.

The CHAIRMAN. We can't possibly conclude this afternoon.

Senator CHURCH. I think in order that we can keep this matter that Senator Ervin inquired about in proper perspective with respect to its relationship to the union movement in general, it might be well

for the record to show that many of the international presidents of numerous important and influential labor unions in this country have publicly taken a position very much different from that that has been stated by the witness today. They have expressed their feeling that if union leaders in their organizations are unwilling to give a public accountancy of their stewardship when competently inquired into by this committee or any other public authority, and instead invoke the fifth amendment, they are not entitled to remain in office.

I think that position is eminently sound and that it is necessary to the preservation of a wholesome union movement in this country. I would not want the record to leave any inference that the position taken in this matter by the present witness is representative of the position taken by the union movement as a whole.

Mr. HOFFA. May I make a statement?

The CHAIRMAN. Yes, you may.

Mr. HOFFA. I wonder if Senator Church is aware of what the board of review of the CIO did in regard to those individuals that took the fifth amendment concerning communism.

Senator CHURCH. I think the position taken by the board with respect to that matter is not relevant to the position taken by these labor leaders in connection with the point of inquiry as to the stewardship of union leaders and an accountancy that they owe when that stewardship is inquired into.

I think that the position that many labor union leaders have taken—that if one wants to invoke the fifth amendment and refuse to disclose his stewardship over any particular local, when the questions pertain to his official duties as a union leader, that such a person ought not to continue as a union leader, if he refuses to give an accountancy—is sound and in the best interests of the union movement. That is my view, and it appears also to be the view of a great many important and responsible union leaders in this country.

Senator CURTIS. Mr. Hoffa, what system of audits of local unions by the international union prevails in the Teamsters Union, if any?

Mr. HOFFA. Up to this new constitution, the Teamsters International Union had auditors who audited the books of the local unions. Under the new constitution, the local unions are required to have a CPA audit, and their international union, I believe, every 2 years, audits the books of the local union by CPA's for the first time we have established that.

Senator CURTIS. When was the change made from the old constitution?

Mr. HOFFA. In October, and it took effect when the court decision was handed down.

Senator CURTIS. And the old method called for an audit by international officers?

Mr. HOFFA. That is right.

Senator CURTIS. And I assume that sometimes they were professional auditors, and sometimes they were not; is that right?

Mr. HOFFA. That is right.

(At this point, the following members are present: Senators McClellan, Ives, Ervin, Church, Kennedy, and Curtis.)

Senator CURTIS. Under your new system, you require the local union to have its books audited by an outside auditing firm?

Mr. HOFFA. A CPA, yes. They could have their own CPA, if there was a sufficient number of people in the building to have one, to hire him regularly for their business.

Senator CURTIS. Yes, but they would not be officers and members of the union?

Mr. HOFFA. No. They might be members. Pardon me, they may be a member, a CPA. I don't know.

Senator CURTIS. That would be rather coincidental. And what system of auditing funds of other subordinate bodies exist between locals and the international?

Mr. HOFFA. Under the section of the constitution, subordinate bodies will be treated the same as local unions.

Senator CURTIS. And as they are required to have an audit by a CPA, with whom are copies of that audit filed?

Mr. HOFFA. Filed with the international union. Also a 990 is filed with the Department of Labor.

Senator CURTIS. How about the membership?

Mr. HOFFA. Membership has a right to have copies of the audit and copies of the 990.

Senator CURTIS. What procedure is followed when those copies reach the international headquarters?

Are they filed and remain dormant until a specific question is raised, or are they specifically examined when they come in, or soon thereafter?

Mr. HOFFA. I would imagine since it is not my department, and I can only imagine what will happen, I imagine the secretary-treasurer, English, will have somebody check those reports and if there are any questions, they will raise the questions.

(At this point Senator Church withdrew from the hearing room.)

Senator CURTIS. First let me ask: At what level in the Teamsters' organization are welfare funds maintained? Are there welfare funds pertaining only to locals, or are they area funds? What system is followed?

Mr. HOFFA. Area and local, and multiple locals also without areas.

Senator CURTIS. What do you mean by multiples?

Mr. HOFFA. There could be more than one local union in a particular fund.

Senator CURTIS. That is health and welfare. Do you have any pension funds, too?

Mr. HOFFA. Yes, sir, we do.

Senator CURTIS. And generally how are they maintained?

Mr. HOFFA. On the same basis.

Senator CURTIS. What system of auditing do you have in regard to health and welfare funds?

Mr. HOFFA. We have no system of auditing health and welfare funds from the international union, because those funds are operated under a trust agreement and are not chartered by this international union.

Senator CURTIS. By trust agreement, you mean there is employer participation?

Mr. HOFFA. Yes, sir.

Senator CURTIS. Do those agreements call for a system of auditing?

Mr. HOFFA. Yes, I believe they do. The ones I am familiar with do

Senator CURTIS. What system of auditing do you have in reference to pension funds?

Mr. HOFFA. On the same basis.

Senator CURTIS. Have you personally had an opportunity to examine any audits that come in of local unions or joint councils or any other teamster groups that have funds?

Mr. HOFFA. There are only two funds that I am familiar with, actually, and that is the Central States-Southeast-Southwest, pension and welfare fund, and the Michigan Conference of Teamsters. I have seen audits of all three of those funds.

Senator CURTIS. To what extent does the Teamsters Union engage in politics?

Mr. HOFFA. To what extent?

Senator CURTIS. Yes.

Mr. HOFFA. On a local level we engage in politics in some instances actively, in other instances not, and in some instances from the international standpoint we operate also in requests of local unions in politics.

Senator CURTIS. Your political operation on a local level, what constitutes that?

Mr. HOFFA. It is a question of helping candidates get elected, disseminating information to our members, and doing whatever we can do legally.

Senator CURTIS. How do you define "local candidates"?

Mr. HOFFA. Those running for other than Federal office.

Senator CURTIS. Those what?

Mr. HOFFA. Those who are running for office other than Federal elections.

Senator CURTIS. Other than Federal. That would include State, county, and city officials?

Mr. HOFFA. Very easily.

Senator CURTIS. Are you prohibited by law in any States from doing that?

Mr. HOFFA. I am not familiar with all the States. I don't know if we are or not.

Senator CURTIS. Do you engage in politics in reference to the election of judges?

Mr. HOFFA. I beg your pardon?

Senator CURTIS. Do you have any political activity in reference to the election of judges to State and local courts?

Mr. HOFFA. I am quite sure that we participate in those elections.

Senator CURTIS. Do you in Michigan?

Mr. HOFFA. Yes.

Senator CURTIS. Any other States?

Mr. HOFFA. I wouldn't want to get committed, but I would assume so.

Senator CURTIS. In those cases where you know about, does that support of candidates for judges include a contribution in money?

Mr. HOFFA. I think it could do both.

Senator CURTIS. I know it could, but I say does it?

Mr. HOFFA. Well, I can't answer that, frankly. I would think that it does both ways; but I am quite sure that we have from time to time gave donations to political candidates by check or by cash.

Senator CURTIS. From where would that money come?

Mr. HOFFA. From local unions.

Senator CURTIS. From what fund in local unions?

Mr. HOFFA. What is that?

Senator CURTIS. From what funds in local unions?

Mr. HOFFA. I would imagine in most instances the general fund. I understand some of our locals have a special fund.

Senator CURTIS. From what source does the income come that makes up the general fund of a union?

Mr. HOFFA. Initiation fees, dues.

Senator CURTIS. Do you engage in politics in the election of any officials connected with schools and education?

Mr. HOFFA. Yes.

Senator CURTIS. Mr. Chairman, I see it is 5 o'clock.

Will the witness be back another day?

The CHAIRMAN. Yes; I am confident he will.

I was hoping we could recess at this time. I have a matter to look after on the floor, and I would like to get over there before adjournment.

Senator CURTIS. At some time I wish to pursue this inquiry that I am making now, because I am very definitely interested in legislation concerning it.

The CHAIRMAN. The Chair would not at all undertake to preclude you from pursuing it.

I would anticipate that it would run into quite a lengthy interrogation possibly. I am hoping we could defer you until another day. Mr. Hoffa will be before the committee again, of course. As we adjourn, I wish to associate myself with the remarks of Senator Church. I notice he has left the committee room, but I think his remarks were very timely and most appropriate with respect to the position that has been taken publicly, and the code of ethics that has been adopted by other unions with respect to certain activities. I regret exceedingly that this witness has a different opinion of what ethics are and what his responsibility may be to the membership with regard to these matters.

I am saddened by the impact of the testimony of this witness. I think as you listen to what has been recorded here this afternoon, the conclusion is inescapable that under the character of leadership now being given to the largest labor union in the country, the prospects of restoring integrity, where integrity has not been heretofore, and providing a leadership and administration that is capable and willing to meet the responsibilities the membership of this union are entitled to have, I think the impression has gone out that the prospects get dimmer the further we go along for the reforms that are needed.

Mr. Hoffa, I think you have also created an impression and you may want to correct it, if you care to—you will be given the opportunity—created the impression in the minds of some people that possibly one of the reasons you don't do any more toward cleaning up then is because you are in the same category with those who you are failing to take action against.

Mr. HOFFA. May I answer that?

The CHAIRMAN. You may answer it.

Mr. HOFFA. I say to you Senators respectfully, that the wages, hours, and conditions of the Teamsters' membership is equal to or

better than most labor organizations. And I say that under my leadership I have eliminated trusteeships to the degree that I have been allowed to eliminate them.

I have adjusted complaints that have come into my office and am in the process of adjusting additional complaints.

I intend to comply with the constitution of our international union. I expect that the membership of this country has a right to determine whether wages, hours, and conditions and the functionings of this international union, to be able to determine whether or not this international union is operating in their benefit.

I do not concur, nor do I think it is right nor fair for you to say, as chairman of this committee, that there is something wrong with my leadership, simply because I will not deprive people of the right to make a living nor deprive people of the right and protection of a constitution which I am bound to uphold.

The CHAIRMAN. Your opinion is yours and you are entitled to it. The Chair made this statement. I did not want to go out and make it to the press, as I feel about it and as I might be asked about it, but I wanted to say it looking at you, and say it for the record, because I don't go out and make speeches and say something, or give out statements to the press about someone that I don't say to their face.

The committee stands in recess until 10:30 in the morning.

(Whereupon, at 5 p. m. the hearing recessed, to reconvene at 10:30 a. m. Friday, August 8, 1958. The following members were present: Senators McClellan, Ives, Ervin, Kennedy, and Curtis.)

INVESTIGATION OF IMPROPER ACTIVITIES IN THE LABOR OR MANAGEMENT FIELD

FRIDAY, AUGUST 8, 1958

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

The select committee met at 10:30 a. m., pursuant to Senate Resolution 221, agreed to January 29, 1958, 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 Frank Church, Democrat, Idaho; Senator Karl E. Mundt, Republican, South Dakota; Senator Carl T. Curtis, Republican, Nebraska.

Also present: Robert F. Kennedy, chief counsel; Paul Tierney, assistant counsel; John J. McGovern, assistant counsel; Carmine S. Bellino, accountant; Pierre E. Salinger, investigator; Leo C. Nulty, investigator; James P. Kelly, investigator; James Mundie, investigator; John Flanagan, investigator, GAO; Alfred Vitarelli, investigator, GAO; Ruth Young Watt, chief clerk.

The CHAIRMAN. The committee will come to order.

(Members of the committee present at the convening of the session were Senators McClellan and Ives.)

The CHAIRMAN. Proceed, Mr. Kennedy.

Mr. KENNEDY. Mr. Chairman, we have here an affidavit from Mr. Anslinger, in connection with the statement that he made swearing to the truthfulness of the statement that was put in the record some 3 weeks ago, which was to be accompanied by an affidavit. I would like to have permission to place the affidavit in the record. You gave instructions to get the affidavit from Mr. Anslinger.

The CHAIRMAN. We used a statement that was not sworn to?

Mr. KENNEDY. The witness, Anslinger, was expected to testify, but he became ill, and his testimony was placed in the record with the understanding that there would be an affidavit to accompany it.

The CHAIRMAN. All right; the affidavit may be placed in the record at the proper point.¹ It is the same as his previous statement?

Mr. KENNEDY. That is correct, Mr. Chairman.

¹ The affidavit referred to may be found on p. 12487 in pt. 32 of the present series of hearings.

At the close of yesterday, there was some discussion by the witness, Mr. Hoffa, regarding his interest in the wages, hours, and conditions of the employees, and we also had some discussion yesterday afternoon about gangster control of certain unions. We went last year into the situation in New York City and the paper locals and what was the result of gangsters' and hoodlums' control over certain of those unions to the detriment of certain of the Puerto Rican and Negro workers in New York City.

Today, I would like to, in view of Mr. Hoffa's statement yesterday, take a situation in Philadelphia, Pa., which Mr. Hoffa had something to do with, and show the results of gangster and hoodlum control over a local there and the results on the employees. In that connection, Mr. Chairman, I would like to call Mr. William J. Brennan.

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

Mr. BRENNAN. I do.

TESTIMONY OF WILLIAM J. BRENNAN

The CHAIRMAN. Mr. Brennan, will you state your name, and your place of residence, and your business or occupation?

Mr. BRENNAN. My name is William J. Brennan, president of Local 138, Hotel and Restaurant Employees, city of Philadelphia, and I reside at 5443 Angora Terrace, Philadelphia.

The CHAIRMAN. Do you waive counsel?

Mr. BRENNAN. I do.

Mr. KENNEDY. Now, Mr. Brennan, from 1942 to 1958, you were president of the joint board in Philadelphia?

Mr. BRENNAN. Yes, sir.

Mr. KENNEDY. Made up of the eight Restaurant Workers locals in the Philadelphia area?

Mr. BRENNAN. Yes, sir.

Mr. KENNEDY. And then, in 1958, you decided not to run for that office again?

Mr. BRENNAN. That is correct.

Mr. KENNEDY. Now, you are also at the present time president of the State council of the Restaurant Workers locals?

Mr. BRENNAN. I am.

Mr. KENNEDY. And you also are vice president of the Pennsylvania State Federation of Labor?

Mr. BRENNAN. I am.

Mr. KENNEDY. And you are acting secretary-treasurer and administrator of the Restaurant Workers Local 87; is that correct?

Mr. BRENNAN. That is correct.

Mr. KENNEDY. Which was created to supplement local 410?

Mr. BRENNAN. That is correct.

Mr. KENNEDY. Which we will be discussing?

Mr. BRENNAN. That is correct.

Mr. KENNEDY. Now, you have been in the labor movement how long, Mr. Brennan?

Mr. BRENNAN. Twenty-four years.

Mr. KENNEDY. During your period with the Hotel and Restaurant Workers Union, had you made any attempt to organize the Dewey chain of restaurants in the Philadelphia area?

Mr. BRENNAN. Yes; in the forties; in the late forties. I don't know the exact year, offhand. I would say around 1946 or 1947.

Mr. KENNEDY. Had you had some difficulty at that time?

Mr. BRENNAN. Well, we didn't seem to make any headway at all.

Mr. KENNEDY. Had you gone back in 1955 and had some conversations with the officials of that company to inform them you were interested in organizing them?

Mr. BRENNAN. I, personally, didn't, but I do believe that an official of our organization, some of the officers of the joint board, did discuss with Mr. Baylenson, I believe it was, relative to the organization of the employees of Dewey's, and Dewey informed him that, "Go get the people and I will sit down and talk."

Mr. KENNEDY. Did you learn around May of 1956 that the employees of this restaurant and chain had been signed up in another union?

Mr. BRENNAN. I first learned about it the last few days of April 1956, that there was an organization drive going on among Dewey's, and they were signing cards to join the Independent Unionist of America, Local No. 1.

Mr. KENNEDY. Had you ever heard of that local?

Mr. BRENNAN. I never heard of it before.

Mr. KENNEDY. Did you know anything about who was behind this local?

Mr. BRENNAN. At that moment, I did not. I did not know any of the officials, or any of those who were in the drive.

Mr. KENNEDY. But it wasn't a local that you had known of in your union experience in Philadelphia?

Mr. BRENNAN. No, and I don't think anybody else did.

Mr. KENNEDY. How many restaurants are there approximately in the Dewey chain?

Mr. BRENNAN. Well, first they are actually are not restaurants, there are only three restaurants, and the others are hamburger stands, and orange juice stands.

Mr. KENNEDY. How many approximately?

Mr. BRENNAN. Thirteen altogether.

Mr. KENNEDY. Do you know how many employees were involved?

Mr. BRENNAN. At that time I would say in the neighborhood of 250 employees.

Mr. KENNEDY. What else did you hear about this local in April of 1956 in this situation?

Mr. BRENNAN. Two or three Dewey employees came to my office to see me, and they informed me that they had received applications to join this local union, and that they would rather go into local 138, which I head. I immediately checked and investigated further, and then filed charges with the labor board against the procedure that was going on between the union and, as I interpreted it, the employer in the signing of these applications.

Mr. KENNEDY. Tell us what these employees reported to you.

Mr. BRENNAN. They reported that they had been told to sign the cards or they would be fired.

Mr. KENNEDY. By whom had they been told this?

Mr. BRENNAN. Well, by the managers. They were supposed to be told by the managers, and, of course, the managers there are working managers, and they participate the same as an employee.

Mr. KENNEDY. Had they been permitted to vote as to whether they wanted to go into the union?

Mr. BRENNAN. To my knowledge, no.

Mr. KENNEDY. As they reported this to you, did they say they had been consulted about belonging to the union?

Mr. BRENNAN. They said they were handed a card to sign, and they were not consulted about it at all.

Mr. KENNEDY. And told they would have to join the union or be fired?

Mr. BRENNAN. That is correct; that is why I filed the charges.

Mr. KENNEDY. Did quite a number of employees come to you with this?

Mr. BRENNAN. Those that voluntarily came to me would number approximately 45.

Mr. KENNEDY. Did you learn during this period of time who was behind this local No. 1?

Mr. BRENNAN. Yes; I found out, I would say, about the first part of May, that a fellow by the name of Abe Goldberg was supposed to be leading the organization.

Mr. KENNEDY. Who was Abe Goldberg?

Mr. BRENNAN. Abe Goldberg is a former business agent of the Teamsters Union, in Philadelphia.

Mr. KENNEDY. Is that the same Goldberg who did organizational work for Johnny Dioguardia in New York City, for local 102?

Mr. BRENNAN. Well, personally I don't know that, but from what I gathered, he was.

Mr. KENNEDY. I believe, Mr. Chairman, that we have established that he was one and the same, that he did go up to work for Mr. Dioguardia after local 102 was formed. Now, he was one of the people behind this?

Mr. BRENNAN. Yes, sir.

Mr. KENNEDY. Did you know anything more about Abe Goldberg?

Mr. BRENNAN. Well, all I know, he was a former business agent of the Teamsters Union in Philadelphia, Local 929. There had been some question on a previous congressional investigation, and he was removed from office at that time.

Mr. KENNEDY. Perhaps, Mr. Chairman, Mr. Salinger could just give a little summary of his background.

The CHAIRMAN. All right, Mr. Salinger.

Mr. SALINGER. Mr. Abraham Goldberg was former secretary-treasurer of Local 929 of the Teamsters Union. In 1947, along with a number of others, he was indicted for violation of the Hobbs Antiracketeering Act, and as a result of this indictment was sentenced to 3 months and a fine of \$2,500 and the sentence was then suspended and he was placed on 2 years' probation.

One condition of this probation was that he resign as secretary-treasurer of local 929 and hold no union office for a period of 2 years.

Mr. KENNEDY. Also involved in that matter, Mr. Chairman, was the witness that we have had some discussion about in prior hearings, and that was Mr. Ben Lapensohn. He was involved with this, and Abe Goldberg in 1947. But any way you heard he was one of the individuals, and did you hear about anybody else that was behind this union?

Mr. BRENNAN. Not at that particular time. It was sometime later that I found that Mr. Feldman was interested.

Mr. KENNEDY. Who was Mr. Feldman?

Mr. BRENNAN. Mr. Feldman was Sam Feldman, an officer of 929 of the local Teamsters in Philadelphia.

Mr. KENNEDY. Does he still hold that position?

Mr. BRENNAN. As far as I know; yes, sir.

Mr. KENNEDY. Did you know how many times Mr. "Shorty" Feldman has been arrested?

Mr. BRENNAN. Frankly, I have been told at the time of the publicity, and I never knew he was arrested.

Mr. KENNEDY. Mr. Chairman, we have Mr. Feldman's background also, and we would like to place that in the record.

The CHAIRMAN. All right.

Mr. SALINGER. Mr. Samuel "Shorty" Feldman who also used the name of Samuel Frank, and Samuel Harris, has been arrested on 18 occasions, has been convicted 6 times, and has served 2 prison terms. In 1924 he served a 6-month county prison term for larceny by shoplifting and in 1929 he served a 3- to 10-year term in the Eastern State Penitentiary of Pennsylvania for entering to steal.

Conspiracy in carrying burglary tools. He also served a penitentiary sentence in 1935 in Sing Sing Prison in New York, 4 years, for burglary and attempted grand larceny in the second degree. Mr. Feldman was arrested by the FBI last week for interstate transportation of stolen bonds.

(At this point, the following members were present: Senators McClellan and Ives.)

Mr. KENNEDY. Mr. Feldman was also involved in our hearings on the Philadelphia Teamsters. We had some testimony, Mr. Chairman, that he stated to an employer there that "for \$50,000 or \$25,000 I could have some picket lines removed from the employer's place of business."

The CHAIRMAN. That is already in the record by sworn testimony?

Mr. KENNEDY. That is correct.

The CHAIRMAN. All right.

Mr. KENNEDY. Mr. Salinger, what is Mr. Feldman's present position?

Mr. SALINGER. Business agent of Local 929 of the Teamsters Union in Philadelphia.

Mr. KENNEDY. He still remains a business agent of the Teamsters' Union; is that correct?

Mr. SALINGER. That is correct.

Mr. KENNEDY. Despite his criminal record and what we revealed of his activities last year?

Mr. SALINGER. That is correct.

Mr. KENNEDY. He was one of those that you found to be active behind this union?

Mr. BRENNAN. Well, yes; I found that he was connected. I don't know whether directly or indirectly, but he was connected.

Mr. KENNEDY. Could you tell us what steps you took?

Mr. BRENNAN. I will have to refer to my memory on dates. I do have some chronology here. But on May 4 I filed charges of unfair-labor practices against the local union and also against the employer, Dewey.

Mr. KENNEDY. Who was it, specifically, as far as the employer was concerned? Did you mention anyone?

Mr. BRENNAN. Dewey Yessner.

Mr. KENNEDY. Did you talk to the international union about filing these charges?

Mr. BRENNAN. I did.

Mr. KENNEDY. The international union of the Hotel and Restaurant Workers?

Mr. BRENNAN. Yes. I got in touch with them and told them that there was an organization. I believe that the situation was, that this was an independent group. I had never heard of them before. Of course, I will have to say that I was a little confused at the time because there was another Hotel and Restaurant Workers' Union, local No. 1, in the city of Philadelphia, an independent group, and I had them confused with them.

But by this time I had found out that it was not the same group; they were different groups. I told them that I didn't appreciate the way the organization campaign was going on, and I thought it was very bad, and I felt as though I should immediately interfere, and they told me to go ahead, to do everything I could to stop them.

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

Mr. KENNEDY. Would you tell us what you did then?

Mr. BRENNAN. I then filed the charges, and, as a result of further connections with the employees, I sent out communications and letters to all the individual employees in Dewey's restaurant.

Mr. KENNEDY. Were there hearings held?

Mr. BRENNAN. There were hearings held by the State labor-relations board. I believe the first one was held on May 28, 1956.

Mr. KENNEDY. Did you hear or learn during this period of time any of the other people that were behind this?

Mr. BRENNAN. Through newspaper publicity, and active newspaper publicity through the district attorney's office in Philadelphia.

Mr. KENNEDY. What did you learn from the district attorney's office?

Mr. BRENNAN. I learned from the district attorney's office that they informed me that behind it was Shorty Feldman, that he had been a part of it, and also that Mr. Hoffa had interceded.

However, our own international union had advised me that they had been approached by the Teamsters Union relative to issuing a charter to the Philadelphia group.

Mr. KENNEDY. Just so that we get it in perspective, this local 1 was going, and you filed charges against local 1, this independent union?

Mr. BRENNAN. That is right.

Mr. KENNEDY. You knew at that time that Shorty Feldman was behind it, and you knew that Abe Goldberg was behind it.

Mr. BRENNAN. Correct.

Mr. KENNEDY. Then you were filing charges. You talked to your own international union, and they told you to go ahead and fight this group. Then you filed the charges, and there were some hearings held. Then what happened?

Mr. BRENNAN. Then there was considerable publicity in the Philadelphia newspapers and over the air relative to further background

of this organization. Our joint board instructed a committee of three to check on this publicity.

Mr. KENNEDY. Is this still just local 1?

Mr. BRENNAN. Yes.

Mr. KENNEDY. This is still local 1?

Mr. BRENNAN. No; this is local 410.

Mr. KENNEDY. You have to explain how we got from local 1 to local 410. What happened then? How did local 1 become local 410?

Mr. BRENNAN. Local 1 became local 410 on the application of a charter after the Labor Board case, after they had been cited by the Labor Board, and Goldberg had been removed.

Mr. KENNEDY. This was a hearing before the Board. Then local 1 became 410 of what international union?

Mr. BRENNAN. The Hotel and Restaurant.

Mr. KENNEDY. So, they received a charter from your own international; is that correct?

Mr. BRENNAN. That is correct.

Mr. KENNEDY. Did you learn how they were able to get that charter when they had this bad background?

Mr. BRENNAN. Well, I believe that at the time the international union issued this charter, I believe, the background had been removed. In other words, the fact of Goldberg and it was now an independent group, a fellow by the name of Barrone, a fellow by the name of Hughes, a fellow by the name of Bergowitz.

Mr. KENNEDY. Didn't they have a man by the name of Julius Berg in that local?

Mr. BRENNAN. It was Julius Berg or Bergowitz.

Mr. KENNEDY. Berg?

Mr. BRENNAN. Or Bergowitz. Originally, it was Bergowitz, I believe.

Mr. KENNEDY. Isn't he one of those who was behind the local, in addition to Goldberg, in addition to Feldman?

Mr. BRENNAN. At that time, not of our knowledge.

Mr. KENNEDY. Did you learn that, subsequently?

Mr. BRENNAN. After the charter had been issued and on information from the district attorney's office.

Mr. KENNEDY. Wasn't he made secretary of this local 410?

Mr. BRENNAN. That is correct. That was preceding the information we received.

Mr. KENNEDY. Did you know how many times he had been arrested?

Mr. BRENNAN. No; I did not. In fact, I have been asked by the international union, and I had no knowledge of any record of Hughes, Barrone, or Bergowitz.

Mr. KENNEDY. He had been arrested 11 times and had 2 convictions.

Mr. BRENNAN. I since learned that, but I did not know it then.

Mr. KENNEDY. Was there also a Samuel Hoffman behind this local? Did you learn that?

Mr. BRENNAN. His name was mentioned, and the D. A. said that he was. But I don't know that. I don't even know Hoffman; I never met him.

Mr. KENNEDY. But you were told that by the district attorney?

Mr. BRENNAN. We were told that by the district attorney.

Mr. KENNEDY. He has a record of 14 arrests and 5 convictions.

Mr. BRENNAN. Well, I read of Hoffman in the newspapers for years during my life in Philadelphia, but I have never yet met him. I don't even know anything about him, although the newspapers continually publicize the fact that he is supposed to be a racketeer.

Mr. KENNEDY. He is also known as Cappy Hoffman, is he not?

Mr. BRENNAN. I believe so; yes, sir.

Mr. KENNEDY. What did you learn as to why the charter was given by your international union?

Mr. BRENNAN. The international union informed us that they had received a request to install a charter in the luncheonette field in Philadelphia; I, as president of the joint board, had to admit that we were derelict in not concentrating on this field, because it existed and there are quite a few people in it. All the local unions in Philadelphia seemed to have passed up the field. But they had requested to put a charter in for this independent group, the people who were now without a local union, so to speak.

Mr. KENNEDY. And who made the requests that they be given a charter?

Mr. BRENNAN. We were led to believe that it was through the Teamsters Union.

Mr. KENNEDY. Who in the Teamsters Union?

Mr. BRENNAN. I believe it was through Mr. Hoffa. In fact, if my information is correct, Mr. Hoffa himself.

Mr. KENNEDY. Mr. Hoffa himself?

Mr. BRENNAN. I believe he interceded. I may be wrong, but I believe he did. I know Mr. Miller did.

Mr. KENNEDY. Who did you learn had contacted Mr. Hoffa to make this request?

Mr. BRENNAN. Mr. Feldman, I believe.

Mr. KENNEDY. Shorty Feldman?

Mr. BRENNAN. I believe so; yes.

Mr. KENNEDY. This is Mr. Feldman, who has been arrested 18 times and convicted 6 times?

Mr. BRENNAN. Well, now I know that, but before I didn't. I knew Feldman originally as a business agent of local 929, whom I met at various State conventions. I knew nothing about any record, other than the fact that he was a business agent, elected business agent of a local union, up until the time that this situation developed.

Mr. KENNEDY. Did you also understand that involved in this was a man by the name of Julius Berg, from Detroit? Excuse me; Mr. Maxie Stern, from Detroit.

Mr. BRENNAN. The D. A. mentioned a man by the name of Stern, from Detroit. Also, the newspapers published it at that time. In other words, the D. A. informed us. I believe it was the county detective, the chief of county detectives, who informed me about it in the D. A.'s office.

Mr. KENNEDY. Did you know anything about Maxie Stern?

Mr. BRENNAN. No. I would not know him if I fell over him.

Mr. KENNEDY. Did you hear about anything in connection with the Briggs Hotel out there?

Mr. BRENNAN. Well, I was told that there was a conference in the Briggs Hotel or a meeting in the Briggs Hotel or a phone call to the Briggs Hotel to a fellow by the name of Stern, who, I subsequently learned, was supposed to be a fellow by the name of Maxie Stern.

Mr. KENNEDY. Did you also learn that he discussed the matter with Mr. Hoffa?

Mr. BRENNAN. I was informed of that, yes, through the D. A.'s office.

Mr. KENNEDY. Did you know about his background—Maxie Stern?

Mr. BRENNAN. No; I did not.

Mr. KENNEDY. Mr. Chairman, we have some information.

Would you give the background of Maxie Stern?

Mr. SALINGER. Maxie Stern, also known as Max Sterns, Michael Jack Ross, and Jack Marino, in 1932 was arrested for breaking and entering in Detroit, and the charge was dismissed. In 1933, as Michael Jack Ross, he was arrested for contributing to the delinquency of a minor. This was dismissed. In September of 1934, he was sentenced to the State penitentiary at Jackson, Mich., for armed robbery. From there he was paroled and violated back to the penitentiary on a number of occasions until December 1945, when he was finally released from his parole. In 1948 he was arrested for violation of the National Stolen Properties Act. Mr. Stern is known as a close associate of Angelo Meli, Peter Licavoli, Joseph "Scarface" Bommarito, and Joe Massei. He is also known to be in contact with Raffaele Quasarano. He has been employed and associated with the Mexican Villa Policy and Mutual House, a numbers operations in Michigan, also employed by the Michigan Mutual Distributing Co., a company owned by Peter Licavoli and Joe Bommarito. The headquarters of this Mexican Villa Policy and Mutual House was in a building leased by Max Stern.

Mr. KENNEDY. So this local 1 became local 410 of the Hotel and Restaurant Workers Union. Did you have any difficulty with them after that?

Mr. BRENNAN. No. The district attorney informed us that they had made threats against me, but nobody, personally, threatened me at all.

Mr. KENNEDY. They had information?

Mr. BRENNAN. They had information that they had threatened me. In fact, the newspapers published it, but nobody at any time ever threatened or approached me, personally.

Mr. KENNEDY. What happened, so far as local 410 is concerned?

Mr. BRENNAN. Local 410, after being chartered, naturally, had their own autonomy, and proceeded to follow the ordinary procedure of organization, as I understand it. During that time, there was considerable publicity over a period of about 6 or 7 months. The newspapers contended that they were coercing and intimidating employers. These complaints came to the joint board, but, of course, the joint board had no authority over a charter other than to try to check. We did check, and we could find nothing out. So, we asked the international union to investigate the situation. The international union did investigate over some period of time, and still the publicity was going on, which everybody in Philadelphia connected with our joint board was very much disturbed with, because I, myself, found my name in the newspaper every time I turned around, and it was sandwiched in between names of people whom I had never met, never saw in my life before, and, of course, 9 out of 10 people just don't read the newspapers and read what it says altogether. They read my

name and they read other names and I found that even the neighbors were kind of shying away from me.

They felt that I was guilty by association in some way. However, during this course, we kept pressing the international union, and Ed Miller said that he, himself, if necessary, would come in and investigate. Finally, I would say around about March 1957, our general president, Ed Miller, came into Philadelphia, to my office, and I believe he called in Berg, Feldman, Barrone, and Hughes, and had a conversation with them.

After the meeting was over with, he told me that these fellows were out. He wanted me to take over. On March 12, I believe, he notified me or gave me the authority to take over the union and expel or dismiss those who were associated with the local union. On March 13, I took possession of the local union.

Mr. KENNEDY. What was the status of the funds in the local union?

Mr. BRENNAN. Well, I could not say, from memory. I actually have the figures here.

Mr. KENNEDY. Just generally.

Mr. BRENNAN. Generally, the receipts during the period of time—that is actually, the charter was issued June 11—between the time of June 11 and March 13, the receipts were in the neighborhood of \$19,000 or \$20,000. The assets when I took over was about \$400 worth of furniture and \$52. The liabilities of the audit report, as the international had the books audited, showed actually \$19,000, \$19,900, in liabilities, and subsequently I found there was \$3,000 or \$4,000 more in liabilities. So, the actual receipts were approximately \$19,000 during the period of time, and the liabilities, when I took over, were in the neighborhood of \$22,000 or \$23,000.

The CHAIRMAN. Do you mean that is in addition? They owed that much in addition to what they spent out of their receipts?

Mr. BRENNAN. Yes, sir. In other words, they took in \$19,000, they had \$52 left, and they owed \$23,000.

The CHAIRMAN. How long a period of time had that operated?

Mr. BRENNAN. Between 8 and 9 months.

The CHAIRMAN. Were there any assets to show for any expenditures or for the liabilities?

Mr. BRENNAN. Well, they had the equipment, I would say, which, I would say, was in the neighborhood of four to six hundred dollars. However, a great many of these liabilities were printing bills, telephone bills. They were behind in their Federal taxes, and so forth.

In fact, quite a good deal of it was—

The CHAIRMAN. In other words, there had been no investment of funds?

Mr. BRENNAN. No.

The CHAIRMAN. They had spent the \$19,000 they had received and had incurred debts for \$22,000 more?

Mr. BRENNAN. That is right. Which, on the record, appears to be the normal, shall I say, printing bills, organization, picket lines, and so forth.

The CHAIRMAN. They would not hardly have that much printing, \$22,000.

Mr. BRENNAN. Well, I will admit it is a lot of money.

The CHAIRMAN. How many members did it have?

Mr. BRENNAN. At that time, approximately 300 to 350 members, I guess.

The CHAIRMAN. It was a pretty fast operation, wasn't it?

Mr. KENNEDY. Weren't there also some checks made to individuals that you questioned?

Mr. BRENNAN. Yes. In other words, there was checks—well, shall I refer to them as bouncing checks? When I took over, checks were issued for which there were no funds to cover them, and I was instructed by Cincinnati to try to take care of what I thought were legitimate business obligations, which I did, as we went along.

Mr. KENNEDY. Did Feldman have anything to do with the money from the union, with the checks?

Mr. BRENNAN. Feldman informed me that he knew that the union was broke, and there was 4 or 5 checks, I am not sure which, amounting in total to \$151, that he had cashed for these individuals. He wanted me to make them good. Up to now I have not done so because the local union does not have that kind of money that I can pay out indiscriminately to everybody who says they have money coming.

Mr. KENNEDY. What about its organizational work during the time of its existence? Were you satisfied with the kind of work it was doing, or were they just organizing from the top down, just going to the owners of these places?

Mr. BRENNAN. Well, from what we could find out immediately following my taking over, several people who were members of the local union protested their membership. They were employed by 3 or 4 different employers. You have to remember that these establishments normally hire anywhere from 3 to 7 or 8 people, each one of these individual establishments. They are not big operations. They came to me and told me that they did not want to be in the union.

Of course, while they were still, shall I say, being paid below the scale, I told them very frankly, and the Labor Board—a couple of them went to the Labor Board—that we did not want them, if they did not want to be members of the union, we certainly did not want them in the union.

Mr. KENNEDY. Did you also find fault with some of the contracts that were made?

Mr. BRENNAN. Well, yes. You have to take into consideration that the wage scale in that particular field is very, very low, and in most all of these instances the contracts provided for improvements. But I would say the wages still were not enough.

Mr. KENNEDY. And generally they were cut down contracts?

Mr. BRENNAN. I was informed of that by these employees that came to me.

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

Mr. KENNEDY. I might also point out, Mr. Chairman, that a year ago he was sometimes confused by his neighbors with the other Mr. Brennan who was involved with some of these people. He has been down here for several days, and since the testimony of the last few days some of his neighbors have been reading in the paper that Mr. Brennan is taking the fifth amendment. I think we better straighten it out.

Mr. BRENNAN. Yes. One of the witnesses in the room came and talked to me and said they were talking about me all morning. I don't

know the other Mr. Brennan. I never met him. But I was very much concerned when even my wife was under the impression that I had taken the fifth amendment. That I did not like. I might find my suitcase on the porch when I go home.

Mr. KENNEDY. Mr. Brennan has a very high reputation in the community and also a very big reputation in labor circles in Pennsylvania. I wanted to make sure it was understood that it was a different Mr. Brennan, with no relation.

Mr. BRENNAN. I felt a little disturbed. Thank you.

Mr. KENNEDY. Were you disturbed at this kind of an operation as a labor union official, Mr. Brennan?

Mr. BRENNAN. I don't know whether you would call it disturbed or not, but I certainly didn't feel too good. It worried me. I could not sleep very well. I say this, and I say it without a question of doubt, every announcer, every newspaper broadcaster, or every station broadcast, every television program, every paper you picked up had something about local 410 and the people who were supposed to be behind it, people I never met in my life, never talked to.

And sandwiched in between there would be the name of Bill Brennan. Of course, naturally, even in my own family, certain parts of it, they said, "Well, he must be associated with these people or his name would not be in there."

Mr. KENNEDY. I am thinking more of an operation as a union official, in this kind of an operation.

Mr. BRENNAN. I spent 25 years in the labor movement, with the thought in mind that my obligation was to look out for the people I represent, and take care of them, and I was very much disturbed to find that here we were in a position through no fault of our own, and I say that very frankly, through no desire on our part we found ourselves in a position where we were under condemnation and even the members of the unions, belonging to other local unions, who for one reason or another possibly had a gripe, were advocating the fact that all local unions, and union leaders were a lot of thieves, burglars, and what have you got.

Mr. KENNEDY. Is this one of the worse operations that you have seen in your experience as a union official?

Mr. BRENNAN. I would say publicitywise. I have never experienced anything like it.

Mr. KENNEDY. Other than just publicitywise, the operations of the local and those who were behind it who have some 50 or 60 arrests between them?

Mr. BRENNAN. Well, in the final charges brought against the local, naturally the international union has certain rules, and the final charges were brought against the local of bringing the labor movement and the local union into disrepute; and failure to make proper reports, and failure in the course of that time to submit constitutions and rules of order for the international approval. That was the charge on which the charter was lifted.

Mr. KENNEDY. That is all.

The CHAIRMAN. Are there any questions?

Senator ERVIN. Mr. Chairman, I would just like to commend Mr. Brennan for the fine reputation which he has acquired in working for the interests of labor in this Nation. It is refreshing to have, in the course of these hearings, a labor leader like yourself come before the

committee and make a full and frank statement without resorting to the fifth amendment and without resorting to a bad memory or any other thing to prevent the committee from receiving evidence from you.

I want to commend you, and express the hope that men like yourself will be in charge of the labor movement in this country in the years to come.

Mr. BRENNAN. Thank you very much, Senator.

The CHAIRMAN. Mr. Brennan, what is the present status of that union?

Mr. BRENNAN. There is no more 410, I am happy to say. There is now local 87, which was during the course of the time that I was trustee of local 410, I held meetings of the individual members, and the total membership now is approximately 310. In that time, during the course of these meetings, the members informed me, couldn't I do something about 410, and it had a bad name, and a bad reputation, and I should do something about it. They were people that didn't want to wear the buttons that had 410 on them and I had to supply them with smaller buttons that had no numbers. I told them in view of the fact that they comprised the local union, I could make recommendations but the fact that they comprised the local union it would have to be them and them only who made the request for change in identification.

Subsequently they drew up a petition and this petition was signed voluntarily by approximately, I don't have it with me, but I believe it was signed by 160 of the membership at that time. I forwarded that to Cincinnati, and Cincinnati immediately changed the name or number of the local union to local 87, and changed my position from trustee to acting administrative secretary and treasurer which I now am doing.

The CHAIRMAN. So local 410 as such and in name has been liquidated?

Mr. BRENNAN. Thank God.

The CHAIRMAN. And its assets such as it had, and its liabilities too, I assume, were transferred to a new local, 87?

Mr. BRENNAN. That brings in something, I understand, Senator. I don't want to say its assets and liabilities, that is for the international union to say what it is. I don't want to be held responsible for the liabilities of local 410.

The CHAIRMAN. All right.

Mr. BRENNAN. I understand there is a suit now relative to wages which I have refused to pay to previous officers of 410.

The CHAIRMAN. Then local 87 is a new local, but it is comprised primarily of members of old local 410?

Mr. BRENNAN. That is correct.

The CHAIRMAN. So you are trying to make a fresh start, and get the stigma off, and give them decent union leadership and representation and administration?

Mr. BRENNAN. That is correct, Senator.

The CHAIRMAN. I hope you have marked success, and we wish you well.

Mr. BRENNAN. From the reaction of the previous publicity, and since 87 has been in existence, I think the change has been healthy for the individual member because we have been able to negotiate con-

tracts covering the original membership which have improved their benefits within the last 2 or 3 months.

The CHAIRMAN. May I make this statement, and I am sure you agree with me, that such operations and such character of administration and manipulations as you found tending an associate had with local 410, when it becomes known and you have this adverse publicity and when members in other locals as you point out find out about these things, it does have an impact upon honest and decent unionism. It causes people to wonder, and sometimes the innocent and the good in unionism gets a black eye by reason of some of these rotten apples that appear here and there.

Mr. BRENNAN. I certainly do, and as a matter of fact I run into it in this particular case. I emphasize that I hope the press and the public will recognize the fact that local 87 is going to be the right kind of a union, or it won't be a union at all.

The CHAIRMAN. Let me aske you. I have very strong views about this. Since you bear the reputation you do, and you have been in the labor movement a long time, and you have been identified with this problem and in contact with it, and since it has become your responsibility to try to find a solution to the conditions you found there, what is your view with respect to taking people as soon as they get out of the penitentiary and putting them in a local union as business managers, or organizers, or giving them any other official position?

What is your reaction to those practices as a decent union labor leader?

Mr. BRENNAN. Well, I would say this, and of course I don't know, that sometimes people go to the penitentiaries for different things, and I wouldn't want to say in general that an individual's mistake should be held against him all of the rest of his life. I believe the type and kind of an offense he has committed is important.

The CHAIRMAN. What is that?

Mr. BRENNAN. The type and kind of an offense he has been charged with would have something to do with it, and I believe in justice to the individual member of the union that certainly the individual member should give some consideration to the individual himself who feels he is going to represent a group of people. I don't believe as a practice a man should be, shall I say, denied the right to hold office in the union just because he has been found guilty or has been charged with some particular offense.

However, I don't think it should be used and continued, the practice should be used and continued in his occupation from the time that he is released from prison, so to speak.

The CHAIRMAN. It seems to me to be one of the great evils that is tending to grow up in the labor movement. I just can't understand how people who are convicted of robbery and burglary, and other crimes of that nature, arson, and so on, I just can't see that upon their release they are immediately qualified to have such responsible positions. I do not believe in putting obstructions in their way toward rehabilitation, but I don't think the practice of putting them in positions of authority and trust and over working people is a good practice or a good policy until they have demonstrated their course.

Mr. BRENNAN. That I agree with.

The CHAIRMAN. I think it is something we are going to have to legislate about, and I am going to support legislation to try to eradicate that practice from the labor movement.

Mr. BRENNAN. I agree with you 100 percent, Senator.

The CHAIRMAN. Thank you very much.

Senator ERVIN. If I may make an observation along that same line, I agree with Mr. Brennan that no man should be barred from employment because of his conviction of a crime, and there are crimes which do not involve moral turpitude which I think ought not to bar a man from union office. There are a lot of misdemeanors that people can be convicted of that don't involve moral turpitude. But I think a crime that involves moral turpitude, especially such felonies as armed robbery and burglary which are perpetrated for the purpose in the main of committing thefts, are offenses which ought to bar a man from being permitted to be appointed to an office and to exercise authority over honest men, at least until such time as his conduct subsequent to release from prison indicates in the words of the Scripture, that he has "brought forth fruits and meat for repentance."

But we have had in this case a man who allegedly had participated in an armed robbery, where \$23,000 I believe was involved, who was convicted and sentenced to the penitentiary for a term of not less than 10 or more than 25 years.

The president of the Teamsters according to the evidence assisted in getting the man released from imprisonment and placed upon payroll by the offer of a job and very shortly after he is released he is made a business manager of a local union, and then given a place among the executive board at a reputed salary of approximately \$12,000 a year.

Then after he takes his official position in the union, he goes around and he does acts which give rise to inferences that are very strong of misbehavior in an abuse of his official rank. When his conduct is reported by the persons affected to the president of this great union, the president of this great union acquits him of all wrongdoing upon his own testimony without making any effort to contact the person who claimed to have been wronged.

I think that Congress is going to have to step in and prevent persons immediately after their release from prison, where they serve a sentence on commission of crimes involving moral turpitude, I think Congress ought to step in and pass some laws to put an end to a practice which puts men of that character in positions of authority over honest men.

Mr. KENNEDY. I might just say, you have an individual similar to that in Philadelphia right at this time, in "Shorty" Feldman, have you not?

Mr. BRENNAN. Well, of course, the knowledge of these facts is the thing that governs your thoughts. I say to you that I always looked upon "Shorty" Feldman, until this publicity, I always looked on him as a business representative of a local union there and I had no knowledge about him, and at no time up until this incident did I know that he had ever been arrested before.

Mr. KENNEDY. He has been convicted twice of burglary and sent to Sing Sing and to Eastern State Penitentiary in Pennsylvania, and

arrested 18 times, with 6 convictions, and he is still a union official of this local Teamsters Union, is he not?

Mr. BRENNAN. That Mr. Kennedy, is the problem of the Teamsters Union, and I don't know anything about "Shorty" Feldman other than what I have read.

Mr. KENNEDY. You don't have anybody like him under you, do you?

Mr. BRENNAN. I certainly do not, not to my knowledge and if I do I would want to know it.

The CHAIRMAN. Call the next witness.

Mr. KENNEDY. Miss Lulubelle Rose.

The CHAIRMAN. Will you be sworn, please?

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

Miss ROSE. I do.

TESTIMONY OF MISS LULUBELLE ROSE

The CHAIRMAN. State your name, and your residence, and your business or occupation.

Miss ROSE. My name is Lulubelle Rose, 1516 South Woodstock Street, Philadelphia, Pa. I work for Dewey's.

The CHAIRMAN. For Dewey's Restaurant?

Miss ROSE. Yes, sir.

The CHAIRMAN. Do you waive counsel?

Miss ROSE. Yes; I do.

Mr. KENNEDY. You are a waitress at Dewey's, is that right?

Miss ROSE. That is correct.

Mr. KENNEDY. And you work at 1225 Market Street?

Miss ROSE No; I have been transferred from 1225 Market Street.

Mr. KENNEDY. Where are you now?

Miss ROSE. I am at 326 North Broad Street.

Mr. KENNEDY. How long have you been a waitress for Dewey's?

Miss ROSE. Seven years.

Mr. KENNEDY. Now, during April of 1956, were you notified or given any notification regarding a union?

Miss ROSE. Yes; the employees there were approached by Mr. Harry Shapiro, he is our day manager, and he told us that Mr. Dewey yesterday signed a contract with this independent union No. 1 for our benefit and he gave us these cards to sign.

We were given these cards to sign and we were told that we were automatically already in the union, but they wanted our signature, and we had 1 week to sign or we would be automatically fired.

Mr. KENNEDY. You never had been consulted about the union?

Miss ROSE. No.

Mr. KENNEDY. You never had been asked whether you wanted to join the union?

Miss ROSE. No.

Mr. KENNEDY. And nobody from the union had approached you?

Miss ROSE. No.

Mr. KENNEDY. You were told by the management that you signed up with the union or otherwise you would be fired; is that correct?

Miss ROSE. That is correct.

MR. KENNEDY. So what did you do, did you want to join the union?

MISS ROSE. No.

MR. KENNEDY. You did not?

MISS ROSE. No.

MR. KENNEDY. So what did you do, did you sign the card?

MISS ROSE. Well, to protect our job, the majority of the people did sign, and some quit their jobs before they would sign, and after that a committee of employees got together, and went up to see Mr. Brennan.

MR. KENNEDY. That was Mr. Brennan who just testified here?

MISS ROSE. That is correct.

MR. KENNEDY. And you protested to Mr. Brennan as to what had happened; is that correct?

MISS ROSE. Yes; we told him the situation.

MR. KENNEDY. Did he state that he would file charges before the Pennsylvania Labor Board?

MISS ROSE. Yes; he did.

MR. KENNEDY. There were some hearings, were there?

MISS ROSE. Yes, sir; there were.

MR. KENNEDY. Were you told then or subsequently about your initiation fees or your dues?

MISS ROSE. Yes, sir; we were told that our initiation fee would be \$15, and dues would be \$4 a month, but that our employer, he would pay our initiation dues for us, and our first month's dues.

MR. KENNEDY. Did you know that your employer had paid any money to Mr. Feldman for the purposes of bringing this union in?

MISS ROSE. No; we did not.

MR. KENNEDY. You didn't know anything about that?

MISS ROSE. No.

MR. KENNEDY. Did you hear anything further after that? You signed the card and then what happened?

MISS ROSE. Later on we had a meeting, we were called to a meeting at the Majestic Hotel, and the majority of the employees did go because they wanted to hear some more about this union that we were in.

MR. KENNEDY. Who presided?

MISS ROSE. Mr. Abe Goldberg presided over that meeting.

MR. KENNEDY. Was there any one else present?

MISS ROSE. There was Mr. Jules Berg sitting on the sideline.

MR. KENNEDY. They seemed to be the ones in charge?

MISS ROSE. Yes, sir.

MR. KENNEDY. We have already discussed their background and criminal records. What happened after that?

MISS ROSE. You mean at that particular meeting?

MR. KENNEDY. No, after the meeting, then did they read anything? Did they read the contract to you?

MISS ROSE. They read parts of the contract to us, and they read that we wouldn't be fired for anything except drunkenness and stealing and that he would get raises for us which we never received and a lot of other things that had no meaning whatsoever, and the majority of the meeting was taken up with self-praise of himself.

MR. KENNEDY. Mr. Abe Goldberg?

MISS ROSE. That is correct.

MR. KENNEDY. Did he tell you about his convictions and his arrests?

MISS ROSE. Oh, no, and he said he was recommended by the labor board, and he had about 2 hours of self-praise about his wonderful work in the union.

MR. KENNEDY. Did he tell you Mr. Jules Berg's arrests and convictions?

MISS ROSE. No.

MR. KENNEDY. He didn't mention that?

MISS ROSE. No.

MR. KENNEDY. You were in that union, and were you subsequently transferred to another union?

MISS ROSE. Yes; we were. After the labor intervened for us, we were transferred to 410, and Mr. Brennan called us to his office and there we met a Mr. Ciccardini, who was a representative of the international union, and he told us that Mr. Jules Berg would preside over us, and he recommended him, and he called him a brother member or something or other, which they used among union officials.

MR. KENNEDY. You were transferred into local 410?

MISS ROSE. That is correct.

MR. KENNEDY. Did the membership want to transfer into 410?

MISS ROSE. Well, we all talked and said, "Well, we will see exactly what they have to offer," and we went to their meeting, and we found the same thing, Mr. Jules Berg presided over the meeting, and the same conditions that Mr. Abe Goldberg had presided over before.

(At this point the following members were present: Senators McClellan, Ervin, Mundt.)

MR. KENNEDY. So it was just the same?

MISS ROSE. It seems that way.

MR. KENNEDY. You were never allowed to vote?

MISS ROSE. No; we never voted on anything. We never saw a contract. We never read a contract, and we were never allowed to vote on any matters whatsoever.

MR. KENNEDY. You were never consulted at all on these matters?

MISS ROSE. On any affairs; no.

MR. KENNEDY. You were put in by the employer to local 1 and then transferred from local 1 to 410?

MISS ROSE. That is correct.

MR. KENNEDY. And during all of this you were never consulted?

MISS ROSE. No.

MR. KENNEDY. You never received financial reports?

MISS ROSE. No.

MR. KENNEDY. You never knew what happened to your money?

MISS ROSE. No; this is the first I heard of it now.

MR. KENNEDY. Did you have to pay any dues?

MISS ROSE. Yes; we were paying \$4 monthly.

MR. KENNEDY. You don't know what happened to that money?

MISS ROSE. No; we do not.

MR. KENNEDY. Was that held out of your pay?

MISS ROSE. That was automatically taken out.

MR. KENNEDY. It was automatically taken out?

MISS ROSE. Yes; it was.

MR. KENNEDY. Did you sign cards authorizing that?

MISS ROSE. No; we did not.

MR. KENNEDY. It was just automatically done?

MISS ROSE. That is correct.

Mr. KENNEDY. All right.

The CHAIRMAN. Are there any other questions?

If not, thank you very much. Your testimony has been very helpful.

Miss ROSE. You are welcome.

The CHAIRMAN. Call the next witness.

Mr. KENNEDY. Mr. Shorty Feldman.

The CHAIRMAN. Come forward, Mr. Feldman. Be sworn, please.

You do solemnly swear 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. FELDMAN. I do.

TESTIMONY OF SAMUEL FELDMAN

The CHAIRMAN. State your name, your place of residence, and your business or occupation.

Mr. FELDMAN. Samuel Feldman, 1124 Unruh Avenue, Philadelphia.

The CHAIRMAN. What is your occupation, Mr. Feldman?

Mr. FELDMAN. I decline to answer that on the grounds that it may tend to incriminate me.

The CHAIRMAN. Do you mean your occupation is such that you cannot acknowledge publicly what it is?

Mr. FELDMAN. I decline to answer on the ground it may tend to incriminate me.

The CHAIRMAN. Do you have counsel?

Mr. FELDMAN. No, sir.

The CHAIRMAN. The Chair will state to you that the committee will not take any advantage of the fact that you do not have counsel, but you will be interrogated just as other witnesses who have assumed the same attitude who did appear with counsel.

Proceed, Mr. Kennedy.

Mr. KENNEDY. You are a business agent for local 929?

Mr. FELDMAN. I refuse to answer on the ground that it may tend to incriminate me.

Mr. KENNEDY. How long have you held that position? Could you tell us that?

Mr. FELDMAN. I refuse to answer on the ground that it may tend to incriminate me.

Mr. KENNEDY. Actually, you have been with the Teamsters Union since 1940, isn't that correct?

Mr. FELDMAN. I refuse to answer on the ground that it may tend to incriminate me.

Mr. KENNEDY. Mr. Chairman, Mr. Feldman, as Mr. Salinger stated, has just been arrested for the transportation of stolen bonds last week and is out on bail at the present time. I don't expect to go into that matter at this time.

The CHAIRMAN. That matter will not be gone into. That is, anything touching upon the merits of it.

Mr. KENNEDY. I wouldn't go into it at all, Mr. Chairman.

The CHAIRMAN. Don't go into that, but interrogate him about his work with the union and any other activities that might be pertinent to labor-management relations.

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

Mr. KENNEDY. Mr. Feldman has been before the committee before in connection with the testimony that we had that he tried to shake down some employers up in Philadelphia, for, I believe, either \$25,000 or \$50,000.

The CHAIRMAN. Which amount is correct, Mr. Feldman?

Mr. KENNEDY. I believe it is \$50,000, isn't it, Mr. Feldman?

Mr. FELDMAN. I don't know.

Mr. KENNEDY. You don't know which it is. Did you get any of the money?

Mr. FELDMAN. I refuse to answer on the grounds that it may tend to incriminate me.

The CHAIRMAN. Let's have order.

Mr. KENNEDY. What I would like to ask you about specifically, Mr. Feldman, is your connection with the establishment of this local independent No. 1. Could you tell us about the background of that?

Mr. FELDMAN. I decline to answer on the ground it may tend to incriminate me.

Mr. KENNEDY. Would you tell us about your conversation with Mr. Hoffa regarding that matter?

Mr. FELDMAN. I decline to answer on the ground it may tend to incriminate me.

Mr. KENNEDY. Could you tell us why you approached Mr. Hoffa to help you on this matter? Why you went all the way out to Detroit or contacted Detroit, contacted Mr. Hoffa out there to help you and assist you in this matter?

Mr. FELDMAN. I refuse to answer on the ground it may tend to incriminate me.

Mr. KENNEDY. What was it about Mr. Hoffa that led you to believe that he would help somebody such as yourself?

Mr. FELDMAN. I refuse to answer on the ground it may tend to incriminate me.

Mr. KENNEDY. Did you also contact Mr. Maxie Stern, in Detroit?

Mr. FELDMAN. I decline to answer on the ground it may tend to incriminate me.

Mr. KENNEDY. Why did you contact Mr. Maxie Stern who also has a long criminal record?

Mr. FELDMAN. I decline to answer on the ground that it may tend to incriminate me.

Mr. KENNEDY. Did you arrange for Mr. Maxie Stern to contact Mr. Hoffa in connection with this also?

Mr. FELDMAN. I decline to answer on the ground that it may tend to incriminate me.

Mr. KENNEDY. Were you paid, Mr. Feldman, by Dewey's restaurant chain to organize, to take in these employees?

Mr. FELDMAN. I decline to answer on the ground that it may tend to incriminate me.

Mr. KENNEDY. Did they pay and finance you in signing up the employees?

Mr. FELDMAN. I decline to answer on the ground that it may tend to incriminate me.

Mr. KENNEDY. Could you identify this check?

The CHAIRMAN. I believe you said your name is Samuel Feldman, is that what you stated?

Mr. FELDMAN. That is right.

The CHAIRMAN. I hand you a check, a photostatic copy of a check, dated June 21, 1956, in the amount of \$750, given on the account of Dewey's Famous, Inc., and it shows here on the margin of the check that it is for traveling expense.

I ask you to examine the check, this photostatic copy, and the endorsement thereon, made payable to Samuel Feldman, and state if you identify the check, and if you are the Samuel Feldman who received the money.

(The document was handed to the witness.)

Mr. FELDMAN. I refuse to answer that on the ground it may tend to incriminate me.

The CHAIRMAN. You have seen the check; have you?

Mr. FELDMAN. Yes, sir.

The CHAIRMAN. You have examined it?

Mr. FELDMAN. Yes, sir.

The CHAIRMAN. Is that your endorsement on the reverse side of the check?

Mr. FELDMAN. I don't know whether it is or not. I can't recognize it.

The CHAIRMAN. Did you have someone endorse it for you?

Mr. FELDMAN. No; yes. This is mine, my name.

The CHAIRMAN. It is your name?

Mr. FELDMAN. Yes.

The CHAIRMAN. Your signature?

Mr. FELDMAN. Yes.

The CHAIRMAN. Your signature and your name. Very good. The check may be made exhibit No. 10.

(The document referred to was marked "Exhibit No. 10" for reference and will be found in the appendix on p. 13718.)

The CHAIRMAN. Proceed.

Mr. KENNEDY. What did you get that for?

Mr. FELDMAN. I refuse to answer on the ground it may tend to incriminate me.

Mr. KENNEDY. Is that for your work that you were doing in connection with signing up their employees?

Mr. FELDMAN. I decline to answer on the ground that it may tend to incriminate me.

The CHAIRMAN. Let me ask you: Was this check given voluntarily, willingly, by the Dewey's Famous, Inc., or was a little pressure applied, that if they didn't pay off a bit something might happen here or there?

Mr. FELDMAN. I decline to answer on the ground that it may tend to incriminate me.

The CHAIRMAN. What I am trying to find out, and you can be helpful, I am trying to find out if they are cooks, too, or if they were simply, you know, imposed on and felt they had to do it in order to avoid some harmful results. Can you tell us?

I have just as much feeling against those who are in business who resort to these tactics as I do those that are not in business or on the labor side of the issue. I just think it is contemptible in every respect. I would like to have your help. I would like to know if this is an arrangement that they voluntarily entered into with you, where you or your union, so called, and management was to profit from it in full disregard of the rights and welfare of the working people.

Will you be helpful and tell us something about it?

Mr. FELDMAN. I refuse to answer on the ground that it may tend to incriminate me.

The CHAIRMAN. All right, Mr. Kennedy.

Mr. KENNEDY. Isn't it correct that you were in touch with Mr. Hoffa during May and June of 1956?

Mr. FELDMAN. I decline to answer on the ground that it may tend to incriminate me.

Mr. KENNEDY. Isn't it correct that you went out to Detroit and had a conference personally with Mr. Hoffa?

Mr. FELDMAN. I refuse to answer on the ground that it may tend to incriminate me.

Mr. KENNEDY. This check says on the side "traveling expenses." Did you get this \$750 for traveling out to see Mr. Hoffa?

Mr. FELDMAN. I decline to answer on the ground it may tend to incriminate me.

Mr. KENNEDY. Did the Dewey chain think it was that important that you go out to see him?

Mr. FELDMAN. I refuse to answer on the ground that it may tend to incriminate me.

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

Mr. KENNEDY. Mr. Chairman, I would like to put in some of the records of the telephone calls that we have that were made during that period of time, what the tickets show as to the contact between Mr. Feldman and Mr. Hoffa, and Mr. Maxie Stern.

Senator KENNEDY. Without objection that may be done.

Mr. KENNEDY. Mr. Salinger.

Mr. SALINGER. The record shows that between May 1 and May 4, 1956, Mr. Feldman made 3 calls to Woodward 1-1241, Detroit, Mich., the office of local 299 of the Teamsters Union in Detroit, and he made 4 calls to Woodward 3-6800, which is the Briggs Hotel in Detroit, and asked for Max Stern.

Mr. KENNEDY. Mr. Feldman, do you know Mr. Bushkin?

Mr. FELDMAN. I decline to answer on the ground it may tend to incriminate me.

Mr. KENNEDY. That is the Bushkin of the firm, the labor consultant firm, of Bushkin & Holtzman. Do you know Mr. Jack Bushkin?

Mr. FELDMAN. I refuse to answer on the ground it may tend to incriminate me.

Mr. KENNEDY. Isn't it correct that you were also in touch with Mr. Dave Bushkin?

Mr. FELDMAN. I refuse to answer on the ground it may tend to incriminate me.

Mr. KENNEDY. Why would you be contacting Mr. Bushkin as well as Mr. Hoffa?

Mr. FELDMAN. I decline to answer on the ground it may tend to incriminate me.

Mr. KENNEDY. Mr. Salinger, do we have some telephone records that indicate that Mr. Feldman was in touch with Mr. Bushkin, about whom we have had some testimony, and who has just appeared before the committee and taken the fifth amendment?

Mr. SALINGER. On August 16, 1956, a call was made to Detroit, Mich., Temple 2-1081, listed to Holtzman & Bushkin, 2955 Grand

River, Detroit. This call was placed from the office of local 929, of which Mr. Feldman is a business agent, but was charged to local 410 of the Hotel and Restaurant Workers Union.

In addition, calls were also made to Mr. Bushkin at his residence on August 17, 1956, and August 18, 1956, and a call was made to Dave at the office of Holtzman & Bushkin on September 17, 1956.

Mr. KENNEDY. From local 410?

Mr. SALINGER. From local 410, that is right.

Mr. KENNEDY. Can you tell us anything about that?

Mr. FELDMAN. I decline to answer on the ground that it may tend to incriminate me.

Mr. KENNEDY. That is all, Mr. Chairman.

Senator KENNEDY. The witness is excused.

Mr. KENNEDY. Mr. Feldman?

Mr. Chairman, can we keep Mr. Feldman under subpoena? We are very interested, and always will be interested, in his activities. We have some other information we are working on. If it is possible, Mr. Chairman, I would like to keep him under subpoena, with the agreement from him that he would report back when requested.

Senator KENNEDY. Do you agree to that, Mr. Feldman? Do you agree to report back to the committee, remain under the subpoena, and agree to report back to the committee when they request you?

Mr. FELDMAN. Sure.

Mr. KENNEDY. Upon reasonable request?

Mr. FELDMAN. Unreasonable?

Senator KENNEDY. On reasonable, with proper notice.

Mr. FELDMAN. Yes.

Senator KENNEDY. Thank you.

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

Mr. KENNEDY. Mr. Max Stern.

The CHAIRMAN. Do you solemnly swear the evidence you shall give before this Senate select committee shall be the truth, the whole truth, would you mind letting us conclude the oath?

You do solemnly swear 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. STERN. I do.

TESTIMONY OF MAX STERN, ACCOMPANIED BY COUNSEL, BELFORD V. LAWSON

The CHAIRMAN. State your name, your place of residence, and your business or occupation.

Mr. STERN. My name is Max Stern. I live at 114 Adams, Detroit, Mich.

The CHAIRMAN. You decline to give your occupation or your business?

Mr. STERN. I respectfully decline to answer the question and exercise my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

The CHAIRMAN. Do you have counsel?

Mr. STERN. I do.

The CHAIRMAN. Counsel, will you identify yourself?

Mr. LAWSON. I am Belford V. Lawson, of Washington, D. C. May I say, Mr. Chairman, that my understanding is that Mr. Stern has long since advised the committee that he was going to invoke and exercise the fifth amendment. I wonder if it is going to serve any useful purpose—could we not just stipulate that his answers would be identical?

The CHAIRMAN. Well, we thank you for giving us that information, so we will not be taken by surprise, but we do not permit the taking of the fifth amendment by proxy. Of course, it can be hoped—it may be a vain hope—that the witness would change his mind and decide to cooperate with his Government. I don't know. Maybe he will not. Anyway, proceed, Mr. Kennedy.

Senator ERVIN. Mr. Chairman, it might be worthy of observation at this point that there is nothing whatever in the Constitution that requires any person to invoke the fifth amendment. It is entirely a voluntary act on their part.

Mr. LAWSON. Nothing prevents them, either.

Senator ERVIN. There is nothing in it that prevents them from waiving it.

The CHAIRMAN. Proceed.

Mr. KENNEDY. I know Mr. Stern has been here several days, and I am sorry we have inconvenienced him by keeping him waiting. But I understand from what he has told Mr. Salinger that he has been helping Mr. George Fitzgerald while he has been here. So his time has not been completely wasted.

Mr. STERN. That is a lie. Quit smearing people.

Mr. KENNEDY. Haven't you been carrying his bag?

Mr. STERN. No; I haven't been carrying his bag. Mr. Salinger better get a little better information.

The CHAIRMAN. All right, if you will just speak up like that and answer questions, that will be very helpful.

Mr. KENNEDY. Could you tell us then, Mr. Stern, if you know anybody from the Teamsters?

(The witness conferred with his counsel.)

Mr. STERN. I respectfully decline to answer the question and exercise my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

Mr. KENNEDY. Do you know Mr. James Hoffa?

Mr. STERN. I respectfully decline to answer the question and exercise my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

Mr. KENNEDY. Could you tell us, Mr. Stern, why Mr. Feldman contacted you in Detroit in connection with obtaining a charter in Philadelphia for this group of friends of his?

Mr. STERN. I respectfully decline to answer the question and exercise my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

Mr. KENNEDY. Did you help and assist Mr. Feldman in connection with that?

Mr. STERN. I respectfully decline to answer the question and exercise my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

Mr. KENNEDY. Could you tell us why you were in touch with Mr. James Hoffa during this period of time?

Mr. STERN. I respectfully decline to answer the question and exercise my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

Mr. KENNEDY. What I would like to find out is why you would be interested in obtaining this charter and why Mr. Hoffa and Mr. Brennan would be discussing the matter with you. Can you tell us anything about that?

Mr. STERN. I respectfully decline to answer the question and exercise my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

Mr. KENNEDY. What connection have you had with labor organizations, generally, Mr. Stern?

Mr. STERN. I respectfully decline to answer the question and exercise my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

Mr. KENNEDY. You have been in touch throughout the country with some of the well-known gangsters—Mr. Dave Yaras, down in Miami—have you not?

Mr. STERN. I respectfully decline to answer the question and exercise my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

Mr. KENNEDY. You have been in touch with Mr. Tronolone, down in Miami, also?

Mr. STERN. I respectfully decline to answer the question and exercise my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

Mr. KENNEDY. He is known also as "Peanuts"; isn't he?

Mr. STERN. I respectfully decline to answer the question and exercise my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

Mr. KENNEDY. And you are also a good close friend of Mr. Jack Bushkin; are you not?

Mr. STERN. I respectfully decline to answer the question and exercise my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

Mr. KENNEDY. And also you are a close friend of Angelo Meli, Pete Licavoli, Scarface Bommarito, and Joe Massei; are you not?

Mr. STERN. I respectfully decline to answer the question and exercise my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

(The witness conferred with his counsel).

Mr. KENNEDY. Have you had conversations with Mr. Owen Bert Brennan and with Mr. Hoffa during 1957?

Mr. STERN. I respectfully decline to answer the question and exercise my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

Mr. KENNEDY. I guess that is all.

The CHAIRMAN. Are there any questions?

Have you any questions, Senator?

Senator ERVIN. No questions, Mr. Chairman?

The CHAIRMAN. Are you kind of a missing link that we have discovered between the underworld racketeers and some union activities?

Mr. STERN. I respectfully decline to answer the question and exercise my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

The CHAIRMAN. Are you an American citizen?

Mr. STERN. I respectfully decline to answer the question and exercise my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

The CHAIRMAN. With the approval of the committee, the Chair orders and directs you to answer the question: Are you an American citizen?

Mr. STERN. I respectfully decline to answer the question and exercise my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

The CHAIRMAN. Were you born in this country?

Mr. STERN. I respectfully decline to answer the question and exercise my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

The CHAIRMAN. With the approval of the committee, the Chair orders and directs you to answer the question: Were you born in this country?

Mr. STERN. I respectfully decline to answer the question and exercise my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

The CHAIRMAN. The two orders the Chair has given you and directions to answer the two previous questions will continue to be in effect during the remainder of your time on the witness stand.

Are you a naturalized citizen or a natural citizen of this country?

Mr. STERN. I respectfully decline to answer the question and exercise my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

The CHAIRMAN. With the approval of the committee, the Chair orders and directs you to answer the question.

Mr. STERN. I respectfully decline to answer the question and exercise my privilege under the fifth amendment of the United States Constitution—

The CHAIRMAN. Are you married?

Mr. STERN. Not to be a witness against myself.

(The witness conferred with his counsel.)

The CHAIRMAN. Are you married?

Mr. STERN. I respectfully decline to answer the question and exercise my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

The CHAIRMAN. Do you have children?

Mr. STERN. I respectfully decline to answer the question and exercise my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

The CHAIRMAN. Are you loyal to the United States of America?

Mr. STERN. I respectfully decline to answer the question and exercise my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

The CHAIRMAN. Are you willing to fulfill the obligations of citizenship that are required of citizens of this country who enjoy its blessings of liberty and freedom?

Mr. STERN. All right, yes.

The CHAIRMAN. I didn't hear you.

Mr. STERN. Yes.

(The witness conferred with his counsel.)

The CHAIRMAN. Are you willing to perform any service for your country?

(The witness conferred with his counsel.)

The CHAIRMAN. Are you willing to perform any service for your country, for the United States of America? You haven't said it is your country.

Mr. STERN. Yes.

The CHAIRMAN. You say "Yes"?

Mr. STERN. Yes.

The CHAIRMAN. I give you the opportunity, then, right now, to cooperate with your Government and give us the information we have been seeking from you. Will you do that?

Mr. STERN. I respectfully decline to answer the question and exercise my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

The CHAIRMAN. All right. You have said you would perform a service for your Government. Would you tell us what service you would be willing to perform for it?

(The witness conferred with his counsel.)

Mr. STERN. I respectfully decline to answer the question and exercise my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

The CHAIRMAN. Do you honestly believe that if you answered the question truthfully, the question "Are you a citizen of the United States?" that a truthful answer thereto might tend to incriminate you?

Mr. STERN. I honestly believe that if I am forced to answer the question I will be forced to be a witness against myself in violation of my rights under the fifth amendment of the United States Constitution.

The CHAIRMAN. We have some peculiar people in this country.

Are there any other questions?

Senator KENNEDY?

Senator KENNEDY. I don't understand at all—you are not in the labor movement—why you would have anything to do with this matter, why you would be the one who would be an intermediary between Mr. Feldman and Mr. Hoffa.

I don't know what Mr. Hoffa's connection is with you, I don't know Mr. Feldman's. But why should you be involved at all in a labor movement?

Mr. STERN. I respectfully decline to answer the question and exercise my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

Senator KENNEDY. You have been arrested a number of times. What are your means of support now?

Mr. STERN. I respectfully decline to answer the question and exercise my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

The CHAIRMAN. You will remain under the same subpoena, subject to recall for further interrogation at such time as the committee may desire your presence. Do you agree to that?

Mr. STERN. Yes, sir.

The CHAIRMAN. All right.

You will be given reasonable notice, you and your attorney, of the time and place that the committee may desire you.

Mr. STERN. Thank you.

The CHAIRMAN. With that understanding, you may stand aside.

Mr. STERN. Thank you.

The CHAIRMAN. The committee will stand in recess until 2 o'clock.

(Whereupon, at 12:04 p. m. the hearing recessed, to reconvene at 2 p. m. of the same day, with the following members present: Senators McClellan, Ervin, Kennedy.)

AFTERNOON SESSION

The CHAIRMAN. The committee will be in order.

(Members of the committee present at the reconvening of the session were: Senators McClellan, Ives, Church, and Curtis.)

The CHAIRMAN. Call the next witness.

Mr. KENNEDY. Mr. Chairman, we are going now into a transaction in connection with the estate of Paul Ricca, and we had requested Mr. Fitzgerald for the file from the Teamsters Union in connection with that, and I would like to ask Mr. Fitzgerald to produce the file.

Mr. FITZGERALD. Well, I have no Teamsters Union. I understand, if I may sit here, that you have all of the files from the union.

Mr. KENNEDY. Do you have a file?

Mr. FITZGERALD. I have a file in my office which I explained, Mr. Chairman, to Mr. Kennedy and Mr. Bellino, that is my file on the matter. I said as an attorney if a proper waiver is made by my clients I would produce the file. Until that is done, it would be a privileged communication.

The CHAIRMAN. Who is your client in this instance?

Mr. FITZGERALD. I think in this case, if I recall properly, and I might say that my lack of knowledge of it or lack of information on it is because I didn't handle it myself, but I believe it involves two locals, local 337 and local 299. I could be mistaken on that. Now, it will be necessary to obtain from them the waiver, and if they make the waiver I will be happy to produce the file.

The CHAIRMAN. Have you made that request?

Mr. FITZGERALD. I have talked about it but we have not had any meeting on it due to the pressure of all of these things, I just found out now. They mentioned it to me 2 or 3 times but after all I just happen to be 1 person, and I haven't been able to even get together on it and it is a matter that would affect, I believe, an action of the general executive board of both of those locals.

The CHAIRMAN. You do not have the records today?

Mr. FITZGERALD. No, I do not. No; this is not the files of the union.

The CHAIRMAN. This is your professional file as an attorney; is that correct?

Mr. FITZGERALD. That is correct.

The CHAIRMAN. I am not familiar with this. I think you and I should have a talk about it and then I will take it up with the committee and we will undertake to work out something satisfactory. In the meantime, urging your clients to give their consent.

Mr. FITZGERALD. All right.

The CHAIRMAN. Call the next witness.

Mr. KENNEDY. Mr. Paul Ricca.

The CHAIRMAN. Will you be sworn, please?

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

Mr. DE LUCIA. I do.

TESTIMONY OF PAUL DE LUCIA (ALIAS PAUL RICCA), ACCOMPANIED BY HIS COUNSEL, HARRY CLIFFORD ALLDER

The CHAIRMAN. State your name, and your place of residence, and your business or occupation.

Mr. DE LUCIA. My name is Paul De Lucia, 1515 Bonnie Brae, River Forest, Ill.

The CHAIRMAN. What is your business or occupation, Mr. Ricca?

Mr. DE LUCIA. I am retired.

The CHAIRMAN. What has been your business or occupation, Mr. Ricca?

(Witness consulted with counsel.)

The CHAIRMAN. I will ask you first, do you have an attorney representing you?

Mr. DE LUCIA. Yes, sir.

The CHAIRMAN. Mr. Attorney, identify yourself for the record.

Mr. ALLDER. My name is Harry Clifford Allder, a member of the District of Columbia Bar.

The CHAIRMAN. All right, Mr. Ricca, what was your previous occupation? You say that you are now retired.

Mr. DE LUCIA. Under the fifth amendment of the Constitution of the United States, I decline to answer on the ground that my answer may tend to incriminate me.

The CHAIRMAN. When did you retire, Mr. Ricca?

Mr. DE LUCIA. Under the fifth amendment of the Constitution of the United States, I decline to answer on the ground that my answer may tend to incriminate me.

The CHAIRMAN. Do you think it would make any difference whether you retired in September or whether you retired at some other date? I don't see the sense of that. You say you retired, and I just simply asked you when you retired. It doesn't make much sense to me that you can say that you retired, and not state when you retired.

Mr. DE LUCIA. Under the fifth amendment of the Constitution of the United States, I decline to answer on the ground that my answer may tend to incriminate me.

The CHAIRMAN. With the approval of the committee, the Chair is going to order and direct you to state when you retired. You said that you were retired.

Mr. DE LUCIA. Under the fifth amendment to the Constitution of the United States, I decline to answer on the ground that my answer may tend to incriminate me.

The CHAIRMAN. The order and direction just given you by the Chair will continue throughout the remainder of your appearance before the committee.

All right, Mr. Counsel, you may take over and proceed.

Mr. KENNEDY. Mr. De Lucia, are you also known by the name of Mr. Ricca?

Mr. DE LUCIA. Under the fifth amendment of the Constitution of the United States, I decline to answer on the ground that my answer may tend to incriminate me.

Mr. KENNEDY. As we understand it you are known as "Ricca," and also as "De Lucia," is that correct?

Mr. DE LUCIA. Under the fifth amendment of the Constitution of the United States, I decline to answer on the ground that my answer may tend to incriminate me.

The CHAIRMAN. Which is your correct name? What is your correct name?

Mr. DE LUCIA. Paul De Lucia.

The CHAIRMAN. That is your correct name?

Mr. DE LUCIA. Yes, sir.

The CHAIRMAN. All right, proceed.

Mr. KENNEDY. Mr. De Lucia, what I wanted to ask you about specifically is the purchase of your home, or supposed purchase of your home in 1956, your home in Indiana, by the Teamsters. Could you tell us about that?

Mr. DE LUCIA. Under the fifth amendment of the Constitution of the United States, I decline to answer on the ground that my answer may tend to incriminate me.

Mr. KENNEDY. Could you tell the committee whom you discussed the purchase of this home with in the Teamsters Union?

Mr. DE LUCIA. Under the fifth amendment of the Constitution of the United States, I decline to answer on the ground that my answer may tend to incriminate me.

Mr. KENNEDY. Did you discuss this matter with Owen Bert Brennan?

Mr. DE LUCIA. Under the fifth amendment of the Constitution of the United States, I decline to answer on the ground that my answer may tend to incriminate me.

Mr. KENNEDY. Now, Mr. Chairman, I would like to have a blown-up picture of the estate put up here on the chart.

The CHAIRMAN. The committee exhibits to you a picture and it is now placed before you and we ask you to examine it and state if you recognize what it is.

(Witness consulted with counsel.)

Mr. DE LUCIA. Under the fifth amendment to the Constitution of the United States, I decline to answer on the ground that my answer may tend to incriminate me.

The CHAIRMAN. I hand you here now a photograph, the same as that displayed in blown-up form, and I ask you to examine this photograph and state if you identify it.

(A document was handed to the witness.)

The CHAIRMAN. Have you examined the photograph?

Mr. DE LUCIA. Yes.

The CHAIRMAN. Do you identify it?

Mr. DE LUCIA. Under the fifth amendment of the Constitution of the United States, I decline to answer on the ground that my answer may tend to incriminate me.

The CHAIRMAN. The photograph may be made exhibit No. 11.

(Document referred to was marked "Exhibit No. 11," for identification, and may be found in the files of the select committee.)

The CHAIRMAN. Do you not recognize that as a photograph of your property or your former property, which you occupied as a home at Long Beach, La Porte County, Ind.? Do you not recognize that as a picture of your former property or home?

Mr. DE LUCIA. Under the fifth amendment of the Constitution of the United States, I decline to answer on the ground that my answer may tend to incriminate me.

The CHAIRMAN. All right, proceed.

Mr. KENNEDY. Mr. Chairman, these are two checks which have been exhibits earlier, checks Nos. 161 and 162, a total written on the bank account of local 337 in Detroit, totaling just under \$150,000, which we understand were used for the supposed payment for Mr. Ricca's estate.

The CHAIRMAN. He calls himself De Lucia, and so I will call him Mr. De Lucia. Mr. De Lucia, I hand you here two checks. One has been made exhibit 161 and the other made exhibit 162 in testimony taken on the 21st day of August, 1957, before this committee. I ask you to examine these checks, and state if you identify them?

(Witness consulted with counsel.)

The CHAIRMAN. Have you examined the exhibit?

Mr. DE LUCIA. Yes, sir.

(At this point, the following members were present: Senators McClellan, Ives, Church, and Curtis.)

The CHAIRMAN. Do you identify those checks?

Mr. DE LUCIA. Under the fifth amendment to the Constitution of the United States, I decline to answer on the ground that my answer may tend to incriminate me.

The CHAIRMAN. What is the Nancette Estate?

Mr. DE LUCIA. Under the fifth amendment to the Constitution of the United States, I respectfully decline to answer on the ground that my answer may tend to incriminate me.

The CHAIRMAN. I notice on the back of these checks it says, on each of them it says first "In full payment of Nancette Estate." And the other one says "Payment on Nancette Estate."

Each of them then is endorsed "Pay to the order of and deposit to the account of Paul De Lucia."

They are signed "Joseph Bulger, attorney for trust 96." Are you the Paul De Lucia that these checks were endorsed to?

Mr. DE LUCIA. Under the fifth amendment to the Constitution of the United States, I decline to answer on the ground that my answer may tend to incriminate me.

The CHAIRMAN. Did you ever own a home or an estate in Indiana?

Mr. DE LUCIA. Under the fifth amendment to the Constitution of the United States, I decline to answer on the ground that my answer may tend to incriminate me.

The CHAIRMAN. These checks—one of them is dated July 27, 1956, and the other is dated August 8, 1956.

You make no contention that you don't remember. You just think they might incriminate you if you acknowledge them, is that correct? (The witness conferred with his counsel.)

Mr. DE LUCIA. Under the fifth amendment to the Constitution of the United States, I decline to answer on the ground that my answer may tend to incriminate me.

The CHAIRMAN. You do remember the transaction, do you not?

Mr. DE LUCIA. Under the fifth amendment to the Constitution of the United States, I decline to answer on the ground that my answer may tend to incriminate me.

The CHAIRMAN. You did receive this money, did you not?

Mr. DE LUCIA. Under the fifth amendment to the Constitution of the United States, I decline to answer on the ground that my answer may tend to incriminate me.

The CHAIRMAN. Proceed.

Mr. KENNEDY. Mr. Chairman, we don't seem to be proceeding too far with Mr. De Lucia. I would like now to call Mr. Adlerman, who has made a study of the situation.

The CHAIRMAN. Mr. De Lucia, I wish you would pay very close attention, and if there is anything stated by this witness that is inaccurate or incorrect, we would be happy to have you correct his testimony.

Mr. Adlerman, you have been previously sworn, have you?

Mr. ADLERMAN. I have, sir.

TESTIMONY OF JEROME ADLERMAN—Resumed

Mr. KENNEDY. Mr. Adlerman, have you made a study of the documents in connection with the so-called sale of this property to the Teamsters Union, the property of Paul De Lucia?

Mr. ADLERMAN. I have.

Mr. KENNEDY. Could you tell us when the so-called sale took place?

Mr. ADLERMAN. The sale on the so-called tract No. A which consists of lots 35, 36, 41, and 42, took place on September 20, 1957. And the sale on tract B, lots 37, 38, 39, 40 took place a year and 2 months earlier, on July 31, 1956.

Mr. KENNEDY. Let's just understand. The part No. B was transferred over to the Teamsters in 1956, is that right?

Mr. ADLERMAN. That is correct.

Mr. KENNEDY. According to the records for the sale of that property, the Teamsters paid \$150,000?

Mr. ADLERMAN. That is correct.

Mr. KENNEDY. That was all that was transferred in 1956?

Mr. ADLERMAN. That was all that was transferred.

Mr. KENNEDY. That is all that the Teamsters received in 1956; is that correct?

Mr. ADLERMAN. That is correct.

The CHAIRMAN. Point out on that map just what part was conveyed at the time these checks were given or just preceding the checks.

Mr. ADLERMAN. There are 4 lots in this area that were conveyed in 1956, these 4 lots, and that contains the main house, which is a 20-room house, and it also contained a part of the tennis court and a corner of the swimming pool.

Mr. KENNEDY. All the rest of the property was still owned in the name of Mr. De Lucia?

Mr. ADLERMAN. That is right.

Mr. KENNEDY. So Mr. De Lucia and the Teamsters were going to share the tennis court and share the swimming pool; is that right?

Mr. ADLERMAN. I believe so.

Mr. KENNEDY. This was mutually owned by the two organizations, by Mr. De Lucia and by the Teamsters?

Mr. ADLERMAN. Well, this part A was owned by Mr. De Lucia and this part B by the Teamsters.

Mr. KENNEDY. Mr. De Lucia owned half of the tennis court and the Teamsters the other?

Mr. ADLERMAN. That's correct.

Mr. KENNEDY. And the Teamsters owned just a little bit of the swimming pool and Mr. De Lucia the rest of it?

Mr. ADLERMAN. That is right.

Mr. KENNEDY. This is from an examination of the records?

Mr. ADLERMAN. An examination of the records and the engineer's map and survey that was made.

Mr. KENNEDY. Do you have a copy of that?

Mr. ADLERMAN. Yes, we have a copy of that.

The CHAIRMAN. I ask you to examine this map that I present to you, this document, and state what it is.

Mr. ADLERMAN. This is a plat of a survey made by Richard R. Frame, professional engineer for the State of Indiana.

It is a plat of the lots, of the eight lots, that involves Mr. De Lucia's property or the Teamsters' property.

The CHAIRMAN. Where did you obtain that plat?

Mr. ADLERMAN. That was obtained in the course of our investigation from the trust company.

The CHAIRMAN. From the trust company?

Mr. ADLERMAN. That is right.

The CHAIRMAN. And that is the plat the engineer had filed with the trust company?

Mr. ADLERMAN. That is right.

The CHAIRMAN. All right. That plat may be made exhibit No. 12. (The document referred to was marked "Exhibit No. 12" for reference and may be found in the files of the select committee.)

Senator CURTIS. Mr. Chairman?

The CHAIRMAN. Senator Curtis.

Senator CURTIS. Who was the grantor in the deed or other conveyance that conveyed the title on the area marked "B"?

Mr. ADLERMAN. The property was originally held by Mr. and Mrs. De Lucia. They signed a trust agreement with their attorney, Mr. Bulger, and the Lake County Trust Co., under which trust agreement the Lake County Trust Co. was acting as trustee under the direction of Mr. Bulger and Mr. De Lucia for the benefit of Mr. De Lucia.

Mr. Bulger handled the conveyance from thereafter under this trust agreement.

Senator CURTIS. Was it free from encumbrance?

Mr. ADLERMAN. I believe it was unencumbered. I mean as far as the Teamsters are concerned, I think it is unencumbered.

Senator CURTIS. No, I mean at the time of the conveyance.

Mr. ADLERMAN. That I don't know.

Senator CURTIS. I see.

Mr. KENNEDY. Mr. Adlerman will be back in a moment to put in documents to back up his testimony.

Mr. Adlerman, I would like to have you testify as to what happened immediately or shortly following our hearing in August 1957, when Mr. Hoffa was asked questions about the transfer of this estate.

Mr. ADLERMAN. Shortly thereafter they took steps to convey tract A. We have in the records a letter from Mr. Bulger to the Lake County Trust Co., saying that for the purpose of correcting the omission of the four lots he is exercising a direction to the Lake County Trust Co. to convey the property to the trust company under a trust agreement with the Teamsters.

In other words to convey the property to the Teamsters.

Mr. KENNEDY. Do you mean after our hearing which was in August of 1957—

Mr. ADLERMAN. This letter was dated September 20, 1957.

Mr. KENNEDY. After that, the Teamsters got the rest of the property; is that right?

Mr. ADLERMAN. That is right.

Mr. KENNEDY. Until the hearings took place, the Teamsters had paid \$150,000 only for plot B?

Mr. ADLERMAN. They had paid \$150,000. A few cents short of that.

Mr. KENNEDY. Just for B?

Mr. ADLERMAN. That is right.

Mr. KENNEDY. Just for plot B; is that right?

Mr. ADLERMAN. That is right.

Mr. KENNEDY. Did they pay any consideration for plot A when that was transferred in 1957?

Mr. ADLERMAN. I think maybe they have a \$10 or \$100 consideration.

Mr. KENNEDY. But no material consideration?

Mr. ADLERMAN. That is right.

Mr. KENNEDY. Would you put the documents in that will substantiate your testimony?

Offer the documents to the chairman.

These are the various trust agreements and transfer of the deed.

The CHAIRMAN. As you offer the documents, identify them and we will have them made exhibits in the order of your presentation.

Mr. ADLERMAN. I feel as far as the first part, the transfer of property B, it is rather complicated, and it might be involved and rather hard to understand. They made a mistake when they transferred the property to the local 299 and local 337. They made a direct transfer to those locals in 1956. The Indiana law prohibited a local holding any real estate, so they had to make these numerous documents transferring the property back and forth and so forth to get correct title.

Mr. KENNEDY. Which is not directly involved in what we are looking into. They made another error in the transfer in 1956 of plot B, Mr. Chairman, in which they transferred it once, found out it was illegal, so they had to transfer it back and transfer it again.

We have all of those documents. It ultimately would appear to have ended up in the possession of the Teamsters, however, in 1956.

The CHAIRMAN. Those documents referring to the correction of an error may be attached and made exhibit No. 13 for reference.

(The documents referred to were marked "Exhibit No. 13" for reference and may be found in the files of the selected committee.)

Mr. KENNEDY. Then you have the transfer of the property in plot A.

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

Mr. ADLERMAN. On tract A which are lots 35, 36, 41, and 42, which is the sort of elbowed shape part of the property, there is a trust agreement, No. 97. Can I have the plat, please?

I have in my hand four documents which relate to the conveyance of tract A. I would like to put those into the record.

The CHAIRMAN. They may be made exhibit No. 14, for reference.

(The document referred to was marked "Exhibit No. 14" for reference, and may be found in the files of the select committee.)

Mr. ADLERMAN. There are six of them, actually.

The CHAIRMAN. They may be attached, the 5 documents, and made exhibit 14 for reference.

Mr. KENNEDY. Mr. Adlerman, from an examination of this map, there is no possible way, there would not appear to be any possible way to be confused about the transfer of this property?

Mr. ADLERMAN. No, I can't see how.

Mr. KENNEDY. Each lot of land is very clearly set out, is it not?

Mr. ADLERMAN. Not only that, but if you look at the plat, it refers to the trust agreement, which only affects property B.

Mr. KENNEDY. And the property is clearly split into lots, and the property that was transferred to the Teamsters clearly stated that they were to only get 37, 38, 39, and 40; isn't that correct?

Mr. ADLERMAN. The trust agreement only provides for that.

Mr. KENNEDY. Just for lots 37, 38, 39, and 40?

Mr. ADLERMAN. That is right.

Mr. KENNEDY. And the lots 35, 36, and 41 and 42 were not even mentioned; is that right?

Mr. ADLERMAN. As far as I am concerned, they are still not mentioned in the trust agreement. I spoke to the trust officer this morning, and he said as far as they are concerned, they are not in the trust agreement.

Mr. KENNEDY. You mean it is possible they still do not own the property?

Mr. ADLERMAN. If they do own it the trust company has no knowledge of it, because they still do not have the final deed on it.

Mr. KENNEDY. They at least made some step toward transferring it in 1957 after our hearing?

Mr. ADLERMAN. Yes.

Mr. KENNEDY. They took a step in that direction in 1957?

Mr. ADLERMAN. They did.

Mr. KENNEDY. And there they specifically mentioned the 4 plots of land, 35, 36, 41, and 42?

Mr. ADLERMAN. That is correct.

Mr. KENNEDY. But even at that, even in 1957, it would appear that possibly still the Teamsters do not own these four lots of property?

Mr. ADLERMAN. Well, we have requested every deed that the trust company has. They do not have any deed beyond the one conveying the property to the secretary, to the attorney, Mr. Bulger. Pardon me, that refers to tract B. I believe that there must be another deed,

but the trust company does not have it. They think that it may be in the hands of the Teamsters.

Mr. KENNEDY. But at least, Mr. Adlerman, what we can definitely establish, is that only a portion of the property was transferred in 1956?

Mr. ADLERMAN. Between 1956 and 1957, Mr. De Lucia owned tract A, and the Teamsters only owned tract B.

Mr. KENNEDY. And it was not until after our hearings took place—

Mr. ADLERMAN. Yes. As a matter of fact, I spoke to the trust officer this morning, and he told me it was only after an investigator went down to see him that he got word from the Teamsters that they wanted to transfer that.

Mr. KENNEDY. It was after we sent an investigator in there to look at it?

Mr. ADLERMAN. That is right.

Mr. KENNEDY. I would like to have Mr. Salinger tell us what the minutes of the union show as far as the purchase of this property.

The CHAIRMAN. Mr. Salinger, have you examined the minutes of the local that purchased the property?

TESTIMONY OF PIERRE SALINGER—Resumed

Mr. SALINGER. Yes, sir.

The CHAIRMAN. Do you have copies of those minutes?

Mr. SALINGER. I have, sir.

The CHAIRMAN. The minutes may be made exhibit No. 15. Now you may refer to the pertinent parts thereof.

(The document referred to was marked "Exhibit No. 15" for reference and may be found in the files of the select committee.)

Mr. SALINGER. With reference to the minute book of 337, which issued these two checks on July 27, 1956, and August 8, 1956, there is no specific mention of the Nancette estate at any point in those minutes with these exceptions: At the meeting in August 1956, the general authorization was given as follows:

Investments, purchase of bonds, real estate, etc., discussed by the Chair. Motion made by Marshall Du Bach, supported by James Langley, passed unanimously by the board that the president of the local be given full authority to make any investments or purchases he thought beneficial to local union.

Mr. KENNEDY. So there was no mention at all of the purchase of this estate?

Mr. SALINGER. No specific reference to it, until January 4, 1957, which is some 3 or 4 months after they had issued the checks for \$150,000.

In those minutes, it is mentioned that President Brennan of the local gave a report.

In his report he mentioned the local union, in the year 1956, had made various investments, also had advanced and secured a note from joint council 43 for \$75,000 for a real estate purchase made in behalf of joint council 43.

Although it does not mention the Nancette estate, we believe that that refers to the Nancette estate.

Mr. KENNEDY. Still there was not mention, specific mention, of the property?

Mr. SALINGER. That is correct.

Mr. KENNEDY. And there was no mention of the fact that the property had belonged to Mr. De Lucia, also known as Paul "The Waiter" Ricca?

Mr. SALINGER. That is correct. The only specific mention of the Nancette estate in any of the minutes we examined are in the minutes of joint council 43 at a special meeting on August 14, 1957.

At that meeting Mr. Hoffa gave a report to the joint council and stated that through an oversight minutes of the meeting of October 19, 1956, failed to mention the Nancette estate. A motion was made by Joseph Prebenda that the Nancette estate, now owned jointly by local 299 and 337, be purchased by joint council 43 from those unions for the purpose of establishing a training center for health and welfare, pension, and contract negotiations, and for the general welfare of local unions affiliated with joint council 43. Locals 299 and 337 were to be repaid no more than the original purchase price for this property, the property to be held in trust by the Lake County Trust Co. for joint council 43 and to be paid for by joint council 43 from any available resources during any given year.

This is a meeting of August 14, 1957, and discusses the purchase of the Nancette estate. But even through Mr. Adlerman's testimony it shows that even on that date they did not own the entire estate.

TESTIMONY OF PAUL DE LUCIA—Resumed

The CHAIRMAN. Mr. De Lucia, you have heard the testimony with respect to the transfer of this property. Is there any inaccuracy in the testimony or anything incorrect that the two witnesses, staff members, have just testified to that you would wish to correct?

Mr. DE LUCIA. Under the fifth amendment of the Constitution of the United States, I respectfully decline to answer on the ground that my answer may tend to incriminate me.

The CHAIRMAN. Is it a fact that you only transferred four lots the first time, and substantially as indicated on this picture of the map?

Mr. ALLDER. Mr. Chairman, I did not hear anything about him transferring any property.

The CHAIRMAN. He can say he did not.

Mr. ALLDER. I listened very attentively. I understood him to say that there was a trust and Mr. Bulger transferred some lots. There is no testimony there that this witness transferred anything.

The CHAIRMAN. I would be most happy to have you explain it, Mr. De Lucia—just what the situation was.

Mr. DE LUCIA. I respectfully decline to answer, Senator.

The CHAIRMAN. I don't want to make anything inaccurate. I understood this property was owned by you, although you may have placed it in a trust for your own benefit. That may be true. Of course, the trust, after you had placed it in the trust, would be the proper one to convey it.

May I ask you, Did you place this property in a trust?

Mr. DE LUCIA. I decline to answer, Senator.

The CHAIRMAN. You don't want to be helpful?

Mr. DE LUCIA. I decline to answer, Senator.

The CHAIRMAN. Did the trust handle the property according to your directions?

Mr. DE LUCIA. I respectfully decline to answer, Senator.

Mr. ALLDER. May the record show that each time he declines it is because he fears that his answer might tend to incriminate him?

The CHAIRMAN. I wouldn't press him on that. I am sure you still mean that you are afraid that if you answered the question the answer might tend to incriminate me?

Mr. DE LUCIA. Incriminate me.

The CHAIRMAN. Is that correct.

Mr. DE LUCIA. That is right.

The CHAIRMAN. All right. Is it a fact that you did not make the second conveyance or have the trust make the second conveyance until after this committee began looking into the transaction? Is that a fact?

Mr. DE LUCIA. I decline to answer, Senator, on the ground that my answer may tend to incriminate me.

The CHAIRMAN. Well, I don't want this committee to be either credited or blamed where neither is due. If the committee is entitled to no credit for discovering this situation, you may very well, if you will, correct the record for us and let us know that we had nothing in the world to do with it.

Mr. DE LUCIA. I respectfully decline to answer, Senator.

The CHAIRMAN. If we are altogether in error, I would be glad for you to point it out.

Mr. DE LUCIA. I decline to answer, Senator.

Senator CURTIS. Mr. Chairman, to clear it up in my mind, does the committee have information as to the size of tract B, and the size of tract A, and also do they have an estimate of some qualified person as to the value of each?

Mr. ADLERMAN. The tract consists of $4\frac{1}{2}$ acres.

Senator CURTIS. Which tract?

Mr. ADLERMAN. Tracts A and B.

Senator CURTIS. The two of them together?

Mr. ADLERMAN. That is right. I have no idea how large each of them is, but you can see the proportions from the plat.

Senator CURTIS. Has the committee obtained an estimate as to the value?

Mr. ADLERMAN. I don't know exactly what the value is, but responsible real estate people have indicated that it would be very hard to resell that property, because it can be only used for a private residence, and the cost maintenance on it is very very high. It is probably much less than \$150,000 that was paid for it.

Senator CURTIS. That is all.

The CHAIRMAN. Well, we will be glad, Senator Curtis, to know that and we are trying to interrogate the people who know about it and let them be helpful and give us accurate information as to its value and why the transactions were handled this way. It may be perfectly all right. Would you like to reconsider and help us get the facts just as they are?

Mr. DE LUCIA. I decline to answer, sir.

The CHAIRMAN. You decline to be helpful?

Mr. DE LUCIA. To answer, and not to be helpful.

The CHAIRMAN. All right.

Mr. KENNEDY. Now, is it a fact that you are a friend of Owen Bert Brennan, and that was the reason that this sale was made?

Mr. DE LUCIA. Who is that?

Mr. KENNEDY. Mr. Owen Bert Brennan.

Mr. DE LUCIA. Under the fifth amendment of the Constitution of the United States, I decline to answer on the ground that my answer may tend to incriminate me.

Mr. KENNEDY. Isn't it a fact that you needed money at that time, as you were under investigation by the Internal Revenue Department, and you prevailed upon the Teamsters to purchase this property for the \$150,000?

Mr. DE LUCIA. I decline to answer.

Mr. KENNEDY. Isn't that the reason that this was handled in this fashion?

Mr. DE LUCIA. I decline to answer.

The CHAIRMAN. I have been pretty indulgent, but you had better decline for reasons here.

All right, proceed.

Mr. KENNEDY. Now, I would like to read the testimony of Mr. Hoffa, on page 5043.

The CHAIRMAN. Read the testimony and ask the witness if that testimony is correct, and if he knows about it.

Mr. KENNEDY (reading) :

The CHAIRMAN. The total investment was around \$150,000, and not \$300,000?

Mr. HOFFA. That is right.

The CHAIRMAN. Proceed.

Mr. KENNEDY. That is going to be a sort of a school for the business agents and the officers?

Mr. HOFFA. That is right, and if it works out properly we will have the key stewards also attend classes.

Mr. KENNEDY. Is it a home and some land?

Mr. HOFFA. It is a home and some land, with sufficient sleeping quarters, I believe we can have about 30 or 40 people at a time in classes, and we don't think it is advisable to have more than that at a time to try and get people to listen properly to explanations.

Now, did you understand, Mr. De Lucia, that the property was to be used as a school for business agents?

Mr. DE LUCIA. I decline to answer that.

Mr. KENNEDY. Now, Mr. Chairman—

The CHAIRMAN. Now, you decline to answer for what reason?

Mr. DE LUCIA. Under the fifth amendment of the Constitution of the United States, I decline to answer on the ground that my answer may tend to incriminate me.

The CHAIRMAN. How in the world could you say that you understood that the folks who purchased your home intended to use it for training schools sites facilities or how in the world do you think that could possibly tend to incriminate you in the slightest degree anywhere anyhow? Do you want to answer that question?

Mr. DE LUCIA. Under the fifth amendment of the Constitution of the United States, I decline to answer on the ground that my answer may tend to incriminate me.

Mr. KENNEDY. Mr. Chairman, the reason I read that testimony is because we have here the Long Beach zoning ordinance in connection with the area on which this property is situated, and there are certain restrictions and I read from section 5 called, "Residence Districts."

The CHAIRMAN. Let me ask the witness, do you know if this is in zoning district of the city?

Mr. DE LUCIA. I decline to answer, Senator, on the ground that my answer may tend to incriminate me.

The CHAIRMAN. The fact that you might have had knowledge about the zoning status of the property might tend to incriminate you?

Mr. DE LUCIA. I decline to answer on the ground that my answer may tend to incriminate me.

The CHAIRMAN. Don't you know that that is just plain silly, and it couldn't possibly incriminate you, there is a public record. If you knew what the public record is, it couldn't possibly incriminate you to know it.

O. K., proceed.

Mr. KENNEDY. Section 5 reads:

Hereafter no building, structure, or land shall be used nor shall any building or structure be erected, altered, or enlarged except for the following uses:

(1) Single family dwelling; (2) home occupation, professional office, or other incidental use conducted in connection with any single family dwelling in a manner clearly incidental and not detrimental to said dwelling or other premises; and, (3) church, grammar or high school, public park or playground, golf or tennis club incorporated, and operated not for profit, community center or publicly owned recreation building; (4) signs of not more than 6 square feet of area advertising the premise for sale or rent.

I will read this again.

The CHAIRMAN. May I ask you if that is the public record or the ordinance of the city, is that correct?

Mr. KENNEDY. That is correct.

The CHAIRMAN. Well, if it isn't certified to, there will be some question about its admissibility, but I will let it go in as a statement.

Mr. KENNEDY. We can have someone introduce it.

The CHAIRMAN. I think that it should be introduced.

Senator CURTIS. Mr. Chairman, has it been established that it covers the area where this property in question is located?

Mr. KENNEDY. It does. Mr. Adlerman can introduce it.

The CHAIRMAN. Mr. Adlerman, did you procure a copy of the zoning ordinance that would affect the property?

Mr. ADLERMAN. I did.

The CHAIRMAN. Is that a copy of it which you have in your hand?

Mr. ADLERMAN. I obtained this copy from Mr. Vale, Robert Vale, the president of the Town Board of Long Beach.

The CHAIRMAN. It may be made exhibit No. 16, for reference.

(Document referred to was marked "Exhibit No. 16," for reference and may be found in the files of the select committee.)

Mr. KENNEDY. Now, could you tell the committee, as this was going to be used for a school for business agents, including 30 or 40 people, how under the zoning law it could possibly be used for that purpose? Could you tell us that?

Mr. DE LUCIA. I decline to answer on the ground that my answer would tend to incriminate me.

The CHAIRMAN. Could you tell us if that is the reason that it hasn't been used for that purpose for approximately a year?

Mr. DE LUCIA. I decline to answer on the ground that my answer may tend to incriminate me.

Mr. KENNEDY. Mr. Adlerman, do we find that the Teamsters have made any request to the zoning board for the permission to change the zoning ordinances in connection with this matter?

Mr. ADLERMAN. I have inquired from the president of the town board, and he has advised me that there has been no application made for any change in the zoning regulations.

Mr. KENNEDY. Certainly the exceptions here wouldn't permit the Teamsters to use the property. The Teamsters organization is certainly not a church or a grammar or a high school and it is not a public park or a playground, or golf or tennis club, incorporated, and it is not a home occupation. Thirty or forty people going to be there. It is not a single family dwelling.

Can you tell us how they are going to use it then?

Mr. ALLDER. I object to this, Mr. Chairman. He is calling for a legal conclusion or opinion of this witness and I don't think he is entitled to ask him for a legal conclusion concerning what an ordinance means or does not mean.

The CHAIRMAN. If the witness is not going to answer anyway, I suppose it is not an important matter. The witness may not know the legal conclusion of an ordinance, and he may not be able to interpret technicalities involved. We might ask the witness, Are you familiar with this ordinance and its provisions? And we may ask you that.

(Witness consulted with counsel.)

Mr. DE LUCIA. I decline to answer on the ground that my answer may tend to incriminate me.

The CHAIRMAN. Mr. Counsel, I don't believe objections are necessary, and I believe he will give us no information anyway.

Proceed.

Mr. KENNEDY. I think to find out the purpose of the purchase by the Teamsters of this property, and in view of the ordinance, certainly there must have been some discussion about it at the time that they were purchasing the property, and I am trying to find out from the witness any information that he can give to us on that matter.

The CHAIRMAN. Did you have any discussions about the ordinance, and the restrictions on this property, at the time if it?

Mr. DE LUCIA. I decline to answer on the ground that my answer may tend to incriminate me.

The CHAIRMAN. Well, was this a sale made primarily for your convenience, so you could have some ready cash?

Mr. DE LUCIA. I decline to answer on the ground that my answer may tend to incriminate me.

The CHAIRMAN. Had you ever offered the property for sale to anyone else?

Mr. DE LUCIA. I decline to answer, sir.

The CHAIRMAN. What is the ground?

Mr. DE LUCIA. That my answer may tend to incriminate me.

The CHAIRMAN. What was the largest offer you had had for the property prior to the time of this sale?

Mr. DE LUCIA. I decline to answer on the ground that my answer may tend to incriminate me.

The CHAIRMAN. Had you ever placed it on the market with any agency to sell or instructed the trustees to sell it?

Mr. DE LUCIA. I decline to answer on the ground that my answer may tend to incriminate me.

Mr. KENNEDY. Now, was this also arranged not only by Mr. Brennan, but was it also arranged by Mr. Joey Glimco in Chicago?

Mr. DE LUCIA. I decline to answer on the ground that my answer may tend to incriminate me.

Mr. KENNEDY. You are an associate of Mr. Joe Glimco, of the Teamsters Local 777, are you not?

Mr. DE LUCIA. I decline to answer on the ground that my answer may tend to incriminate me.

Mr. KENNEDY. Could you tell us what other Teamsters officials you know in Chicago?

Mr. DE LUCIA. I respectfully decline to answer on the ground that my answer may tend to incriminate me.

The CHAIRMAN. Is there anything further? Are there any questions?

Mr. De Lucia, you will remain under your present subpoena, subject to being recalled at such time as the committee may desire to interrogate you further. If you acknowledge that recognizance, reasonable notice will be given to you and your attorney of the time and place where the committee desires to hear you.

Do you acknowledge it?

Mr. DE LUCIA. Yes, sir.

The CHAIRMAN. All right, you may stand aside.

Call the next witness.

Mr. KENNEDY. I would like to interrupt our schedule and call Mr. Fitzsimmons at this time.

The CHAIRMAN. Mr. Fitzsimmons.

Will you be sworn, please?

Do you solemnly swear that the evidence given before this Senate select committee shall be the truth, the whole truth, so help you God?

Mr. FITZSIMMONS. I do.

TESTIMONY OF FRANK E. FITZSIMMONS, ACCOMPANIED BY HIS COUNSEL, GEORGE FITZGERALD

The CHAIRMAN. State your name and your place of residence and your business or occupation.

Mr. FITZSIMMONS. My name is Frank E. Fitzsimmons, and I live in Dearborn, Mich., and am vice president of local union 299, and business representative.

The CHAIRMAN. Do you have counsel? Let the record show that Mr. Fitzgerald appears as counsel for Mr. Fitzsimmons.

All right; proceed.

Mr. KENNEDY. What did you say your position was?

Mr. FITZSIMMONS. Vice president and business representative of local 299.

Mr. KENNEDY. Do you have any other position with the Teamsters Union?

Mr. FITZSIMMONS. I am with the Michigan Conference of Teamsters.

Mr. KENNEDY. What is your position with them?

Mr. FITZSIMMONS. Secretary-treasurer.

Mr. KENNEDY. Do you have any other position with the Teamsters?

Mr. FITZSIMMONS. In what capacity do you mean?

Mr. KENNEDY. The welfare fund.

Mr. FITZSIMMONS. I am a trustee of the welfare fund.

Mr. KENNEDY. Do you know Mr. Herman Kierdorf?

Mr. FITZSIMMONS. Yes; I do.

Mr. KENNEDY. When was the last time that you saw him?

Mr. FITZSIMMONS. Last Saturday.

Mr. KENNEDY. Did you see him any time on Sunday?

Mr. FITZSIMMONS. No; I didn't.

Mr. KENNEDY. Where were you on Sunday?

Mr. FITZSIMMONS. Sunday? With my family at home.

Mr. KENNEDY. You were there all Sunday afternoon?

Mr. FITZSIMMONS. No; I think my wife and my children went out to the lake.

Mr. KENNEDY. Monday morning; where were you then?

Mr. FITZSIMMONS. In my office.

Mr. KENNEDY. Were you out at the lake with your family Sunday afternoon?

Mr. FITZSIMMONS. Yes; I was.

Mr. KENNEDY. And Monday morning?

Mr. FITZSIMMONS. At the office.

Mr. KENNEDY. Now, the last time that you saw Mr. Kierdorf was Saturday; is that right?

Mr. FITZSIMMONS. Yes, sir.

Mr. KENNEDY. Have you heard from him since Saturday?

Mr. FITZSIMMONS. No; I haven't.

Mr. KENNEDY. You weren't in touch with him on Monday?

Mr. FITZSIMMONS. No, sir.

Mr. KENNEDY. When did you first hear of Mr. Frank Kierdorf's accident?

Mr. FITZSIMMONS. I think in the Monday morning papers.

Mr. KENNEDY. That was the first time you heard about it?

Mr. FITZSIMMONS. Yes, sir.

Mr. KENNEDY. Do you have anything to do with the automobiles of the Teamsters local?

Mr. FITZSIMMONS. Have anything to do with the automobiles?

Mr. KENNEDY. Do you have anything to do with the ownership of the automobiles, or the management of the automobiles, that belong to the Teamsters Union?

Mr. FITZSIMMONS. No; I do not.

Mr. KENNEDY. You do not?

Mr. FITZSIMMONS. No.

Mr. KENNEDY. What is the general policy with the automobiles of the union? Do they belong to, or are they in the names of, the individuals or in the name of the Teamsters Union?

Mr. FITZSIMMONS. In the name of the Teamsters Union.

Mr. KENNEDY. None of them are in the names of the individuals?

Mr. FITZSIMMONS. I am speaking now of local 299, and I can't answer for the other local unions.

Mr. KENNEDY. Does any individual of the Teamsters Union, of local 299, have authority to transfer title of the automobiles?

Mr. FITZSIMMONS. Well, the secretary-treasurer would handle that, fix affairs of the union.

Mr. KENNEDY. Do you have any authority?

Mr. FITZSIMMONS. Certainly; I have authority as an executive board member.

Mr. KENNEDY. Do you have any authority to transfer the ownership of automobiles?

(Witness consulted with counsel.)

Mr. FITZSIMMONS. In the absence of the president, I naturally take over the duties of the administration of the local union.

Mr. KENNEDY. Have you taken upon yourself that responsibility of transferring the title of any of the automobiles of the union?

Mr. FITZSIMMONS. In a particular case. I can clear this up without any more delay.

Mr. KENNEDY. Would you explain?

Mr. FITZSIMMONS. He came in the office Saturday morning.

Mr. KENNEDY. Who is that?

Mr. FITZSIMMONS. Mr. Herman Kierdorf, and he resigned previous to that, as I understand it, and he wanted to buy the automobile, and arrangements were made, and I cleared that matter up.

Mr. KENNEDY. What arrangements do you mean?

Mr. FITZSIMMONS. I arranged for him to purchase the automobile.

Mr. KENNEDY. Will you tell us what it is?

Mr. FITZSIMMONS. He signed a demand note.

Mr. KENNEDY. He came in Saturday morning and said he wanted to buy the automobile, and you just transferred it over to him?

Mr. FITZSIMMONS. I said he signed a demand note.

Mr. KENNEDY. For how much?

Mr. FITZSIMMONS. Exactly I can't say at the moment, and I think it was \$1,400 or \$1,500.

Mr. KENNEDY. Who has the demand note at the present time?

Mr. FITZSIMMONS. Mr. Collins, our secretary-treasurer.

Mr. KENNEDY. What authority, under the union, do you have to transfer an automobile such as that to the ownership of Mr. Kierdorf?

Mr. FITZSIMMONS. It was a sale.

Mr. KENNEDY. What authority do you have to sell the property of the Teamsters Union?

Mr. FITZSIMMONS. As far as the Teamsters Union is concerned, on the basis of the automobile, it was transferred on that basis, on a sale.

Mr. KENNEDY. What authority do you have, Mr. Fitzsimmons?

(Witness consulted with counsel.)

Mr. FITZSIMMONS. In the absence of the president, I am in charge of the responsibility of the local union.

Mr. KENNEDY. Why did it have to be transferred? What resolution is there of the Teamsters Union giving you authority to transfer title of its property?

(Witness consulted with counsel.)

Mr. FITZSIMMONS. As far as the bylaws are concerned, I think our minutes reflect the president has the authority to carry on the business of the local union, and according to bylaws, as far as the vice president is concerned, he carries on in the president's absence, and those duties are allocated to him.

Mr. KENNEDY. Has this been taken up with the executive board or anyone else?

Mr. FITZSIMMONS. The bylaws and the authority, you mean?

Mr. KENNEDY. I am asking you whether this matter of transfer of the automobile had been taken up with the executive board of the union?

Mr. FITZSIMMONS. This particular incident?

Mr. KENNEDY. Yes.

Mr. FITZSIMMONS. No; it will reflect in our next executive board meeting.

Mr. KENNEDY. Well, the first time that you heard Mr. Kierdorf was interested in buying this car was Saturday morning?

(Witness consulted with counsel.)

Mr. FITZSIMMONS. There was a conversation previous to this about Herman buying one of our cars.

Mr. KENNEDY. Did Mr. Hoffa instruct you to transfer the title of the automobile?

Mr. FITZSIMMONS. Mr. Hoffa instructs me to take care of the business of the local union.

Mr. KENNEDY. Did he instruct you to transfer the title of the automobile?

Mr. FITZSIMMONS. I didn't have an opportunity to discuss it with Mr. Hoffa.

Mr. KENNEDY. Did you discuss it at all with Mr. Hoffa?

(Witness consulted with counsel.)

The CHAIRMAN. Let us move along.

Mr. FITZSIMMONS. I think that I did. Yes; I mentioned it to Mr. Hoffa later on that day.

The CHAIRMAN. Before or after you had sold it?

Mr. FITZSIMMONS. Sir?

The CHAIRMAN. Before or after you sold the car?

Mr. FITZSIMMONS. Well——

The CHAIRMAN. It was just last Saturday?

Mr. FITZSIMMONS. I understand, Mr. McClellan——

The CHAIRMAN. Well, all right, did you mention it to him before you sold the car or after you sold the car?

Mr. FITZSIMMONS. I think it was discussed with him before I sold it and I don't know whether we had gone ahead and transferred it or made arrangements for Mr. Kierdorf to buy the automobile.

(At this point, the following were present: Senators McClellan, Ives, Church, Curtis.)

The CHAIRMAN. When did you discuss it with him Saturday?

Mr. FITZSIMMONS. Saturday morning.

The CHAIRMAN. Where?

Mr. FITZSIMMONS. In my office.

The CHAIRMAN. Was Mr. Hoffa in your office Saturday morning?

Mr. FITZSIMMONS. Yes; he was.

The CHAIRMAN. Was he there when Mr. Kierdorf came in and said he wanted to buy the car?

Mr. FITZSIMMONS. Just a moment, please.

(The witness conferred with his counsel.)

Mr. FITZSIMMONS. I beg your pardon. Mr. Hoffa was not there before he came in. He came in afterward.

The CHAIRMAN. Mr. Hoffa came in after you had sold the car?

Mr. FITZSIMMONS. Yes, sir.

The CHAIRMAN. So you did not discuss it with him before?

Mr. FITZSIMMONS. No, sir.

The CHAIRMAN. You are pretty positive now. A minute ago you said you had discussed it with him both before and after. Which is correct?

Mr. FITZSIMMONS. After I arranged to have Herman sign for the car.

The CHAIRMAN. You never heard of him wanting to buy the car until he walked in there that morning, had you?

He came in there and told you he wanted that car; is that correct?

Mr. FITZSIMMONS. There was conversation previous to that time.

The CHAIRMAN. Where and when?

Mr. FITZSIMMONS. I don't remember it.

The CHAIRMAN. How long ago?

Mr. FITZSIMMONS. I wouldn't say. I wouldn't know, Mr. McClellan.

The CHAIRMAN. Who had the conversation?

Mr. FITZSIMMONS. Mr. Collins, I am sure, came to me——

The CHAIRMAN. Who?

Mr. FITZSIMMONS. Mr. Collins.

The CHAIRMAN. Who is Mr. Collins?

Mr. FITZSIMMONS. Our secretary-treasurer.

The CHAIRMAN. He came to you when?

Mr. FITZSIMMONS. He came to me the previous week.

The CHAIRMAN. When?

Mr. FITZSIMMONS. The previous week.

The CHAIRMAN. The previous week. Where were you when he came to you?

Mr. FITZSIMMONS. I was either in his office or in my office.

The CHAIRMAN. And said what?

Mr. FITZSIMMONS. He said in respect to the car that Herman wants to buy from local 299.

The CHAIRMAN. Which car was it?

Mr. FITZSIMMONS. The car——

The CHAIRMAN. You have several cars. Which one was it?

Mr. FITZSIMMONS. The car that he bought, Mr. McClellan.

The CHAIRMAN. What kind was it?

Mr. FITZSIMMONS. A Cadillac car.

The CHAIRMAN. How old was it?

Mr. FITZSIMMONS. A 1956.

The CHAIRMAN. Did you get any money for it at all?

Mr. FITZSIMMONS. We have a demand note, as I say.

The CHAIRMAN. I know, you got a demand note. Do you have authority to sell these cars on credit?

Mr. FITZSIMMONS. I have the authority given to me as far as our bylaws and the president is concerned.

The CHAIRMAN. Where was the president of your local?

Mr. FITZSIMMONS. The president of our local?

The CHAIRMAN. Yes.

Mr. FITZSIMMONS. The moment this transaction took place?

The CHAIRMAN. Yes.

Mr. FITZSIMMONS. I couldn't answer that. I don't know exactly where he was at.

The CHAIRMAN. Well, was he in town?

Mr. FITZSIMMONS. I presume he was.

The CHAIRMAN. Well, he wasn't gone? He was there somewhere available for the transaction of business; was he not?

Mr. FITZSIMMONS. No, he wasn't.

The CHAIRMAN. He wasn't right there immediately at the moment, that is what you are saying, but he was there running the local, attending to all of the business the president should attend to. He wasn't gone away on a vacation or business or something, was he?

Mr. FITZSIMMONS. No, he wasn't.

The CHAIRMAN. Proceed.

Mr. KENNEDY. Did you contact him about it?

Mr. FITZSIMMONS. I said I contacted him after the transaction.

Mr. KENNEDY. Well, before the transaction? Before the transaction?

Mr. FITZSIMMONS. That morning, no.

Mr. KENNEDY. The day before, Friday?

(The witness conferred with his counsel.)

Mr. KENNEDY. Mr. Fitzsimmons, you would know whether you talked to Mr. Hoffa about it or not.

Mr. Fitzgerald can't help you.

This is just last week.

You know whether you talked to Mr. Hoffa or not.

Mr. FITZGERALD. Mr. Chairman, I am not trying to help the witness at all.

The CHAIRMAN. The witness has a right to consult with counsel as to his legal rights. I don't know whether he is getting close to where he wants to exercise the legal right or not.

He has a right to interrogate you about it. But as to the facts, the knowledge, they are within his information, I am sure, and it only happened last Saturday. It seems to me that the witness could speak up about it. Proceed, Mr. Kennedy.

Mr. KENNEDY. Did you discuss it with Mr. Hoffa?

Mr. FITZSIMMONS. No; I did not discuss it with Mr. Hoffa.

Mr. KENNEDY. What took you so long to figure that out?

Mr. FITZSIMMONS. Well, I was asking Mr. Fitzgerald as far as the designation of the duties and bylaws and as far as discussion was concerned.

Mr. KENNEDY. Did you have any discussions directly or indirectly with Mr. Hoffa, about the transfer of this automobile before you transferred it?

Mr. FITZSIMMONS. After I transferred it.

Mr. KENNEDY. Did you have any discussions with Mr. Hoffa directly or indirectly before you transferred it?

Mr. FITZSIMMONS. No, I did not.

Mr. KENNEDY. Who did you discuss it with, then, Mr. Fitzsimmons?

Mr. FITZSIMMONS. Mr. Collins.

Mr. KENNEDY. Did he tell you he discussed it with Mr. Hoffa?

Mr. FITZSIMMONS. No, I don't think he mentioned it.

Mr. KENNEDY. He did not mention that he discussed the matter with Mr. Hoffa?

Mr. FITZSIMMONS. He did not mention it to me.

Mr. KENNEDY. What conversations did you have with Mr. Collins?

Mr. FITZSIMMONS. Mr. Kierdorf came in.

Mr. KENNEDY. This was—when did he come in?

Mr. FITZSIMMONS. Saturday morning.

Mr. KENNEDY. That is the first time you had heard about it?

Mr. FITZSIMMONS. As I said before, Mr. Kennedy, there was some discussions about Herman wanting to buy a car.

Mr. KENNEDY. Who were those discussions with?

Mr. FITZSIMMONS. With Herman.

Mr. KENNEDY. He spoke to you?

Mr. FITZSIMMONS. No; I think he talked to Collins. Collins came to me and asked me if it would be all right if he bought the automobile.

Mr. KENNEDY. When was that?

Mr. FITZSIMMONS. That was some time previous to Saturday.

Mr. KENNEDY. What day was it?

Mr. FITZSIMMONS. I couldn't say exactly what day.

Mr. KENNEDY. Had he also discussed it with Mr. Hoffa?

Mr. FITZSIMMONS. I wouldn't know whether he had or not.

Mr. KENNEDY. Did Mr. Collins tell you he had discussed it with Mr. Hoffa?

Mr. FITZSIMMONS. He did not.

Mr. KENNEDY. What did he tell you? What did Mr. Collins tell you?

Mr. FITZSIMMONS. Exactly what I told you a moment ago.

Mr. KENNEDY. That Mr. Kierdorf was interested in buying an automobile?

Mr. FITZSIMMONS. That is right.

Mr. KENNEDY. Did he tell you that you should transfer the automobile to him?

Mr. FITZSIMMONS. He didn't tell me that.

Mr. KENNEDY. Did he tell you you should sell the automobile to him?

Mr. FITZSIMMONS. He didn't tell me that at all.

Mr. KENNEDY. What did he say?

Mr. FITZSIMMONS. He said Herman wants to buy the automobile. I said if he wants to buy the automobile, we will sell him the automobile.

Mr. KENNEDY. Was this just after his appearance before the committee when he took the fifth amendment?

Mr. FITZSIMMONS. Saturday?

Mr. KENNEDY. When you had the discussion about the automobile?

Mr. FITZSIMMONS. I think it was before.

Mr. KENNEDY. Then he came in on Saturday?

Mr. FITZSIMMONS. Yes, sir.

Mr. KENNEDY. At what time?

Mr. FITZSIMMONS. I would say around 9 o'clock.

Mr. KENNEDY. What did you say to him at that time?

Mr. FITZSIMMONS. I went in to see Mr. Collins, and Mr. Collins came in and said "As far as the car is concerned, Mr. Kierdorf wants to buy the automobile."

Mr. KENNEDY. Did you have the automobile appraised then?

Mr. FITZSIMMONS. Well, Mr. Collins checked the wanting price of the automobile and we would sell him the automobile at the going price.

Mr. KENNEDY. How did you find out what the going price was?

Mr. FITZSIMMONS. Mr. Collins took care of that matter.

Mr. KENNEDY. How did he find out?

Mr. FITZSIMMONS. I presumed he called a dealer.

Mr. KENNEDY. Do you know how much the automobile cost originally?

Mr. FITZSIMMONS. No, I don't.

Mr. KENNEDY. It cost some \$4,800. How much did you sell it for?

Mr. FITZSIMMONS. I think it was \$1,400 or \$1,500, if I am not mistaken.

The CHAIRMAN. You said you received a demand note for it?

Mr. FITZSIMMONS. Mr. Collins received the demand note, Senator.

The CHAIRMAN. Do you know that he received a demand note for it?

Mr. FITZSIMMONS. Yes, he told me that he did.

The CHAIRMAN. Did you see the note?

Mr. FITZSIMMONS. No, I did not.

The CHAIRMAN. He is supposed to have it now, is he not?

Mr. FITZSIMMONS. Yes, sir.

The CHAIRMAN. It properly would be there in your headquarters?

Mr. FITZSIMMONS. Yes, it would.

The CHAIRMAN. Mr. Fitzgerald, do you represent the local?

Mr. FITZGERALD. Yes, Mr. Chairman.

The CHAIRMAN. The Chair will advise that a subpoena is on its way there now, a subpoena duces tecum to secure that note. Will you immediately wire or call Mr. Collins and direct him to deliver that note? We have had the experience in the past that any time we seek records, they wish to confer with you about it first.

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

Mr. FITZGERALD. You can have all the union records, Mr. Chairman.

The CHAIRMAN. I want this particular note. I want to see if it has Frank Kierdorf's signature on it.

Mr. FITZGERALD. Herman Kierdorf? I had this suggestion to make, because it is a note. If one of your people can examine the original, would you accept a photostat of the note?

Mr. KENNEDY. No—

Mr. FITZGERALD. We are not going to—I'm sorry.

The CHAIRMAN. Just a moment. You may be present. If you will present the original note this afternoon in response to this subpoena, we will photostat it and return the note to you.

I just want to see if such a note was given. I would like to find out today. Is that agreeable?

Mr. FITZGERALD. That is agreeable, yes.

The CHAIRMAN. Will you send the wire or telephone them immediately?

Mr. FITZGERALD. Yes. We will call. Can I call at the Government expense this time?

The CHAIRMAN. Yes, sir. I will pay for it myself. You don't have to worry about the Government. Go right ahead. Ascertain the amount of the charges and I will pay for them.

Mr. FITZGERALD. We will be happy to pay for it. I just said that.

The CHAIRMAN. I knew you did. I said that in the same spirit. All right. Let's proceed. Are there any further questions of this witness?

Senator CURTIS.

Senator CURTIS. Is this note a bankable note?

Mr. FITZSIMMONS. Senator, you ask me a question but it is something I am not familiar with, bankable notes.

Senator CURTIS. Do you think you can take it to the bank and get the money on it?

Mr. FITZSIMMONS. Well, it is a demand note, such as I understood it, Senator.

Senator CURTIS. A lot of demands are made, but do you think you could take this note to the bank and get the money, less a reasonable discount?

(The witness conferred with his counsel.)

Mr. FITZSIMMONS. Senator, I just don't know. I can't answer the question as far as the note is concerned, it is a demand note.

Senator CURTIS. Who made out the note?

Mr. FITZSIMMONS. Mr. Collins, I presume.

Senator CURTIS. You don't know?

Mr. FITZSIMMONS. No, sir; I do not.

Senator CURTIS. That is all.

Mr. KENNEDY. Mr. Fitzsimmons, why would you do this favor for Mr. Herman Kierdorf when Mr. Hoffa testified that he requested he resign from the union?

Mr. FITZSIMMONS. Well, Mr. Kennedy, as far as the favor is concerned, a man come in and asked to buy an automobile.

Mr. KENNEDY. Can anybody go into the Teamsters building today and ask to buy an automobile and you will sell them a 1956 Cadillac for \$1,400 on a demand note without putting up a penny?

Mr. FITZSIMMONS. No, this man had used this car, and as far as the car was concerned, we had no further use for the car.

Mr. KENNEDY. Certainly the Teamsters Union could give it to the business agent that replaced Mr. Kierdorf.

Mr. FITZSIMMONS. There is a possibility that as far as replacing Mr. Kierdorf is concerned, he would not be replaced.

Mr. KENNEDY. What?

Mr. FITZSIMMONS. I say there is a possibility that Mr. Kierdorf will not be replaced.

Mr. KENNEDY. Is he irreplaceable, Mr. Herman Kierdorf?

Mr. FITZSIMMONS. I didn't say that, Mr. Kennedy.

Mr. KENNEDY. Who made up the note for the \$1,400?

Mr. FITZSIMMONS. Mr. Collins, I presume.

Mr. KENNEDY. He wrote it up?

Mr. FITZSIMMONS. I presume.

Mr. KENNEDY. What?

Mr. FITZSIMMONS. I presume Mr. Collins.

Mr. KENNEDY. You don't know that?

Mr. FITZSIMMONS. No; I wasn't present when the note was made up.

Mr. KENNEDY. Did anybody endorse the note? Did anybody sign the note other than Mr. Herman Kierdorf?

Mr. FITZSIMMONS. I would not know that, Mr. Kennedy.

Mr. KENNEDY. When did you assign title of the automobile?

Mr. FITZSIMMONS. I did not assign title to the automobile.

Mr. KENNEDY. Who did?

Mr. FITZSIMMONS. I presume Mr. Collins. I wouldn't know.

Mr. KENNEDY. You did not do it yourself?

Mr. FITZSIMMONS. No; I did not.

Mr. KENNEDY. You just knew it was being done?

Mr. FITZSIMMONS. Yes; I did.

Mr. KENNEDY. It is amazing to me that somebody comes in on a Saturday morning and wants an automobile and you transfer an automobile on a note to this individual, without taking it up with the executive board. You transfer Teamster property to this individual after Mr. Hoffa testified that he asked him to resign from the union. I just don't understand it.

The CHAIRMAN. Did you make any inquiry as to the value of the car?

Mr. FITZSIMMONS. Myself, Mr. McClellan? No.

The CHAIRMAN. Did you ascertain whether it could be traded in for much more value, be sold on the market for a higher price?

Mr. FITZSIMMONS. I left that transaction entirely to Mr. Collins, our secretary-treasurer.

The CHAIRMAN. Do you mean now to say you had nothing to do with the transaction?

Mr. FITZSIMMONS. I say as far as the transactions are concerned, we discussed the transaction about him taking the automobile and signing a demand note.

The CHAIRMAN. Does the note bear interest?

Mr. FITZSIMMONS. Sir?

The CHAIRMAN. Does the note bear interest?

Mr. FITZSIMMONS. Again, as I say, Mr. McClellan, I didn't see the note after the transaction was made.

The CHAIRMAN. Do you know actually of your own knowledge whether there is a note or not?

Mr. FITZSIMMONS. I know of my knowledge as far as Mr. Collins is concerned that he did and told me that he had signed a note, a demand note for this money.

The CHAIRMAN. Did you see the note?

Mr. FITZSIMMONS. No, I didn't see it; no, sir.

The CHAIRMAN. You have never seen it up until now?

Mr. FITZSIMMONS. No, sir.

Mr. KENNEDY. Who came with Mr. Kierdorf?

Mr. FITZSIMMONS. He came by himself, as I remember it.

Mr. KENNEDY. Was there anybody else in on this transaction?

Mr. FITZSIMMONS. No. No, sir.

Mr. KENNEDY. What?

Mr. FITZSIMMONS. No, sir.

Mr. KENNEDY. Nobody else.

The CHAIRMAN. All right, you may stand aside, subject to being recalled. You will remain here. Mr. Fitzgerald, the Chair's will is that you immediately proceed to carry out our agreement.

There is one other question, I believe.

Mr. KENNEDY. Did you have any discussions with anyone regarding the organization of cleaners, the organization of any dry cleaners or other kind of cleaners, with Mr. Herman Kierdorf?

Mr. FITZSIMMONS. No, sir.

Mr. KENNEDY. Did you discuss that matter with Mr. Frank Kierdorf?

Mr. FITZSIMMONS. No, sir.

Mr. KENNEDY. Did you discuss the LaTrielle Cleaners with Mr. Kierdorf?

Mr. FITZSIMMONS. No, sir.

Mr. KENNEDY. Did you ever heard of the LaTrielle Cleaners?

Mr. FITZSIMMONS. Only what I read in the newspapers.

Mr. KENNEDY. You did not discuss that at all, the organization of the LaTrielle Cleaners?

Mr. FITZSIMMONS. No, sir.

Mr. KENNEDY. You did not?

Mr. FITZSIMMONS. No, sir.

Mr. KENNEDY. Do you know if Mr. Herman Kierdorf or Frank Kierdorf were working on that matter?

Mr. FITZSIMMONS. No, sir, I do not.

Mr. KENNEDY. Could you tell the committee who else was doing organizational work with Frank Kierdorf?

Mr. FITZSIMMONS. No. He worked for local union 332 in Flint. I have no reason to know anything about that local union outside of the State conference.

Mr. KENNEDY. You don't know who else would be working with Frank Kierdorf?

Mr. FITZSIMMONS. No, sir, I do not.

Mr. KENNEDY. And you say you first heard of Mr. Frank Kierdorf's accident from reading it in the paper?

Mr. FITZSIMMONS. Yes, sir.

Mr. KENNEDY. Monday morning?

Mr. FITZSIMMONS. Yes, sir.

Mr. KENNEDY. That is all.

The CHAIRMAN. You may stand aside for the present, subject to being recalled.

Mr. FITZGERALD. Mr. Chairman, may I ask him a question? I have a question in my mind that I read about with this transaction.

The CHAIRMAN. You may direct the question to the Chair, under the rules.

Mr. FITZGERALD. I merely wanted to ask him to refresh his recollection on this.

(The witness conferred with his counsel.)

The CHAIRMAN. I thought you wanted a question.

Mr. FITZGERALD. No, I did not want him to leave the stand with a piece of wrong testimony.

The CHAIRMAN. All right. Thank you. As soon as you have placed the call, will you report to us, please, sir?

Thank you.

Call the next witness.

Mr. KENNEDY. Mr. Chairman we are just going to have two short witnesses on another entirely separate matter. I would like to call them. I would first like to call Mr. George Francis Heid.

The CHAIRMAN. Do you solemnly swear 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. HEID. I do.

TESTIMONY OF GEORGE HEID

The CHAIRMAN. State your name, your place of residence, and your business or occupation.

Mr. HEID. George Heid, Fifty Lakes, Minn.

The CHAIRMAN. George Heid?

Mr. HEID. Heid.

The CHAIRMAN. All right.

Mr. HEID. I cut timber up north. I cut timber and grow it.

The CHAIRMAN. You are a laborer?

Mr. HEID. No. I cut timber.

The CHAIRMAN. You cut timber?

Mr. HEID. Yes.

The CHAIRMAN. That is your present occupation?

Mr. HEID. Yes.

The CHAIRMAN. Do you waive counsel, could you, Mr. Heid?

Mr. HEID. Yes.

The CHAIRMAN. All right, Mr. Kennedy.

Mr. KENNEDY. Mr. Chairman, I might say before we interrogate this witness that last year we discovered that some \$54,000 in legal fees had been paid in connection with Gerald Connelly and, I believe, 3 other union officials, involved in 2 extortions and a dynamiting up in Minneapolis, Minn.; that the bulk of the money had been paid on behalf of Mr. Gerald Connelly who was then a union official. We also had testimony regarding Mr. Connelly's misuse of his union position and his disregard of the rights of the union members. There was some question raised at that time, and in our report, regarding the expenditure of these funds. We have called Mr. Heid to give what information he has of the background of Mr. Gerald Connelly, and the kind of an operation he ran in Minneapolis, the local union that he operates.

The CHAIRMAN. Proceed.

Mr. KENNEDY. Mr. Heid, in the winter of 1955 and 1956, did you do some work for a local union in Minneapolis?

Mr. HEID. Yes. I worked for local 548 as an organizer.

Mr. KENNEDY. You were hired as an organizer?

Mr. HEID. Yes.

Mr. KENNEDY. And that was a union run by Mr. Gerald Connelly?

Mr. HEID. It was.

Mr. KENNEDY. What experience had you had in organizing prior to that time?

Mr. HEID. Well, none until that time.

Mr. KENNEDY. You had not had any experience?

Mr. HEID. No.

Mr. KENNEDY. For what reason did Mr. Connelly hire you?

Mr. HEID. Well, he said he needed some man that would go out and get some customers, and a friend of mine, Mr. Flick—

Mr. KENNEDY. Mr. Flick?

Mr. HEID. Yes, sir. So then we went to work for local 548, organizing.

Mr. KENNEDY. Both of you became organizers?

Mr. HEID. Yes, sir.

Mr. KENNEDY. Had Mr. Flick had any experience organizing?

Mr. HEID. Yes.

Mr. KENNEDY. He had. Who did he work for?

Mr. HEID. He used to work for the Teamsters when they organized the breweries, the Minneapolis breweries.

Mr. KENNEDY. Tell me, what specifically did Mr. Connelly want you to work on.

Mr. HEID. He specifically wanted us to work on the liquor stores in Minneapolis and St. Paul.

Mr. KENNEDY. Were most of these one-man stores?

Mr. HEID. Quite a few of them was; yes, sir.

Mr. KENNEDY. They were run by the people themselves?

Mr. HEID. Yes, sir.

Mr. KENNEDY. He was trying to organize these stores run by the people themselves; is that right?

Mr. HEID. Organize them all.

Mr. KENNEDY. Did you go around and attempt to organize them?

Mr. HEID. Yes.

Mr. KENNEDY. What was the initiation fee for these individuals?

Mr. HEID. Well, it was supposed to be \$50.

Mr. KENNEDY. In order to join the union, you had to pay \$50?

Mr. HEID. Yes.

Mr. KENNEDY. And most of the shops were owned by the people themselves.

Mr. HEID. Yes.

Mr. KENNEDY. What arrangements did Mr. Connelly make with you, financially?

Mr. HEID. Well, we were supposed to organize them, and we would get two-thirds of the initiation fee and the other third was to go to the home office in Kansas City.

Mr. KENNEDY. But you could keep two-thirds of anything you could collect?

Mr. HEID. Yes, sir.

Mr. KENNEDY. Did you get a salary in addition to that?

Mr. HEID. No; we got expenses and two-thirds of the initiation fee.

Mr. KENNEDY. When you collected the money, would you give it to Connelly and then he would pay you some money?

Mr. HEID. Most of the time when you give him the money you would never see any money back.

Mr. KENNEDY. How much money did you get, usually, a week?

Mr. HEID. Well, it all depends on what we needed. We got expenses for the car, and a lot of times we would have to take it ourselves without turning it back in; otherwise, we would not get nothing.

Mr. KENNEDY. How much did you get, about?

Mr. HEID. \$35 or \$40 a week.

Mr. KENNEDY. That is how much you would make?

Mr. HEID. Yes.

Mr. KENNEDY. Had you had a good deal of experience handling explosives?

Mr. HEID. Yes; I have.

Mr. KENNEDY. You have handled dynamite?

Mr. HEID. Yes.

Mr. KENNEDY. And mines and bombs while you were in the service; is that correct?

Mr. HEID. Yes, sir. I have handled composition X, composition B, nitrostarch, nitroputty, all of it.

Mr. KENNEDY. All types of explosives?

Mr. HEID. Yes.

Mr. KENNEDY. Did Mr. Connelly speak to you at all about dynamiting any of the employers?

Mr. HEID. Yes; he did.

Mr. KENNEDY. Would you tell us the conversations you had with him?

Mr. HEID. He asked me what experience I had in using dynamite and explosives, and I told him quite a bit. I knew quite a bit. He asked me how I would go about setting a stick of dynamite on a car, and I told him you would get an electric cap and hook the dynamite up to either the spark plug or your switch or your starter. Then, when they turn on the switch or step on the starter, they have had it.

Mr. KENNEDY. Did he think that was a good idea?

Mr. HEID. Well, I don't know. He mentioned quite a bit about dynamiting, but he never said, one way or the other, whether it was a good idea or not.

Mr. KENNEDY. Did you also discuss dynamiting any of the stores or the homes of any?

Mr. HEID. Yes. Tony Felicetto was talking about giving him some heat because he had let some people go across the picket line where we were trying to organize.

Mr. KENNEDY. Tony what?

Mr. HEID. Felicetto.

Mr. KENNEDY. Giving him a little what?

Mr. HEID. Heat. Giving him a little trouble. The Five Point Liquor Store. There was somebody else he mentioned, but I don't remember his name.

Mr. KENNEDY. Giving somebody a little heat; is that dynamiting him?

Mr. HEID. Well, giving them a little trouble; yes.

Mr. KENNEDY. Did you, in fact, make any plans to use the dynamite?

Mr. HEID. Well, he asked me if I would do it, and he said he would promise me a lifetime job with the union and a good-paying job.

Mr. KENNEDY. So, did you explain to him about the use of the dynamite?

Mr. HEID. I explained about the use of dynamite.

Mr. KENNEDY. Could you tell what happened then?

Mr. HEID. Well, he was talking about setting dynamite on the back of a house, and I told him, "No; if there is any women or kids in there, they will get it, and that is murder. I don't want no part of it."

Mr. KENNEDY. So, what happened? Would you tell us?

Mr. HEID. Well, I went to Wisconsin. I went to my sister's place in Wisconsin.

Mr. KENNEDY. Did he say he was going ahead and using the dynamite?

Mr. HEID. Well, he said he did not think I had enough guts to do it, and I told him not when it come to making it on kids and women.

Mr. KENNEDY. Did he, in fact, use the dynamite?

Mr. HEID. Yes; he did.

Mr. KENNEDY. Whom did he dynamite up there?

Mr. HEID. Well, it wasn't him. It was Reddin, Lattin, and Flick. He was in Florida at the time.

Mr. KENNEDY. But he gave the instructions on it?

Mr. HEID. Yes.

Mr. KENNEDY. I believe, Mr. Chairman, we established that he was in Florida, and he was staying, at that time, with Mr. Ben Dranow, of the Thomas department stores, and they were in under different names in a Florida hottel in adjoining rooms, and that their hotel bill at that time was paid by the Thomas department store, and, further, we established that the Thomas department store and Ben Dranow had been the recipients of loans totaling \$1,200,000 from Mr. Hoffa's Teamsters Union. I might add, also, that the Thomas department store is now in bankruptcy.

Mr. Heid, you went out of town, and the dynamite was used; is that correct?

Mr. HEID. Yes, sir.

The CHAIRMAN. Is that the same place that they had asked you to dynamite?

Mr. HEID. Yes, sir.

The CHAIRMAN. In other words, you did not do the dynamiting, but the place was dynamited, but they had tried to get you to dynamite it yourself?

Mr. HEID. Yes, sir. The two officials' house was dynamited. The liquor store was never dynamited.

The CHAIRMAN. What was dynamited?

Mr. HEID. The two officials, union officials, that had went across the picket line; one of their cars was dynamited and the house was dynamited.

The CHAIRMAN. But the car of one of the officials who had crossed the picket line and the house of the other was dynamited?

Mr. HEID. Yes, sir.

The CHAIRMAN. How long was that after he had asked you to do these jobs?

Mr. HEID. That was approximately 2½ weeks, as near as I can remember right now.

The CHAIRMAN. Some 2½ weeks after he had tried to get you to do it, and you did not do it, then they were dynamited?

Mr. HEID. Yes, sir.

The CHAIRMAN. These are the same identical places or people that he had asked you to perform that operation on?

Mr. HEID. Yes, sir.

Mr. KENNEDY. And these were Teamsters officials, were they not?

Mr. HEID. They were.

Mr. KENNEDY. Mr. Chairman, in connection with that case where Mr. Connelly dynamited the automobile and the home of two Teamsters officials, some \$17,000 of union funds were used to defend them.

The CHAIRMAN. Is that the time that they were charged with this dynamiting?

Mr. HEID. Yes, sir.

Mr. KENNEDY. What were you told, as far as your testimony? You had information indicating that they were guilty. Did you have any conversations with Mr. Connelly about it?

Mr. HEID. Yes, sir. He would see that I was taken care of, if he had to do it himself.

Mr. KENNEDY. If you testified?

Mr. HEID. If I turned state's evidence, he would have me taken care of. Otherwise, he would do it himself.

Mr. KENNEDY. Did you testify at the trial?

Mr. HEID. I testified for the defense.

Mr. KENNEDY. You testified for the defense?

Mr. HEID. Yes, sir.

Mr. KENNEDY. You did not testify truthfully?

Mr. HEID. No, I did not.

Mr. KENNEDY. And your testimony was prepared by Mr. Connelly and by some of the other union officials?

Mr. HEID. Yes.

Mr. KENNEDY. Did you ever raise a question as to whether you would always have a job?

Mr. HEID. Well, he told me if I played along with him and was a witness for the defense, he would see that I had a job if it was nothing more than driving over the road.

Mr. KENNEDY. If it was what?

Mr. HEID. If it was nothing more than driving over the road.

Mr. KENNEDY. Did you ever ask for any assurances to have a job?

Mr. HEID. Well, yes. Before this deal went through, there was a phone call that he was supposed to have received from Jimmy Hoffa. He told him about organizing the liquor stores, and he asked him, "What if we have to get rough?" And he said, "If you have to get rough, get rough, but get them organized."

Mr. KENNEDY. Who said that?

Mr. HEID. The man on the other end of the wire. He said it was Jimmy Hoffa.

Mr. KENNEDY. "If you have to get rough, get rough"?

Mr. HEID. "But get them organized."

Mr. KENNEDY. And he identified this man as Jimmy Hoffa?

Mr. HEID. He did.

Mr. KENNEDY. After the trial was over, did you receive any money from the Teamsters Union?

Mr. HEID. Yes. \$12.

Mr. KENNEDY. Were you supposed to get more than that? Did you expect more?

Mr. HEID. Yes, I did. What was left over from the court trial we were supposed to split three ways.

The CHAIRMAN. What was left over from the court trial?

Mr. HEID. Yes, sir.

The CHAIRMAN. How much was involved in the court trial?

Mr. HEID. Jerry told us there was \$55,000 coming through for our defense.

The CHAIRMAN. Who told you that?

Mr. HEID. Jerry Connelly.

The CHAIRMAN. He told you there was \$55,000 available for the defense?

Mr. HEID. Yes.

The CHAIRMAN. And whatever was left you would split it three ways?

Mr. HEID. It was supposed to be a three-way split.

The CHAIRMAN. According to what you got, there is \$36 left; is that right?

Mr. HEID. Yes, sir.

Mr. KENNEDY. I might say, Mr. Chairman, that for Mr. Connelly—he was involved, as I said, in 2 extortions and this dynamiting, and convicted in all 3, he had some other defendants, as well, but for his defense and these other people, some \$54,381.55 of union funds were used for his defense.

The CHAIRMAN. According to what they told him, they did not shortchange him very much, did they?

Mr. KENNEDY. No.

The CHAIRMAN. Is this the same Connelly that we are talking about that I sent that subpoena to to get the note?

Mr. KENNEDY. No.

Gerald Connelly is now in the penitentiary. That was Mr. Collins. The CHAIRMAN. Collins. I am sorry. All right. I didn't want the record to reflect on someone wrongfully. Senator CURTIS.

Senator CURTIS. Where were these court proceedings held, when you testified for the defense?

Mr. HEID. It was held in Minneapolis and St. Paul.

Senator CURTIS. Do you happen to know whether it was a State or Federal court?

Mr. HEID. It was in a State court.

Senator CURTIS. It was in a State court.

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

Senator CURTIS. What information did you have that would have been helpful to the prosecution other than the talk of the plans for dynamiting?

Did you see any of the work done?

Mr. HEID. No; I did not. But they wanted to know who, in the court trial in Ramsey County they wanted to know who had knowledge of the use of dynamite. Flick and myself at that time had the business of Allied Sanitary Construction and I used dynamite for breaking into hardpan and things like that, when we had to go through rock for getting down to sand.

Senator CURTIS. But you appeared as a witness for the defense?

Mr. HEID. Yes, sir.

Senator CURTIS. What, in substance, did you say?

Mr. HEID. Well, I told them that I did not know anything about it; that there was no talk of dynamiting—to that effect.

Senator CURTIS. To whom did you talk about the testimony that you were to give prior to the trial?

Mr. HEID. Well, I talked to the county attorney, and detectives. That is about all.

Senator CURTIS. Did you tell them that you were going to testify falsely?

Mr. HEID. No; I did not.

Senator CURTIS. But you say now that you did testify falsely.

Mr. HEID. Yes; I did.

Senator CURTIS. With whom did you talk about testifying falsely?

Mr. HEID. With Jerry Connelly and Flick.

Senator CURTIS. With Jerry Connelly?

Mr. HEID. Jerry Connelly.

Senator CURTIS. He was the man that was arrested and tried?

Mr. HEID. Jerry Connelly, Bryant Flick, Diane Harvey, and myself were all indicted.

Senator CURTIS. You talked to him, to Flick, and who was the third person?

Mr. HEID. Diane Harvey.

Senator CURTIS. Did you talk to anybody else?

Mr. HEID. No, sir; that is all.

Senator CURTIS. Did anybody interview you concerning your testimony, other than these people?

Mr. HEID. Not that I can remember; no, sir.

Senator CURTIS. These people that you have mentioned are the only ones for the defense that you talked to before you took the witness stand?

Mr. HEID. No. I talked to Jerry's lawyer and I talked to Flick's lawyer.

Senator CURTIS. Who were they?

Mr. HEID. Gordon C. Peterson, in Minneapolis, and Sid Goff, at St. Paul.

Senator CURTIS. What conversation did you have with them?

Mr. HEID. Well, about getting a story, and what I was going to say. And that is about all.

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

Senator CURTIS. Did you reveal to them that you were going to testify falsely?

Mr. HEID. Well, they knew it.

Senator CURTIS. Did you reveal it to them?

Mr. HEID. No, I don't—

Senator CURTIS. How do you know that they knew it?

Mr. HEID. Because we was all up in the union hall together when they was talking about dynamiting, and they used some of the fuse that we had in the cesspool business. It was a slow-burning fuse and they used the wrong kind of fuse when they set the dynamite. But they tested the dynamite with a slow-burning fuse and they bought a different type fuse when they used the dynamite.

Mr. KENNEDY. They almost got blown up, did they?

Mr. HEID. Yes, sir.

Senator CURTIS. That is when they were demonstrating something in the union hall?

Mr. HEID. That was after I left.

Senator CURTIS. You weren't there?

Mr. HEID. No, sir.

Senator CURTIS. But my question is: How do you know that these two lawyers for the defense knew that you were going to testify falsely?

Mr. HEID. Well, Jerry said he told them the whole story, about all of it, and he said he told them Flick had jumped the gun. That was all there was to it.

Senator CURTIS. Was there any conversation when you were present and these two lawyers that you mentioned were present, that would give them information that you were going to testify falsely?

Mr. HEID. Not through the lawyers; no.

Senator CURTIS. And you base your statement that they knew you were to testify falsely on Connelly's statement that he had told them the whole story?

Mr. HEID. Yes, sir.

Senator CURTIS. And by that you believe that he had told them the entire truthful story?

Mr. HEID. Well, I figured he probably would.

Senator CURTIS. I beg your pardon?

Mr. HEID. I figured he would, yes, sir.

Senator CURTIS. But was there any discussion between you and the lawyers to the effect that you were going to testify falsely?

Mr. HEID. Not between me and the lawyer, no, sir.

Senator CURTIS. Was there any discussion by you and any other person when these two lawyers, or either one of them were present, that revealed the fact that you were going to testify falsely?

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

Mr. HEID. Well, when we was over at Gordon Peterson's, I stayed over at Gordon Peterson's there at night.

Senator CURTIS. He was one of the attorneys?

Mr. HEID. Yes. And Jerry was talking about what happened to people that turned state's evidence. If he was not talking to that effect, and if a lawyer did not know the whole case, then he sure knew then that I had to testify falsely to keep from getting a life sentence, because Flick used to brag about the noise and stuff like that that went on when the bombing took place.

Senator CURTIS. Did you learn who did do the bombing?

Mr. HEID. I did.

Senator CURTIS. How did you learn that?

Mr. HEID. In the court trial.

Senator CURTIS. In the court trial.

Mr. HEID. There was a confession from Lattin and Reddin.

Senator CURTIS. That is all, Mr. Chairman.

Mr. KENNEDY. Did Mr. Connelly speak often during this period of time about his relationship with Mr. Hoffa?

Mr. HEID. Yes. That is all he ever talks about. He is a buddy of Jimmie's.

Mr. KENNEDY. He was a buddy of Jimmie's?

Mr. HEID. And they talked about how they had been in the labor movement so long together.

Mr. KENNEDY. You left after the trial and tried to get jobs elsewhere, did you not?

Mr. HEID. I did.

Mr. KENNEDY. Did you ever contact the Teamsters Union again?

Mr. HEID. Yes, I did.

Mr. KENNEDY. Who did you contact?

Mr. HEID. Well, the first call I made I made it to Kansas City, into the head office of the Teamsters, and I tried to get ahold of Jimmie Hoffa. They said he would not be back for an hour or an hour and a half.

Mr. KENNEDY. Did you call him again then?

Mr. HEID. Later on that afternoon I called back. I started talking to Gene Williams, or to Mr. Williams, and he said that Jimmie was not in yet.

Then he says "Well, he come in just now."

So they put what I presumed to be Jimmie on, and I asked him, I said "Where is the job I am supposed to have?" I told him "This is George Heid, the one that was indicted with Flick and Connelly."

He said "Oh, meet me in a hotel up in Chicago. He told me the name of the hotel, which I don't recall. I told him I did not have the money and that was the end of the conversation.

Mr. KENNEDY. Did you ever go to the hotel?

Mr. HEID. No, I never.

Mr. KENNEDY. You never saw him. You don't know whether you were in fact talking to Hoffa at the time?

Mr. HEID. No; I don't.

Mr. KENNEDY. The man just stated that this man was Hoffa?

Mr. HEID. That this man was Hoffa.

Mr. KENNEDY. Mr. Chairman, Mr. Heid was kind enough to submit to a lie detector test prior to the time that he testified before the com-

mittee on the matters that he testified about, and that confirmed he is telling the truth on the lie detector test on all of these matters.

The CHAIRMAN. Where did he submit to it?

Mr. KENNEDY. Here in Washington.

The CHAIRMAN. Who gave it?

Mr. KENNEDY. The Washington, D. C., Police Department.

The CHAIRMAN. When did you submit to a lie detector test?

Mr. KENNEDY. The beginning of the week, sir.

The CHAIRMAN. This week?

Mr. KENNEDY. Yes, sir.

Mr. KENNEDY. All of the testimony, or material testimony, that he has given here he was asked in the polygraphic test, and he was telling the truth on all of these matters.

The CHAIRMAN. That is just a statement, and if we want that proof, or anybody challenges the testimony, we can bring that in later for the record.

Mr. KENNEDY. Could you tell the committee the reason that you are testifying as you are testifying today?

Mr. HEID. Well, I was in the workhouse at Minneapolis there for being drunk, for coming in town drunk, and Flick came out to see me, and I got in there about 2, and he was out there at 3:30, and he was talking about, he said, "They have never done anything for us, let us go turn state's evidence, and they never gave us a job or did anything for us."

And he said, "When they were having trouble we were in, and now they won't give us a job."

Mr. KENNEDY. That is the reason?

Mr. HEID. That is the reason.

The CHAIRMAN. When did you have that conversation with Flick?

Mr. HEID. I had it Friday afternoon.

The CHAIRMAN. Last Friday afternoon?

Mr. HEID. Yes, sir.

Mr. KENNEDY. We have talked to him, and I will explain the situation regarding that later.

Senator CHURCH. Mr. Heid, when you testified at Connelly's trial, and testified falsely, you committed perjury. You realize that the giving of perjured testimony is a criminal offense, do you not?

Mr. HEID. Yes, sir; I realize that.

Senator CHURCH. You have here testified today that you did perjure yourself?

Mr. HEID. Yes, sir.

Senator CHURCH. You are under oath again today, and if you were to testify falsely before this committee it would also constitute perjury; you understand that?

Mr. HEID. I realize that; yes, sir.

Senator CHURCH. Understanding those things, you want the record to stand that you testified falsely in the Connelly trial?

Mr. HEID. Yes, sir; I do.

Senator CHURCH. Despite your testimony in his defense, Connelly was convicted; is that right?

Mr. HEID. He was convicted over in Minneapolis; yes.

Mr. KENNEDY. There were two trials; is that correct?

Mr. HEID. Yes, sir.

Senator CHURCH. He was convicted in the course of a different trial?

Mr. HEID. He was convicted in Minneapolis on the bombing, and in St. Paul he wasn't.

Senator CHURCH. Did you testify in the Minneapolis trial?

Mr. HEID. Yes, sir; I did.

The CHAIRMAN. Are there any further questions?

Senator CURTIS. When was that trial?

Mr. HEID. I think it was in April of 1956.

The CHAIRMAN. Do you have a family?

Mr. HEID. I have a mother to take care of and two nieces.

The CHAIRMAN. You have a mother and two other dependents to take care of?

Mr. HEID. Yes, sir.

The CHAIRMAN. You will remain under the jurisdiction of this committee, and you will be under a continuing subpoena to reappear at such time as the committee may desire to hear your testimony or further testimony from you.

You acknowledge that, do you, and agree that you will return to the committee at such time as the committee may indicate it wants to hear you further?

Mr. HEID. Yes, sir.

The CHAIRMAN. Upon our giving you reasonable notice.

Mr. HEID. Yes, sir.

The CHAIRMAN. Without being resubpenaed.

Mr. HEID. Yes, sir.

The CHAIRMAN. In the meantime, the Chair will advise you that a measure of protection is going to be afforded to you, and if anyone in any way attempts to threaten or intimidate or coerce or frighten you or harm you or any of your dependents, I ask that you report it to this committee immediately.

Mr. HEID. Yes, sir.

The CHAIRMAN. We are determined to give you all of the protection within our power. If you have told the truth here today, and if what you have said here is true under your oath, then you are to be highly commended and you have rendered a distinct service to your country.

It is most gratifying that men will finally come to their senses and break with the underworld element and come out in court or in other tribunals and give the information that they have that will help us preserve law and order in this country and preserve the liberties and freedom that this Government assures its citizens. You are to be highly commended, and I am assuming you are telling the truth. If you are not, then you ought to be in the penitentiary, and there is no doubt about that.

But I am assuming that you have. I don't give full credence to these lie detector tests, but the fact that you were willing to do it and submitted to it, carries some weight with me at this time, at least, until I find, or the committee finds, that you have imposed on it by serious falsehoods here that would injure the character and reputation of others.

Thank you very much.

You may stand aside for the present.

Mr. Counsel, see that he is taken care of.

Mr. KENNEDY. I would like to say that we have had the full cooperation of the Police Department of Minneapolis, and the mayor of Minneapolis, Mayor Peterson, in this matter, and we are very appreciative.

We have also one other witness on Minneapolis that I would like to call, and we have also, Mr. Chairman, obtained from the Library of Congress the blue book value of the cheapest model of 1956 Cadillac sedan, which is \$2,895, for the cheapest model.

The CHAIRMAN. All right. Thank you.

Mr. FITZGERALD. Mr. Chairman, in line with your request or suggestion or order, we have Mr. Collins on the telephone, and I allowed him as his counsel to read to Mr. Bellino the note, and he has, I think, a script of it, and I think what you asked for was complied with.

The CHAIRMAN. Yes, I understood the subpoena was complied with, and we wish to thank you for calling, thank you very much.

Who do you want to call now?

Mr. KENNEDY. Mr. Fitzsimmons.

The CHAIRMAN. Until we get the note, we have of course this report on it, but there will be quite a number of questions to ask about it, but I think we ought to have the note itself present because there could be some error in it. We have the information as reported as to what the note shows, and so forth, and I believe it would be better not to interrogate Mr. Fitzsimmons at this time until we get the note.

Mr. FITZGERALD. Well, I understand from Mr. Collins that the note, so that the record will be clear on it, the note covered a price of \$2,000 for the automobile, from what he told me.

The CHAIRMAN. The note is for \$2,000, but there are many other aspects of the note that suggest some inquiry.

Mr. KENNEDY. When you transferred the automobile, why didn't you know how much you were getting for it?

Mr. FITZGERALD. May I address the Chair?

Mr. Fitzsimmons has testified that he didn't transfer the automobile, and Mr. Collins advised both Mr. Bellino and myself—

Mr. KENNEDY. He can testify, Mr. Fitzgerald.

The CHAIRMAN. Just a moment. Are we going to interrogate him now? I would rather get the note here, and there will be no further interrogation about it until we get the note.

At that time there will be some questions to be asked.

You may stand aside, and keep yourself available for recall.

Mr. KENNEDY. Mr. Morgan is the next witness.

The CHAIRMAN. Mr. Morgan, will you come around, 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. MORGAN. I do.

TESTIMONY OF ARTHUR L. MORGAN

The CHAIRMAN. Mr. Morgan, will you state your name, your place of residence, and your business or occupation, please.

Mr. MORGAN. My name is Arthur L. Morgan. My address is 116 West 32d Street, Minneapolis, Minn., and I am an independent labor representative.

The CHAIRMAN. Thank you, sir. Do you waive counsel, Mr. Morgan?

Mr. MORGAN. Yes, sir; I do, sir.

Mr. KENNEDY. Now, Mr. Morgan, you appeared before this committee back in September of 1957?

Mr. MORGAN. I did.

Mr. KENNEDY. And at that time you testified on your relationship with Gerald Connolly?

Mr. MORGAN. Yes, sir.

Mr. KENNEDY. You testified as to his organizational activities and you testified as to his misuse of union funds?

Mr. MORGAN. I did.

Mr. KENNEDY. Is that correct?

Mr. MORGAN. Yes, sir.

Mr. KENNEDY. And the abuse of the rights of the union members?

Mr. MORGAN. Yes, sir.

Mr. KENNEDY. And the fact that you had led an insurgent group against him?

Mr. MORGAN. That is right.

Mr. KENNEDY. And the international officers of the Teamsters, including Mr. Hoffa, had insisted that Mr. Gerald Connolly remain in his position as head of this local?

Mr. MORGAN. That is right.

Mr. KENNEDY. And this was despite the fact that he had been convicted of extortion and had been indicted on another extortion case?

Mr. MORGAN. That is right.

Mr. KENNEDY. And subsequently he was convicted and found guilty of a dynamiting case; is that right?

Mr. MORGAN. Yes, sir.

Mr. KENNEDY. And then you testified as to the fact that you led a group of insurgents out of the local union?

Mr. MORGAN. Yes, sir.

Mr. KENNEDY. And you became independent because you did not want to be under the leadership of Gerald Connolly?

Mr. MORGAN. That's right.

Mr. KENNEDY. Now, since your testimony before the committee, and your return to Minneapolis, have you been the subject of any harassment or threats?

Mr. MORGAN. Since I returned to Minneapolis, my life has been a living hell. Every night practically the telephone would ring all night long, and my wife would get calls that asked if the children were home from school, and she would say that they are, and they would tell her, "Maybe you are lucky tonight, and maybe you won't be so lucky tomorrow night."

Mr. KENNEDY. Did they say anything to you about your stopping the representation of these shops?

Mr. MORGAN. I had calls both at my house and my office telling me to stay out of the places that I represented with certifications from the National Labor Relations Board, and they went into my plants and threatened the members and threatened management with picketing lines, and I have presently got one of my members in St. Paul under protection of the St. Paul Police Department. Somebody called a woman up and asked her if she had the afternoon off one day, if she

did she had better go up and look for a new husband, "because you are going to find him murdered in an alley on the way home from work."

Mr. KENNEDY. After you testified here, had the Teamsters gotten in touch with you and said that you could come back into the Teamsters Union?

Mr. MORGAN. I have a letter here that I received from an attorney for Sidney Brennan, asking me to meet with him, which I did, and I didn't know what they wanted, or anything. He told me at that time that he could fix it up so that I could get a charter to come back, and I told him at the time that I didn't want anything to do with any of them, and that I couldn't bring my members back into anything like that if I wanted to.

Mr. KENNEDY. Your members were completely disgusted with the leadership of the Teamsters?

Mr. MORGAN. That is correct.

Mr. KENNEDY. They had voted almost unanimously to walk out; is that correct?

Mr. MORGAN. Yes, sir; and they have voted since less than 2 months ago, for the second time in 2 years, through NLRB elections, to do the same thing.

Mr. KENNEDY. To stay out of the Teamsters?

Mr. MORGAN. Yes, sir.

Mr. KENNEDY. This is because of the way they had been treated while they were members of the Teamsters?

Mr. MORGAN. That is right.

Mr. KENNEDY. Mr. Chairman, this is an example of the group that broke away successfully from the Teamsters Union, from this leadership about which we have had the testimony. A man who had been convicted twice of extortion and another time of dynamiting, whom union funds were used to defend, and this man, Mr. Morgan, led an insurgent group out of the Teamsters.

I thought it was important to have the testimony before the committee as to what has happened to him since that time.

The CHAIRMAN. How many are in your group that you led out of the Teamsters?

Mr. MORGAN. It depends on the season. It is from 140 up to approximately 220, or 225, and it covers 16 small shops, and I have another shop that I organized since then on my own, that has been bothered by the unions, and that came into my organization.

The CHAIRMAN. You and your group are determined that you will not be subjugated to the dictatorial and vicious rule of the Teamsters in that area?

Mr. MORGAN. Of the Teamsters or anyone else.

The CHAIRMAN. Thank God for that. That is the kind of courage it is going to take in this country to break up this racket. I want to say at this time, in my judgment, the leadership of the Teamsters Union can clean house in 24 hours if it actually wants to do it.

Mr. MORGAN. There is another union in Minneapolis that has petitioned to go independent less than 2 weeks ago.

The CHAIRMAN. I beg your pardon?

Mr. MORGAN. There is another Teamster Union in Minneapolis that has petitioned to go independent 2 weeks ago.

The CHAIRMAN. I hope it becomes contagious.

Mr. KENNEDY. Now, were any of the people that were convicted with Gerald Connelly in this extortion case, are any of them still officials of the Teamsters Union?

Mr. MORGAN. Every one of them are.

Mr. KENNEDY. They still hold offices with the Teamsters Union?

Mr. MORGAN. That is right.

Mr. KENNEDY. What about Sidney Brennan now, who was convicted of extortion?

Mr. MORGAN. Sidney Brennan is still secretary-treasurer of 544, and he is a vice president of the Joint Council 32, and I understand he is still a vice president of the Central States Conference.

Mr. KENNEDY. He is a vice president of the joint council that controls all of these Teamsters unions in that area?

Mr. MORGAN. That is exactly right.

Mr. KENNEDY. He still holds that position?

Mr. MORGAN. Yes, sir.

Mr. KENNEDY. And he was convicted of extortion some 2 years ago?

Mr. MORGAN. Yes, sir.

Mr. KENNEDY. And it was appealed all of the way to the Supreme Court?

Mr. MORGAN. That is right.

Mr. KENNEDY. And he is still holding that position?

Mr. MORGAN. He still holds that position.

Mr. KENNEDY. What about Mr. Jorgenson?

Mr. MORGAN. He is president of Joint Council 32.

Mr. KENNEDY. Was he also convicted of this extortion?

Mr. MORGAN. He was.

Mr. KENNEDY. He still holds the position?

Mr. MORGAN. He does.

Senator IVES. Mr. Chairman, in that connection I want to point out that if the Kennedy-Ives bill were law, that could not happen.

The CHAIRMAN. It ought not to take a law to clean up a situation like this. The leadership ought to have the integrity and the will to do it.

Senator CURTIS. Do you know the names of any of the individuals who performed these acts of harassment either against you or other members of the independent union who withdrew from the Teamsters, or committed acts of harassment against the employers involved?

Mr. MORGAN. I know the names of two of them. One of them is president of 544, Edward Blicks, who walked into the plant and demanded that the employees join his union or he would straighten out the place. And Sidney Brennan called the management of the Phil Mallen Co., and I only have three girls working there, and that is the shop that Eddie Blicks walked into, and told a fellow by the name of Francis Mallett that does personnel work there that if he continued to negotiate contracts or settle any grievances with me he would have to put the place out of business.

Senator CURTIS. Do you know the names of any others?

Mr. MORGAN. No; I don't know the names of any of the others.

Senator CURTIS. Did you ever find out who was harassing you by ringing your telephone at night and disturbing your family?

Mr. MORGAN. I couldn't say; no, sir.

Senator CURTIS. We spent a number of weeks taking similar testimony in another case, and we couldn't find out either.

Mr. MORGAN. I tried to have the Federal Bureau of Investigation even check my telephone line at night. I have had my telephone changed three times since I appeared before this committee, with unlisted numbers, and some way in a short period of time, it continues.

Senator CURTIS. They would find out the new number?

Mr. MORGAN. What is that?

Senator CURTIS. Whoever was harassing you would you find out the new numbers?

Mr. MORGAN. Yes, sir, in a short period of time.

Mr. KENNEDY. Have you had any help from the National Labor Relations Board?

Mr. MORGAN. As to the National Labor Relations Board, I wrote a letter to this committee a couple of months ago, and received a letter from the National Labor Relations Board in Washington here, to take things up with the National Labor Relations Board in Minneapolis. At the time the Teamsters had gone into one of my shops, the Merrill Co., and threatened employees and forced them to sign cards so they could petition for an election with the Board. I immediately consented to an election, and I defeated the Teamsters in seven companies. The Teamsters filed charges of employer interference in the election, and I have a copy right here of the decision by the National Labor Relations Board, and they upheld interference as far as the election was concerned.

If this committee would read this report, the committee itself would be disgusted with the report.

As to the charges filed by the Teamsters Union, none of them are found true in this report, and still they think there should be a new election.

Mr. KENNEDY. This is the Board out there?

The CHAIRMAN. Will you submit a copy of it?

Mr. MORGAN. I will submit this one here; yes, sir.

The CHAIRMAN. It may be submitted as an exhibit and made exhibit No. 17.

(The document referred to was marked "Exhibit No. 17" for reference and may be found in the files of the select committee.)

The CHAIRMAN. That is submitted for reference, and also will you submit a copy of the letter that you referred to that you received from the attorneys.

Mr. MORGAN. I will submit the original, and I have no use for it myself.

The CHAIRMAN. We will return it to you and we will make a copy of it and return it to you.

That may be made exhibit No. 18 for reference.

(The document referred to was marked "Exhibit No. 18" for reference and will be found in the appendix on p. 13719.)

Senator CURTIS. Do I understand that the National Labor Relations Board did not approve of the election?

Mr. MORGAN. No; they didn't.

Senator CURTIS. On what grounds didn't they, if you know?

Mr. MORGAN. Well, a charge filed by the Teamsters said a high company official of Industrial Steel in St. Paul had interfered by

stating to one of the employees that if I won the election the employees would receive a 15-cent wage increase.

I had been in negotiation for over 3 months prior to the time that they filed for an election. This letter from the National Labor Relations Board doesn't find that this Simmons has done a thing, and the only thing they find is that I told the people myself that I had completed negotiations and that they would receive a 15-cent wage increase.

Senator CURTIS. That is a recitation of what had already taken place, and not given out as an inducement to win the election?

Mr. MORGAN. Absolutely not, and the shop had been on a 4-hour day for approximately 6 months, and in January they received a small wage increase with the understanding that as soon as the shop went back on full 8 hours a day that the employees would receive the balance of their increase, which they would have gotten.

Now that the Teamsters have filed these charges, it has kept the employees from receiving their 15-cent wage increase, and also their retroactive pay which would amount to practically \$200.

The CHAIRMAN. You mean per employee?

Mr. MORGAN. Yes, sir.

Senator IVES. I would like to point out one thing in this connection. I think the witness has hit upon a rather important matter when it comes to the critics of the Kennedy-Ives bill. Some of these critics have been maintaining that a heavier burden would be placed on management if the bill were enacted than has been placed in the past under the Taft-Hartley Act. What you just told us about the National Labor Relations Board throwing out this case demonstrates beyond question that the very thing that they are talking about as being new under the Kennedy-Ives bill is already in force under the National Labor Relations Act, or the Taft-Hartley Act.

Mr. MORGAN. That is right.

The CHAIRMAN. Are there any further questions?

Mr. KENNEDY. So the local board had supported the union that was led by some of these individuals that we have been discussing, against your group which had walked out of the Teamsters Union because it was corrupt; isn't that right?

Mr. MORGAN. In my opinion, sir, yes. They have made no investigation whatsoever of any of the charges in any of the shops as covered by this election or anything, and the only thing they did outside of the evidence the teamsters supported was talk to my steward for about 10 minutes.

The CHAIRMAN. They made no investigation of your side of the case?

Mr. MORGAN. To my knowledge; no, sir.

Mr. KENNEDY. Do these individuals that you have discussed have any positions within the city?

Mr. MORGAN. To my knowledge, Jack Jorgenson was a former alderman in the city of Minneapolis, and he was appointed, but never elected by the people. After he was convicted and brought up in this Archie Daniels case he declined to run when it was brought up, because he knew he was defeated.

But since then he has been appointed to the Oral Review Board of the Minneapolis Police Department.

Mr. KENNEDY. What is that again?

Mr. MORGAN. The oral review board. They have written examinations for police promotion, and an oral examination.

Mr. KENNEDY. He is on the board to decide on police promotions?

Mr. MORGAN. That is right.

Mr. KENNEDY. This is Mr. Jorgenson who was convicted as a Teamster official of extortion?

Mr. MORGAN. That is right.

(At this point, the following members were present: Senators McClellan, Ives, Church, and Curtis.)

The CHAIRMAN. How long has he been out of the pen?

Mr. MORGAN. On this board?

The CHAIRMAN. How long has he been out of the pen, before he was appointed on this board?

Mr. MORGAN. He never served time. He was fined and placed on probation.

The CHAIRMAN. He was fined how much?

Mr. MORGAN. \$3,000, I believe.

The CHAIRMAN. Fined \$3,000. They didn't send him to the pen?

Mr. MORGAN. No.

Mr. KENNEDY. Is there anybody else on this police board?

Mr. MORGAN. Well, on the civil service commission the chairman of the civil service commission is a fellow by the name of Thomas Cochlemacher, that is the Teamster attorney for Joint Council 32, and I understand he is on an \$18,000 a year retainer by the Teamsters.

Mr. KENNEDY. He is the Teamster attorney. What is his position?

Mr. MORGAN. He is chairman of the civil service commission.

Mr. KENNEDY. Is he the one that made arrangements for the appointment of Mr. Jorgensen?

Mr. MORGAN. I wouldn't know that.

Mr. KENNEDY. But Mr. Jorgensen is in a position on the board that decides police promotions?

Mr. MORGAN. That is right.

Mr. KENNEDY. From the information we have, the mayor of Minneapolis, Mayor Peterson, was not aware of this fact.

The CHAIRMAN. He is aware of it now.

I am sure he will give it proper attention. Are there any other questions?

Mr. Morgan, you heard the statement I made to the witness, Mr. Hyde, who just left the witness stand?

Mr. MORGAN. I did, sir.

The CHAIRMAN. The Chair will make the same announcement with reference to you. We are going to give you all the protection within our power. If you can give us a report of any further developments, do so. I assure you, sir, that even though there may be some scoundrels who are trying to get you and trying to intimidate you, trying to take away your rights of an American citizen, I know at this hour that the great mass of American citizens not only sympathize with you, but they want to reach out to help you, and this Government and your local government will be strong enough to give you and the family the protection to which you are entitled.

Mr. MORGAN. Thank you.

The CHAIRMAN. Thank you.

Report to us anything that occurs.

Call the next witness.

Mr. KENNEDY. Mr. Ernest Belles.

The CHAIRMAN. You do solemnly swear 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. BELLES. Yes, sir.

**TESTIMONY OF ERNEST G. BELLES, ACCOMPANIED BY COUNSEL,
BENEDICT F. FITZGERALD**

The CHAIRMAN. State your name, your place of residence and your business or occupation.

Mr. BELLES. Ernest G. Belles, 480 Sesame Street, Opa-locka, Fla. At the present time I am renting a tavern.

The CHAIRMAN. Running a tavern?

Mr. BELLES. Renting one, leasing one.

The CHAIRMAN. Renting a tavern?

Mr. BELLES. Yes, sir.

The CHAIRMAN. Mr. Counsel, you may identify yourself for the record.

Mr. FITZGERALD. My name is Benedict F. FitzGerald, Jr., attorney at law in the Commonwealth of Massachusetts and the District of Columbia, with offices at suite 983, National Press Building, Washington, D. C.

The CHAIRMAN. All right, Mr. Kennedy, you may proceed.

Mr. KENNEDY. Mr. Belles, you were a president of Local 375 of Buffalo, N. Y., of the Teamsters?

Mr. BELLES. I respectfully decline to answer the question and exercise my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

Mr. KENNEDY. Mr. Belles, the information that we have is that you ran for office against a man by the name of Stanley Clayton for the head of local 375; that Mr. Stanley Clayton won the election; that there was some violence in connection with the election against the followers of Stanley Clayton. There was some dynamite uncovered in the bottom of his automobile. I would like to know if you have any information regarding the dynamite put in the bottom of his automobile.

Mr. BELLES. I respectfully decline to answer the question and exercise my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

Mr. KENNEDY. After he won the election, there was an investigation made of the union funds. Mr. Stanley Clayton has a very, very high reputation in New York and in union circles generally. There was an investigation made by a trial board of the union and they found that you had misappropriated some \$31,000. Could you tell us anything about that?

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

Mr. BELLES. I respectfully decline to answer the question and exercise my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

Mr. KENNEDY. Could you tell us if you did misappropriate \$31,000?

Mr. BELLES. I respectfully decline to answer the question and exercise my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

Mr. KENNEDY. After the trial, the union reached a verdict and the verdict was that you were to be removed from local 375, removed from the Teamsters for a period of 10 years, and that you were never to hold union office again because you had violated your trust.

Isn't that correct, Mr. Belles?

Mr. BELLES. I respectfully decline to answer the question and exercise my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

Mr. KENNEDY. This was a union trial. Then, Mr. Belles, you left Buffalo, N. Y., and suddenly became head of a local down in Miami, Fla., local 390. Could you tell us how you were able to do that?

Mr. BELLES. I respectfully decline to answer the question and exercise my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

Mr. KENNEDY. You became an international organizer for the Teamsters Local 399—excuse me, local 390—in Miami, Fla., and later became president of that local, did you?

Mr. BELLES. I respectfully decline to answer the question and exercise my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

Mr. KENNEDY. According to the information, you first became an international organizer for local 390, and then you were appointed as trustee president of local 390 by Mr. "Dusty" Miller, who is the director of the Teamsters Southern Conference.

Mr. BELLES. I respectfully decline to answer the question and exercise my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

Mr. KENNEDY. The southern conference at that time was under the direction of the Central Conference of Teamsters, Mr. James Hoffa.

Can you tell us what Mr. Hoffa did in connection with placing you in this position of trust?

Mr. BELLES. I respectfully decline to answer the question and exercise my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

Mr. KENNEDY. Where your own union members had found you misappropriated money, said you should not hold a union position for 10 years, you suddenly end up as a union official and ultimately as president of another local in Miami, Fla.

Can you give us any explanation for that whatsoever?

Mr. BELLES. I respectfully decline to answer the question and exercise my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

(At this time, Senator Church withdrew from the hearing room.)

Mr. KENNEDY. You are now out of that position. Could you tell us what the reasons were for your resignation?

Mr. BELLES. I would like to have my attorney make a statement at this time.

Mr. KENNEDY. I would like to hear it from you.

Senator IVES. You make it yourself.

Mr. BELLES. I didn't hear the question.

Mr. KENNEDY. The question is: I understand that you are now out of that union position. I would like to ask you why it was that you resigned, were fired, or whatever happened.

Mr. BELLES. I respectfully decline to answer that question and exercise my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

Mr. FITZGERALD. Mr. Chairman—who is the chairman now?

Senator IVES. I am acting chairman at the moment.

Mr. FITZGERALD. Mr. Ives, at this time I would like to interpose a general objection to the calling of this witness at this time.

Senator IVES. Just a minute.

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

Senator IVES. The chairman himself has just arrived. I will turn this over to him. I don't want to mix up the signals.

The CHAIRMAN. Proceed, Mr. Kennedy.

Mr. FITZGERALD. If the gentleman from Arkansas will permit me to make a few remarks at this time, the questioning started so quickly I was hardly able to introduce myself and interpose an objection—

The CHAIRMAN. Let me get my bearings.

Mr. KENNEDY. It is not on a question. He just has a general objection.

The CHAIRMAN. Go ahead.

Mr. FITZGERALD. I just wanted to fix the same objections to this hearing that I have frequently done in the past with the several other witnesses that I have represented. I want to object to the calling of this witness, and for the record, indicate that I feel it is a violation of sections 1, 5, 6, and 8 of the Constitution of the United States, the amendments to the Constitution, and want to set those objections up to every one of these questions.

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

The CHAIRMAN. The objections are heard. The objections are overruled.

Proceed, Mr. Kennedy.

Mr. KENNEDY. Mr. FitzGerald, could I ask you a question? You are being retained for Mr. Belles by the Teamsters, are you?

Mr. FITZGERALD. What was that?

Mr. KENNEDY. You are being retained by the Teamsters for Mr. Belles?

Mr. FITZGERALD. By what Teamsters?

Mr. KENNEDY. Any Teamsters.

Mr. FITZGERALD. No. I am here as attorney for Mr. Belles.

Mr. KENNEDY. You are getting your fee by Mr. Belles?

Mr. FITZGERALD. I hope so. He has been terrorized so much by the newspapers and by the committee, I don't suppose he has very much money, but eventually I hope to get paid. We haven't discussed that.

Mr. KENNEDY. Did you expect to get your fee from the Teamsters or Mr. Belles?

Mr. FITZGERALD. By Mr. Belles, the man I represent on this occasion.

The CHAIRMAN. Maybe the Chair misheard you. What did you say about the committee a moment ago?

Mr. FITZGERALD. I said that the committee has been following this man so fast and furiously that he is no longer with the Teamsters, and he is down in Florida now, and he is not a man of much means.

The CHAIRMAN. I thought you said the committee has been terrorizing. Did I misunderstand you?

Mr. FITZGERALD. I don't know whether I said that or not. But my intention was that he had been followed by committee investigators and had been interrogated so frequently.

The CHAIRMAN. Let me say I may have misunderstood you. Let me say this: Lawyers, when they stay in their proper place before this committee, will be treated with all courtesy due counsel appearing as attorney for a client. But I may admonish you, if that is what you had in mind, this committee will not be subjected to epithets and criticism of that nature. I need not say more to you.

Mr. FITZGERALD. I did not mean that to apply to you, sir.

The CHAIRMAN. I mean to any member of the committee or the committee collectively. Don't let there be any misunderstanding about that. You are welcome here as counsel, and you will be treated with every courtesy, but you will in turn respect this committee.

Mr. FITZGERALD. I have great respect for you, sir, and the committee. I think a question as to who was paying you is a little bit out of order, particularly between counsel.

The CHAIRMAN. No, sir; it is not out of order. We are establishing a record here, and we established it before, where people are indicted for crimes wholly unconnected with the affairs of the union—that is, affairs that could not possibly be in the interest of the laboring people who pay the dues—that dues money, money out of the treasury of the union, is being used to defend criminals, to support them while they are in the penitentiary, and other improper uses.

I think the committee is entitled to know, when an attorney appears here representing a witness, whether he has actually been retained by the witness and is expecting to be paid by the witness, or whether such arrangements have been made by a labor organization or a business interest. We will pursue that and we will ascertain about it. If we find this committee is being imposed upon, we will excuse the attorney, because the rules of the committee permit an attorney to be here representing the witness, an attorney of his choice. By "his choice" we also mean an attorney that is to be paid by him, if I interpret our language correctly.

Mr. FITZGERALD. For the record, if the Chair pleases, I am being retained by Mr. Belles. I have known him for some time. As a matter of fact, when I was an attorney for the National Labor Relations Board in Buffalo in 1942 I knew of his activity in that area.

The CHAIRMAN. Very good.

Mr. FITZGERALD, I am being paid, I hope, by him, if he has the money. As I say, he has been harassed quite a bit in the newspapers. I want to also say for the record I don't consider him a criminal. He has no criminal record that I know of, other than a few indiscretions of youth, which many Senators and Congressmen have, as far as I know.

The CHAIRMAN. Just a moment. I don't need anything further like that. Proceed, Mr. Kennedy.

Mr. KENNEDY. Mr. FitzGerald, just so we get the record straight, you have worked for the Teamsters since this committee began, have you not?

Mr. FITZGERALD. I have had this privilege of working for that great organization, but I am not doing so now. I am Mr. Belles' counsel.

The CHAIRMAN. You have a perfect right to appear here, if he has retained you, if you are the attorney of his choice. I don't want to deprive anybody. Let's proceed.

Mr. KENNEDY. Mr. Chairman, about Mr. FitzGerald's mention earlier that he was here on per diem, so he did not care how long it lasted—

Mr. FITZGERALD. I always work on per diem.

Mr. KENNEDY. I thought that indicated that maybe you were being paid by the Teamsters.

I think I have finished with Mr. Belles.

The CHAIRMAN. All right. Stand aside. Are there any further witnesses?

Mr. KENNEDY. Mr. Bitonti.

The CHAIRMAN. Come forward, Mr. Bitonti.

Will you be sworn, please? You do solemnly swear 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. BITONTI. I do.

TESTIMONY OF JOHN BITONTI, ACCOMPANIED BY COUNSEL, PERRY W. HOWARD

The CHAIRMAN. State your name, your place of residence, and your business or occupation, please.

Mr. BITONTI. My name is John Bitonti, Dearborn, Mich., 7865 Oakmont Boulevard. I am in the steel business. I own Byton Steel Corp.

The CHAIRMAN. Thank you very much. Mr. Bitonti, do you have counsel?

Mr. BITONTI. Yes, sir.

The CHAIRMAN. Counsel, identify yourself for the record, please.

Mr. HOWARD. Perry W. Howard, attorney at law, Washington, D. C., for a large number of years.

The CHAIRMAN. Thank you very much. All right, Mr. Kennedy.

Mr. KENNEDY. Mr. Bitonti, you received a loan from the Teamsters Union?

Mr. BITONTI. Yes, sir.

Mr. KENNEDY. When was that?

Mr. BITONTI. Well, I can't recall but 1953, but I don't know exactly the dates.

Mr. KENNEDY. From whom did you receive the loan?

Mr. BITONTI. From 299 and 337.

Mr. KENNEDY. How much was the loan?

Mr. BITONTI. Well—do you want me to tell you the story my way?

Mr. KENNEDY. All right.

Mr. BITONTI. Because I can't understand very good English and I don't want no \$25 words.

Mr. KENNEDY. All right.

The CHAIRMAN. Well, I will tell you, you use nickel words.

Mr. BITONTI. Thank you.

The CHAIRMAN. You go right ahead.

Mr. BITONTI. I was ready to go in business and I wanted to go in business in the steel business. I went to Hamtramck bank, the People's State Bank, to see a teller over there, and I asked him if I could borrow money on my property. He told me, he says, "Yes; you can, but it will take you 3 or 4 weeks or 5, whatever it is."

And "You got to bring the abstract." When I heard that, I said, "Forget it." So I heard that the Teamsters were lending money, and I went to see Mr. Hoffa. Mr. Hoffa, I told him, I said, "I need \$50,000." He asked me, "What do you want to do with it?" and I said, "I am going to go into the steel business."

He said, "Have you got any security?" I said, "I got \$300,000 worth of security."

He said, "Well, your word ain't good enough for me; you bring the abstract here."

So I brought the abstract. He said, "Take them to Mr. Ben Levinson."

Mr. KENNEDY. Ben Levinson?

Mr. BITONTI. Ben Levinson. I don't know if the name is correct. It is Michigan Mortgage, I think. So, I took the abstract to Ben Levinson. Ben Levinson told me, he said, "Be back in a week or 10 days and we will tell you."

So, I went back and I said, "What happened?" He said, "Your property is free and clear. Now, go see Mr. Hoffa."

I went over there, and I said, "Well, the property is free and clear. Would you give it to me?"

He said, "You want it; you can have it."

So, we started talking about the interest. I said, "How much you going to charge me?"

He said, "Five percent." I said, "Well, don't you think it is a little too much?"

He said, "Take it or leave it," and "That is the way we do business."

O. K. So, I figure out, and I took it. So, after I took it, I said, "Mr. Hoffa, I hock everything. Why don't you take my wife and kids." He said, "You can keep that."

Well, that is the truth.

The CHAIRMAN. Let's have order. Go ahead and tell it your way.

Mr. BITONTI. So, I signed it. He said, "Go to Ben Levinson and sign the mortgage over." I don't know what it is. That is a term of an attorney. So I sign it for \$50,000. So, later on I said, "I don't need the money right now. When I need it, I will come over and pick it up."

He said, "Any time," after I signed the paper. So, I went over there one day, I couldn't recall what, 2 or 3 weeks later; I don't know, because I had to take care of my corporation paper first. I said, "Need \$25,000."

So, he said, "All right. Here is a check for 25."

So, I thought I could do business with the 25, but it was not enough. So, I went about 2 or 3 weeks later and I said, "I need another 15." He said, "It is O. K. Take the 15."

I didn't need no more money, so I didn't take the other 10. I figured why should I pay interest on 50 when I can pay interest on 40. So, I kept going with my business; didn't need the other 10. So, finally, I

forgot all about it, about the 10. Mr. Kelly come over to my house to investigate this—

Mr. KENNEDY. Mr. Kelly of the staff?

Mr. BITONTI. Mr. Kelly, he come over to my house to investigate this, and he asked me if I borrowed any money from the union. I said, "Yes." He said, "How much did you borrow?" I said, "\$40,000." He said, "Don't you know you signed for 50?" Well, right at that moment, I was all excited, and I said, "I don't know."

Mr. KENNEDY. Is that when you took Mr. Hoffa's picture down from the wall?

Mr. BITONTI. That is the time when I took Mr. Hoffa's picture down. So, he said, Mr. Kelly said, "What that picture doing over there?"

I said, "That is Mr. Hoffa. For \$40,000, I think I am entitled to get a picture."

So, he said, "You know, if you were to die, you could have lost the \$10,000." I said, "I don't know."

So, he said, "Well, I will see you tomorrow. By the way," he said, "did you pay the loan?" And I said, "Yes." And he said, "Did you pay everything?" I said, "Yes." He said, "Where is your paper?"

I said, "I didn't get it yet." The next day I went to see Mr. Brennan. I thought Mr. Hoffa was there, but Mr. Brennan was there. I said, "Mr. Brennan, I paid the loan; I paid the interest. I would like to have my property back."

He said, "Mr. Bitonti," he says, "Mr. Hoffa is not here, but I will give you a letter right now." Just a minute. He said, "I will call Mr."—the secretary of 299. I have forgotten his name now—"Mr. Collins."

So, Mr. Brennan called Mr. Collins and said, "See if the Bitonti mortgage is clear. If he is not clear, hold it."

So, Mr. Collins called back and he said, "It is all clear."

He said, "Why don't you give him his deeds and the mortgage papers?" And they said, "Well, we didn't have no time." So Mr. Brennan raised hell, otherwise, and he said, "Now, I want you to give it to him, because the man already paid, and I can't see why you didn't give him the mortgage yet."

The fellow says, "Well, we didn't have the time." So, anyhow, Mr. Brennan wrote me a letter, which I got here, to say the property was free and clear and, as soon as we have a little time, he said, we will take it off of the county building or whatever it is. So they did. So, this is the story, and there is no more, no less.

The CHAIRMAN. Any further questions?

Mr. KENNEDY. Yes.

On some of these checks on the loan for \$40,000, you paid it to local 337.

Mr. BITONTI. 337 and 299.

Mr. KENNEDY. You received the loan from 299.

Mr. BITONTI. No; I received both.

Mr. KENNEDY. From both of them?

Mr. BITONTI. Yes.

Mr. KENNEDY. Well, you have a check for \$25,000 and a check for \$15,000?

Mr. BITONTI. That is right.

Mr. KENNEDY. They are both on local 299.

Mr. BITONTI. I don't know. They give me a check. I don't know. I don't think so. You people have the check, don't you? I mean the original checks. We got the stubs here.

Mr. KENNEDY. Both the checks are 299 checks.

The CHAIRMAN. You may have honestly thought you were getting the money from both unions.

Mr. BITONTI. Well, I didn't know, Mr. Senator.

The CHAIRMAN. But the checks appear to be—the \$25,000 check on July 17, 1953, and the \$15,000 check of August 10, 1953, appear to have been on local 299.

Mr. BITONTI. That could be possible.

Mr. KENNEDY. The point, Mr. Chairman, is that he paid to both 299 and 337. I would like to ask how that happened, where the money came from local 299; why he paid some of it back to 337.

Mr. BITONTI. Well, I have a record here to show—

Mr. KENNEDY. I am not questioning that you paid it back, but it would appear that the loan all came from 299. You don't understand that?

Mr. BITONTI. I beg your pardon?

Mr. KENNEDY. You don't understand that? I am pointing out that both the checks are from 299, and you paid all the money back to local 337.

Mr. BITONTI. Well, I don't know.

Mr. HOWARD. I think the checks speak for themselves.

Mr. BITONTI. The checks speak for themselves.

Mr. KENNEDY. I am not questioning this man at all. The checks were both from the same union, but they were repaid to local 337, one Mr. Brennan's union and one Mr. Hoffa's union. How many times had you been arrested at the time you received the loan?

Mr. BITONTI. The record shows for itself, Mr. Kennedy.

Mr. KENNEDY. Our records show 23 times; is that about correct?

Mr. BITONTI. Well, I don't know. When I was a young man—

Mr. KENNEDY. This isn't very young. This is during the 1930's, the 1940's, and during 1950, also.

Mr. BITONTI. Well, Mr. Kennedy, let's put this straight.

I have been out of the number business for 14 years, and I try to go straight.

Mr. KENNEDY. What other business interest do you have other than the steel business?

Mr. BITONTI. Real estate.

Mr. KENNEDY. Where do you have the real estate?

Mr. BITONTI. Well, I collect rents and live on it.

Mr. KENNEDY. Is that the only interest you have?

Mr. BITONTI. Yes, and the steel business. But the steel ain't been very good.

Mr. KENNEDY. And the real estate is where?

Mr. BITONTI. In Dearborn.

Mr. KENNEDY. In Dearborn?

Mr. BITONTI. And in the State of Michigan, yes.

Mr. KENNEDY. Those are the only two sources of income?

Mr. BITONTI. Yes.

Mr. KENNEDY. You had gone to a bank, had you not, at this time?

You had been to a bank prior to getting a loan from the Teamsters?

Mr. BITONTI. Well, I talked to one of the tellers, you know.

Mr. KENNEDY. Didn't you tell the investigator that you were not able to get the loan from the bank because of your background, that they weren't anxious to give you a loan?

Mr. BITONTI. My friend, I don't think so, because with \$300,000 worth of property, if I can't get \$40,000 or \$50,000, there is something wrong someplace. They don't look at records, they look at the property, the securities you got.

Mr. KENNEDY. Why didn't you get the loan from the bank, then?

Mr. BITONTI. Well, I didn't get the loan from the bank because in the first place I wanted to go in business quick. The Korea war was on, and I thought the steel was very hot, and I could have made money. But had I gone through the bank, it would have taken me a long time to get the money, so I took a chance to go see Mr. Hoffa, to see if I could get money.

Mr. KENNEDY. You don't have any business interests in connection with Mr. Hoffa, have you?

Mr. BITONTI. I never have no business. I never was hired by the unions. I never know nothing. The only thing I went was to borrow money.

Mr. KENNEDY. But do you have any business interests in connection with Mr. Hoffa?

Mr. BITONTI. At no time.

Mr. KENNEDY. At no time?

Mr. BITONTI. At no time.

Mr. KENNEDY. You never have?

Mr. BITONTI. Never have.

Mr. KENNEDY. You never made any investments together with Mr. Hoffa?

Mr. BITONTI. No, sir. When I made investments, I made my own.

Mr. KENNEDY. That is all, Mr. Chairman.

Senator KENNEDY. Mr. Chairman?

The CHAIRMAN. Senator Kennedy.

Senator KENNEDY. On this mortgage, it says May 6, 1953. I guess the date of the check is July or August 1953. It would indicate that at least 2 or 3 months did pass between the time that you signed this mortgage paper and the time that you had these checks.

Mr. BITONTI. I can't understand you, Senator Kennedy.

Senator KENNEDY. The date of the mortgage is May 6, 1953, to John Bitonti and Josephine Bitonti, his wife. The mortgage was May 6. The check to John Bitonti from the International Brotherhood of Chauffeurs and Helpers is July 17, and the other one is August 10, 1953. That is 3 months.

Mr. BITONTI. Well, in the first place, I want to get my paper, my corporation paper from the State of Michigan, and when I was ready I told Mr. Hoffa, "When I am ready I will come over and pick the money up," because I didn't want to pay no interest. What I was worrying about was interest. Why should I have the \$40,000, taking it away, when I was doing no business. I have to pay interest. So this way, when I was ready to do it, I took the money. I don't see no harm in that.

Senator KENNEDY. I just don't understand your story about the reason you didn't go to a bank because of the time factor. That isn't the reason, is it?

Mr. BITONTI. Well, in one way, yes.

Senator KENNEDY. Mr. Bitonti, I don't think that is the reason you didn't go to the bank, because I think the testimony of these checks conflicts with that; what is the reason for the \$40,000 and the \$50,000? You are smart enough to know how much money you were getting. Did you think you were getting 50 or 40?

Mr. BITONTI. I got \$40,000.

Senator KENNEDY. But you signed for 50? Why?

Mr. BITONTI. Because I didn't need the other 10.

Senator KENNEDY. Why did you sign for it?

Mr. BITONTI. Because I thought I needed the 50.

Senator KENNEDY. You just had the \$10,000 that you owed?

Mr. BITONTI. I beg your pardon?

Senator KENNEDY. You owed \$50,000, is that correct, and got \$40,000?

Mr. BITONTI. Because I only needed \$40,000.

Senator KENNEDY. Did you pay interest on the other 10?

Mr. BITONTI. No, sir.

Senator KENNEDY. You didn't pay interest?

Mr. BITONTI. No, sir.

Senator KENNEDY. You didn't receive the other 10?

Mr. BITONTI. I didn't receive the other 10.

Senator KENNEDY. You didn't owe it, then?

Mr. BITONTI. I didn't owe it, and they give me the clarification of the deed.

Senator KENNEDY. Where did you get the money to pay the interest?

Mr. BITONTI. I paid it in cash.

Senator KENNEDY. Where did you get that cash?

Mr. BITONTI. I borrowed it.

Senator KENNEDY. From whom?

Mr. BITONTI. From Charlie Harrison.

Senator KENNEDY. How do you spell his name?

Mr. BITONTI. Well, Harrison.

Senator KENNEDY. Harrison?

Mr. BITONTI. Harrison, yes, I signed a note for \$2,000.

Mr. KENNEDY. Where were you when we were looking for you, Mr. Bitonti?

Mr. BITONTI. I was out of town.

Mr. KENNEDY. Whereabouts?

Mr. BITONTI. I was in Canada.

Mr. KENNEDY. You stayed there all that time?

Mr. BITONTI. I had to go on business.

Senator KENNEDY. Where is Mr. Harrison located?

Mr. BITONTI. He has a bar.

Mr. KENNEDY. Where?

Mr. BITONTI. In Detroit.

Senator KENNEDY. What is the name of it?

Mr. BITONTI. The Manor Bar.

Senator KENNEDY. The Manor Bar?

Mr. BITONTI. Yes. I borrowed \$2,000 from him.

Senator KENNEDY. \$2,000 in cash? Did you give him a note?

Mr. BITONTI. Yes. He still has the note. I didn't pay it yet.

Senator KENNEDY. Did you pay him back?

Mr. BITONTI. Not yet.

Senator KENNEDY. How long ago was that?

Mr. BITONTI. Well—

Senator KENNEDY. 1953?

Mr. BITONTI. No. Well, I can't recall the date.

Senator KENNEDY. This is July 1953.

Mr. BITONTI. No, I paid—

Senator KENNEDY. The check was on August 7, 1957. To pay the interest on this money, you borrowed it and you haven't paid him back. Did you pay any interest on that?

Mr. BITONTI. To Mr. Harrison?

Senator KENNEDY. Yes.

Mr. BITONTI. I don't have to. He is a friend of mine.

Mr. KENNEDY. Do you have any interest in the Westwood Inn?

Mr. BITONTI. Why, no.

Mr. KENNEDY. You do not?

Mr. BITONTI. Why, no.

Mr. KENNEDY. Do you have any investment in it?

Mr. BITONTI. I say no.

Mr. KENNEDY. That is fine.

Senator KENNEDY. Mr. Chairman, I don't think it is proper for or that this is a use to which unions dues ought to be put. I don't think Mr. Hoffa ought to have lent you that money, Mr. Bitonti.

Mr. BITONTI. I don't see why Mr. Hoffa should not loan me money when I give him \$300,000 worth of security.

Senator KENNEDY. I don't think that, to be frank with you, Mr. Bitonti, I don't think he ought to go into business with you with union dues. I don't think that is the way union dues ought to be invested.

Mr. BITONTI. That I don't know. But I know I give him \$300,000 worth of security. He was only interested in my \$300,000 in security. He wasn't interested in me. If I failed, he would take the property.

Senator KENNEDY. You had to put up \$300,000 to get 40?

Mr. BITONTI. Well, he told me, he said, "Bring everything you got."

Senator KENNEDY. A bank would not insist on that.

Mr. BITONTI. The bank would insist, too.

Senator KENNEDY. \$300,000 to get 40?

Mr. BITONTI. Well, they insist.

Senator KENNEDY. What?

Mr. BITONTI. They would insist.

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

Senator KENNEDY. I think there's a good deal more to this story than we have. I don't think the explanation is satisfactory. What is the name of the teller you talked to?

Mr. BITONTI. Mr. Kennedy, I want you to know there is nothing what you think. This is the truth and the God's truth.

Senator KENNEDY. What is the name of the teller and what bank?

Mr. BITONTI. Well, the name is George.

Senator KENNEDY. Do you know the last name?

Mr. BITONTI. I don't know the last name.

Senator KENNEDY. What bank?

Mr. BITONTI. People's State Bank.

Senator KENNEDY. A fellow named George?

Mr. BITONTI. George. That is what I used to call him. I just went over there and asked him if I could borrow money.

Senator KENNEDY. You don't go to a teller to ask him if you can borrow money.

Mr. BITONTI. This is my way to do business.

Senator KENNEDY. I don't think that is a satisfactory explanation, Mr. Bitonti. I don't think when you go to borrow money from a bank, you go to teller, whose name you don't know, so that he will loan you the money.

Mr. BITONTI. Well, this is the truth.

Senator KENNEDY. I don't think it could be the truth.

Mr. BITONTI. As far as me, I did it. That is the way I did it.

Senator KENNEDY. You don't know his last name?

Mr. BITONTI. No.

Senator KENNEDY. Is the teller still working there?

Mr. BITONTI. I guess so.

Senator KENNEDY. It is a teller called George?

Mr. BITONTI. George.

Senator KENNEDY. You went in on the main floor of the bank. Did you know the teller before?

Mr. BITONTI. I saw him over there; yes.

Senator KENNEDY. Had you ever seen him before?

Mr. BITONTI. Why, sure.

Senator KENNEDY. Do you have an account at the bank?

Mr. BITONTI. I have, yes, the People's State Bank, in Hamtramck.

Senator KENNEDY. And you knew this teller beforehand?

Mr. BITONTI. Yes.

Senator KENNEDY. You did not talk to any other officer, the loan officer in the bank?

Mr. BITONTI. Never talked to anybody else.

Senator KENNEDY. The fellow who usually handles the loans?

Mr. BITONTI. No; I never talked to anybody.

Senator KENNEDY. Well, I don't think your story adds up. You said you were in a rush to get it, you signed a paper in May and you didn't pick up the money until July or August, and you stated you were going to get it from a bank but a teller named George told you you probably couldn't get it, and you put up \$300,000 security for a \$40,000 loan, yet you signed for \$50,000.

You borrowed money for the interest, from a friend.

Mr. HOWARD. I most respectfully state, Mr. Chairman, and Senator, that it was a loan, legally made, regularly made, paid for, and as fine Americanism as I know of.

He borrowed it and he paid it back. As to the procedure, the different procedures, the different jurisdictions and different officials act in those capacities, Senator.

Senator KENNEDY. The point I made is that I don't think it is particularly fine Americanism. I think he is entitled to go to where he can get the money, but I don't think Mr. Hoffa should have given it to him. I don't think his explanation of the bank is satisfactory. He is not naive, he has had numerous experiences of one kind or another. You don't go up to a teller in a bank and ask him if he will loan you the money, the last name you don't recall.

Mr. HOWARD. Senator, you never had to borrow money. You don't know what you have to go through to borrow money.

Senator KENNEDY. I will tell you this, as long as you want to exchange comments, that I know that is not the way to borrow money, and he knows it. I don't think Mr. Bitonti is telling the truth, if that is the statement he wants to stick to.

Mr. BITONTI. I am telling you the truth.

Senator KENNEDY. I don't believe you. I don't think you went up to a teller in a bank, a teller named George. I don't believe that. That isn't the reason you did not get the money from the bank. I hope the committee goes into it further.

I don't think your explanation is satisfactory.

We have heard some strange stories the last few days, but this is the strangest.

The CHAIRMAN. Is there anything further?

The committee will stand in recess until 10:30 next Tuesday morning.

(At the recess, the following members were present: Senator McClellan and Senator Kennedy.)

(Whereupon, at 5:05 p. m. the hearing was recessed, to reconvene at 10:30 a. m., Tuesday, August 12, 1958.)

INVESTIGATION OF IMPROPER ACTIVITIES IN THE LABOR OR MANAGEMENT FIELD

TUESDAY, AUGUST 12, 1958

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

The select committee met at 10:30 a. m., pursuant to Senate Resolution 221, agreed to January 29, 1958, 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 Frank Church, Democrat, Idaho; Senator Karl E. Mundt, Republican, South Dakota; Senator Carl T. Curtis, Republican, Nebraska.

Also present: Robert F. Kennedy, chief counsel; Paul Tierney, assistant counsel; John J. McGovern, assistant counsel; Carmine S. Bellino, accountant; Pierre E. Salinger, investigator; Leo C. Nulty, investigator; James P. Kelly, investigator; James Mundie, investigator; John Flanagan, investigator, GAO; Alfred Vitarelli, investigator, GAO; Ruth Young Watt, chief clerk.

(At the convening of the session, the following members were present: Senators McClellan, Ives, Ervin, and Curtis.)

The CHAIRMAN. The committee will come to order.

Mr. Hoffa has been recalled to the witness stand. Proceed, Mr. Kennedy.

TESTIMONY OF JAMES R. HOFFA, ACCOMPANIED BY COUNSEL, EDWARD BENNETT WILLIAMS, GEORGE FITZGERALD, AND DAVID PREVIANT—Resumed

Mr. WILLIAMS. Mr. Chairman, without taking the time of the committee to restate the objections that I have made heretofore, at the opening of the session on Wednesday, August 7, in the morning, and at the opening of the afternoon session on Thursday, August 8, I believe Wednesday, August 6, I would like to renew the objection that I have lodged in all of its particulars to the procedure that we are following. Also, Mr. Chairman, I want to plead guilty to having inadvertently misled this witness in his last testimony here. He was being interrogated about certain persons and the action which the union had taken against those persons. He was interrogated specifically about one Glenn Smith, of Chattanooga. I said to the wit-

ness in the hearing of the committee that it was my recollection that charges had been lodged against him. Actually, I have learned since that I was confused and that I had in mind one Sam Smith, of Wichita.

I now know that charges are being prepared against this particular individual, but the answer which the witness gave as his best recollection was not accurate, and I would like for him to have a chance to correct that in the record here this morning.

The CHAIRMAN. The committee will proceed.

As the Chair has previously announced the objections interposed are overruled.

The testimony of the witness, we have learned, was not accurate. Of course, he may have opportunity now, if he desires, to correct his testimony.

Mr. WILLIAMS. Unless my statement may be construed as a correction of it, which would shortcut going into it again. But I did want to call it to the committee's attention at the earliest moment that that was not accurate in all respects.

The CHAIRMAN. We will leave it to the judgment of this witness and his counsel as to whether he wishes to make any comment about it.

Mr. HOFFA. Mr. Chairman, I would like to correct the statement that charges were filed against Glenn Smith of the local union in Chattanooga, and I requested the advice of my counsel to handle those charges.

I now find that the charges were against a different Smith and apparently they are charges being prepared but not filed yet against Smith.

The CHAIRMAN. Thank you very much.

Proceed, Mr. Kennedy.

Mr. KENNEDY. That is Glenn Smith who admitted taking the \$20,000 from union funds and paying it to fix the case: is that right?

Mr. HOFFA. Glenn Smith you mentioned in the last hearing, which I assume is the one.

Mr. KENNEDY. You are familiar with the fact that he testified that he took \$20,000—

Mr. HOFFA. I am not familiar, only from reading the question in the newspaper and having you tell me.

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

Mr. KENNEDY. We went into that rather extensively. I am glad we have corrected the record. You have not taken any steps yourself toward removing Glenn Smith?

Mr. HOFFA. I said I had not, and I have not yet.

Mr. KENNEDY. You said last time that the local union had made charges and you were mistaken on that. I wanted to make sure that the record was completely clear on pages 588 and 190. I want to make sure the record is completely clear that you, yourself, have not taken any steps against Mr. Glenn Smith.

Mr. HOFFA. I have not.

Mr. KENNEDY. What about Mr. "Shorty" Feldman? Have you taken any steps to remove "Shorty" Feldman from local 990?

Mr. HOFFA. No.

Mr. KENNEDY. Have you made an investigation of "Shorty" Feldman?

Mr. HOFFA. I discussed the matter with Feldman to find out the situation, and I understood at the time I discussed it with him he had no trouble since he has been with the union.

Mr. KENNEDY. He has had 18 arrests, 2 convictions, and 2 prison terms.

Mr. HOFFA. I believe that was prior to his coming to the union and had nothing to do with the union, if what he tells me is correct.

Mr. KENNEDY. We also had extensive testimony on his activities as a union official before the committee. He appeared before the committee where we had some testimony that he had stated to an employer that for \$50,000 he could settle a strike, and remove the picket line. He appeared before the committee and took the fifth amendment. Have you made any investigation or have you taken any steps to remove him?

Mr. HOFFA. No.

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

Mr. KENNEDY. None at all?

Mr. HOFFA. No.

Mr. KENNEDY. You are not interested in that?

Mr. HOFFA. I am interested, certainly, but I have been quite busy and have not had an opportunity to get into those situations.

Mr. KENNEDY. What conversations did you have with him about it?

Mr. HOFFA. I discussed the question with Feldman as to whether or not he had sought from the employer any money, and he denied whether he had.

Mr. KENNEDY. And you let it go at that?

Mr. HOFFA. That is right.

Mr. KENNEDY. He has just been arrested on July 29, 1958, for the possession and interstate transportation of stolen bonds. That is just a couple of weeks ago. Have you taken any steps against him in connection with that?

Mr. HOFFA. Well, I have not had an opportunity since I have been preparing for this meeting, this situation here.

Mr. KENNEDY. You have not taken any steps against him?

Mr. HOFFA. No; I have not.

Mr. KENNEDY. You have not taken any steps to suspend him?

Mr. HOFFA. No.

Mr. KENNEDY. Mr. Feldman is the one that contacted you in connection with the restaurant charter in Philadelphia?

Mr. HOFFA. Mr. Feldman was in my office. We discussed the question as to why he was sponsoring an independent union, and he did discuss with me the question of getting a charter for the hotel and restaurant workers.

Mr. KENNEDY. Did you take any steps yourself along that line?

Mr. HOFFA. If I remember correctly, and I think it is right, I called Ed Miller.

Mr. KENNEDY. You did what?

Mr. HOFFA. I am quite sure I called Ed Miller, in Cincinnati, and told him that I thought that they would be able to get the independent union into their union if they would sit down and discuss the matter with the independent officers.

Mr. KENNEDY. The people that were with "Shorty" Feldman on that were Mr. Abe Goldberg, who has been convicted of extortion and who

has been arrested and convicted on a number of other occasions, Julius Berg, and "Cappy" Hoffman, who between them have approximately 40 arrests. Did you look into the background of any of the people who were sponsoring this charter?

Mr. HOFFA. No; because the charter was not actually sponsored by anybody. It was simply stated, I believe, to Miller, that if he would look into the situation, they could get the independent union into their organization. I think they handled it from that point on through their own organization.

Mr. KENNEDY. Why did you call Mr. Miller for a man such as "Shorty" Feldman?

Mr. HOFFA. I didn't call him for Feldman. I called him to get rid of the independent union to get into the Hotel and Restaurant Workers.

Mr. KENNEDY. Can't the Philadelphia people handle their own problems, Mr. Hoffa?

Mr. HOFFA. I assume they could. It was brought to my attention. Knowing Miller, I called him. I am pretty sure I called Miller.

Mr. KENNEDY. This is "Shorty" Feldman, who has been arrested some 18 times coming out to see you in connection with this, and you inject yourself into it.

Mr. HOFFA. He did not come out to see me about this. He came out to see me about a jurisdictional problem between his local union and another local union concerning, I believe, the Penn Fruit Co., and this developed out of the conversation.

Mr. KENNEDY. You got a charter for a local that had made a collusive deal with an employer?

Mr. HOFFA. No; I didn't get the charter. The charter was granted by the Hotel and Restaurant Workers.

Mr. KENNEDY. You were the one that made the telephone call which resulted in the charter being granted.

Mr. HOFFA. I wouldn't say that that was true. I simply alerted them to the fact that they wanted to sit down with the independent union, that they were willing to discuss the question of becoming affiliated.

Mr. KENNEDY. They had been trying to get a charter, Mr. Hoffa, and they were having difficulty in Philadelphia, because of the fact that there were so many criminal elements that were backing this local. Then Mr. Feldman has conversation with you, or you call Mr. Miller, and they are granted a charter in the Hotel and Restaurant Workers Union. Why would you? Once again this is a case where you have injected yourself in a situation which involves criminals and gangsters and racketeers.

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

Mr. KENNEDY. Can you tell us anything about that?

Mr. HOFFA. I think I have answered your question concerning my interest in this particular charter.

Mr. KENNEDY. Did Maxie Stern speak to you about this?

Mr. HOFFA. I don't believe he did.

Mr. KENNEDY. You say he did not?

Mr. HOFFA. I would not say he did not, because I know he knows Feldman.

He may have.

Mr. KENNEDY. How long have you known Maxie Stern?

Mr. HOFFA. Probably—well, 10 years or so.

Mr. KENNEDY. He is a well-known gangster in Detroit, is he not?

Mr. HOFFA. I don't know if he is a well-known gangster or not. He is out of jail.

Mr. KENNEDY. He has been arrested a dozen or so times?

Mr. HOFFA. He has been arrested, yes.

Mr. KENNEDY. He has been in jail for armed robbery? He violated his parole, went back to the penitentiary a number of times. He is a friend of yours?

Mr. HOFFA. I know him. He is a friendly acquaintance, yes.

Mr. KENNEDY. Have you had any business dealings with him?

Mr. HOFFA. No.

Mr. KENNEDY. In 1947 he was shot by one Chris Scroy. His life was saved by the fact he was wearing a bulletproof vest at the time. This is one of your friends?

Mr. HOFFA. He is a friendly acquaintance, yes.

(At this point, members of the committee present were: Senators McClellan, Ives, Church, Ervin, Goldwater, and Curtis.)

Mr. KENNEDY. Now, did he attend your trial in New York?

Mr. HOFFA. I don't remember seeing him in the courtroom.

Mr. KENNEDY. You don't remember him being there at all?

Mr. HOFFA. I don't remember him being there.

Mr. KENNEDY. Did you ever call Mr. Stern about any problems or did he ever call you?

Mr. HOFFA. What kind of problems?

Mr. KENNEDY. Any kind of problems.

Mr. HOFFA. I can't recall any discussion we had other than to pass the time of the day.

Mr. KENNEDY. You would just be discussing the time of the day?

Mr. HOFFA. That is right.

Mr. KENNEDY. What about Ray Cohen in local 107, Mr. Hoffa? Have you taken any steps against Ray Cohen?

Mr. HOFFA. There are charges filed against Cohen. The committee is set up, we are going to have hearings in local 107. I believe today there is a meeting of the committee who is set up to have a trial of Cohen and to go into those books.

Mr. KENNEDY. Have you taken steps to suspend Mr. Cohen while those charges are being heard?

Mr. HOFFA. No, I have not.

Mr. KENNEDY. Could you tell the committee why you have not taken steps along those lines to suspend Mr. Cohen?

Mr. HOFFA. I believe he is entitled to have the constitution followed of the international union. Charges are being filed, the charges are being processed.

Mr. KENNEDY. Have you taken steps to remove him as an international trustee?

Mr. HOFFA. I have not.

Mr. KENNEDY. Can you tell us why you have not?

Mr. HOFFA. Because he has not had his trial under the constitution of the international union. Until he does, being duly elected by the convention, I have taken no action.

Mr. KENNEDY. Now, we have some extensive testimony over a period of 3 weeks regarding the misuse of union funds, regarding the forgery

of checks, and that was some 3 or 4 months ago, Mr. Hoffa. You still have not taken any action against him.

Mr. HOFFA. That is what the hearing is set up for with an outside member of the committee to hear those charges.

Mr. KENNEDY. You personally have not taken any action as you can understand the constitution against Raymond Cohen?

Mr. HOFFA. I believe the man is entitled to filing under the constitution.

Mr. WILLIAMS. Mr. Kennedy, he testified that he had handled the central board in Philadelphia to have hearings on Mr. Cohen.

Mr. KENNEDY. I am asking whether he had suspended Cohen.

Mr. WILLIAMS. You asked whether he had taken any action in your last question.

Mr. KENNEDY. Have you suspended Mr. Cohen?

Mr. HOFFA. No.

Mr. KENNEDY. He has some 19 officials working in local 107 as organizers and among them they have 104 arrests and 40 convictions. Can you tell us whether you have taken any steps against those people?

Mr. HOFFA. The investigating committee will go into all of the affairs of local 107.

Mr. KENNEDY. Have you personally suspended any of those individuals?

Mr. HOFFA. I have not since there have been no charges filed against them by their officers other than those charges pending that the committee will hear.

Mr. KENNEDY. Under the constitution you can take some action against them, Mr. Hoffa. Can you tell the committee why you have not?

Mr. HOFFA. They are entitled to their file under the constitution. Members have a right to file their charges. When it gets to my office I will hear the case.

Mr. KENNEDY. Arthur Freeze, organizer for local 107. In 1936, he got 10 years for breaking and entering. In 1938, 3 to 21 years for burglary and transportation of explosives; 1945, 5 years for aggravated assault while in prison. He is an organizer for local 107.

Have you taken any action to have him removed?

Mr. HOFFA. I told you I had not taken action against any of them.

Mr. KENNEDY. What about Al Reger up in New York City?

Mr. HOFFA. What about him?

Mr. KENNEDY. Have you taken any action to remove Al Reger?

Mr. HOFFA. I have not. There have been no charges to my knowledge placed on my desk concerning Al Reger.

Mr. KENNEDY. Have you taken any action against him? He was convicted July 30, 1957 of extortion and sentenced to 5 to 10 years in Sing Sing and he is still in the union, still a union official. He is presently secretary-treasurer of Local 522 of the Teamsters. Have you taken steps to remove Al Reger?

Mr. HOFFA. I said that I didn't.

Mr. KENNEDY. We have had extensive testimony about Al Reger, his connection with Johnny Dill, his connection with Tony "Ducks" Corallo and even your name was mentioned in some of the discussions, Mr. Hoffa. Have you taken any steps to remove him?

Mr. HOFFA. I said I didn't.

Mr. KENNEDY. Why have you not?

Mr. HOFFA. Because there is a constitutional provision of our constitution which was passed by the convention outlining trials and procedures.

Mr. KENNEDY. Have any charges been made against Al Reger by you?

Mr. HOFFA. Not by myself.

Mr. KENNEDY. Have any charges been made by anyone?

Mr. HOFFA. Not to my knowledge.

Mr. KENNEDY. You are international president. Don't you want those kind of people removed from the Brotherhood of Teamsters, Mr. Hoffa?

Mr. HOFFA. The membership of their local union have a right to elect their officer and right to follow the constitution under trials and procedures.

Mr. KENNEDY. We have testimony regarding the membership of some of these locals, Mr. Hoffa, where it shows that they were completely exploited by union officials. They were getting substandard wages and there was collusion between the union officials and the employers. This man was convicted for extortion in 1957.

Mr. HOFFA. Was he with the union at that time?

Mr. KENNEDY. Yes.

Mr. HOFFA. What union?

Mr. KENNEDY. Local 522, secretary-treasurer.

Mr. HOFFA. What union was that?

Mr. KENNEDY. Teamsters. You have not taken any action against him?

Mr. HOFFA. I said no.

The CHAIRMAN. Mr. Hoffa, is there anything in the constitution that prohibits you from taking action against these crooks?

Mr. HOFFA. I could have emergency powers under the constitution which are limited as to what I can do but we have found out from experience in one particular local union that you had to be careful how you exercised that emergency power of the constitution.

The CHAIRMAN. This extraordinary care that you are exercising perpetuates these crooks in office; does it not?

Mr. HOFFA. I believe that the members are the ones who keep the officers in charge of the local unions because they are the ones who placed them there in the first place and they are the ones who continually nominate and elect them.

The CHAIRMAN. We have found many instances, Mr. Hoffa, where the members cannot control affairs, and whenever they do oust their officers I think we have instances—I am not sure whether this is teamsters or not at the moment—but I know that we have had testimony here where the members did oust them, the union was placed in trusteeship, and the same people they ousted appointed the trustees to manage their affairs.

We have that example before us. I am not sure, and counsel may recall whether that was in the Teamsters Union or other.

Mr. KENNEDY. In the teamsters.

The CHAIRMAN. We have had that example. This has become a sordid story. Lord Almighty, you are the man at the head of it. You have the responsibility. But apparently instead of taking any action you are undertaking to do everything you can to perpetuate this situation. You can make any comments you like. All of these things have

come to your attention and you have told this committee that you are going to clean the thing up, as I remember your testimony.

Mr. WILLIAMS. May I make this observation on a legal facet of the question you are raising. I refer to the question as to whether an officer should be ousted immediately after conviction while he is pursuing his appeal at remedies. All of us have had opportunity to watch cases of this character. Some I have participated in myself. We know, so far at least as I have been able to determine, never in the history of the United States has the Congress ousted a Member immediately after conviction.

There have been a number of convictions in the past few decades, but the Congress has always waited until the Member has exhausted his appeal at remedies before taking summary action against him.

The CHAIRMAN. May I say to you, Mr. Williams, that if I had a crook working for me, and I found out he was a crook, I would get rid of him. I would do the same thing if I were head of the union and had the power to do it. Maybe you wouldn't and maybe Mr. Hoffa would not.

Mr. WILLIAMS. I agree with you.

Mr. KENNEDY. On Al Reger, even if he had not been convicted, here are some of his associates as developed by the committee. Mr. Berl Michelson, who has a criminal record; Harry Davidoff, about whom we have extensive testimony; Ralph Mahone, Tony "Ducks" Corallo, Johnny Dioguardi, Carmine Formandi, Dickey Miksky, all of whom have criminal records; Abe Chase, Archie Cates, Sam Davy, Milton Hope. This man himself was a member of the Communist Party from 1938 until at least the late 1940's. He was a member of the Daily Worker Advisory Council. He is press director of the New York County Communist Party. He was convicted in 1957 of extortion, and he is still a union official. It is in a union that is controlled, according to the testimony before the committee, by Tony "Ducks" Corallo. You still have not taken any steps against him? Are you frightened of these people, Mr. Hoffa?

Mr. HOFFA. I am not frightened of anybody, Mr. Kennedy, and I don't intend to have the impression left, as has been stated publicly, that I am controlled by gangsters. I am not controlled by them but by the same token I do not intend to go around and evade the provisions of the constitution of the international union which you accused Mr. Beck of doing by having dictatorial powers. I want to be able to follow the constitution in due time. This situation will be cleared up. If you recall I took office almost just about February 1. Then I went through a long trial in New York which tied me up. I had the question of monitors which tied me up. I have not had much opportunity to do the normal duties that would have taken place if all of the various incidents had not come about during my short period of time as general president.

In due time these situations will be cleared up.

(At this point, members of the committee present were: Senators McClellan, Ives, Ervin, Church, Kennedy, Mundt, and Curtis.)

Mr. KENNEDY. Mr. Hoffa, that would make a great deal of sense. I would be very sympathetic if it were not for the fact that a majority of these people are in the Central States Conference, and people under your jurisdiction. You have people in Detroit, at least 15, who have

police records. You have Joey Glimco, in Chicago. I say you are not tough enough to get rid of these people, then.

Mr. HOFFA. I don't propose to be tough.

Mr. KENNEDY. You haven't moved against any of them.

Mr. HOFFA. I don't propose to act tough. I will follow the constitution of the international union. In due time the situation, where necessary, will be corrected.

Mr. KENNEDY. Why haven't you gotten rid of any of these people in the Central States Conference, and why are these people allowed to continue with police records, Mr. Hoffa?

Mr. HOFFA. If there are no charges filed against them——

Mr. KENNEDY. Why don't you take action against them yourself?

Mr. HOFFA. I told you why.

Mr. KENNEDY. Why haven't you taken action in the Central States Conference against these people during all this period of time?

Joey Glimco has been in there for 10 or 15 years. He has 38 arrests.

Mr. HOFFA. It is my understanding that Joey Glimco has been many a year since he was convicted of some sort of a crime. I don't know exactly what it was. But on the other charges against him, either he was found innocent by the jury or the cases were dropped; isn't that correct?

Mr. KENNEDY. He is one of the close associates of Tony Accardo, Paul "The Waiter" Ricca, the leading gangsters in Chicago, and has been identified before this committee and other public bodies for years as being a close associate of these people.

He has 36 arrests. And he has a number of convictions.

Mr. HOFFA. Our constitution does not deal with associations, but deals with the operation of a union.

Mr. KENNEDY. That would be fine. Then you get back and you say that the man has to be convicted. Then we give you the example of Glenn Smith, who says he took \$20,000 of union funds to make a payoff, and you have not taken any action against him. You have the fellow in Minneapolis, Ray Brennan, who appealed all the way to the Supreme Court. He is still in office. You have not taken any action against him, and that is in the Central Conference of Teamsters.

And Jorgensen and Williams, all three of them are union officials in Minneapolis, all have taken appeals to the Supreme Court. No action has been taken against them, has it, Mr. Hoffa?

Mr. HOFFA. There has been no action taken against Jorgensen or Brennan. It is my understanding that Jorgensen's membership, he went in front of them, took his case there, they reaffirmed their desire to have him represent them, and I believe, from the information that we have, although I do not have it in writing, that Brennan did the same thing.

I think the membership has a right to select the people they want to represent them. In due time, all those cases will be handled and investigated under the constitution.

Mr. KENNEDY. What about Mr. Frank Matulla, out in California?

Mr. HOFFA. What about him?

Mr. KENNEDY. He has been convicted of perjury.

Mr. HOFFA. Frank Matulla is up on appeal. I have taken no action.

Mr. KENNEDY. Have you made any charges against him?

Mr. HOFFA. I have not.

Mr. KENNEDY. Have you suspended him?

Mr. HOFFA. I have not.

Mr. KENNEDY. He has been convicted of perjury. Bernie Adelstein, have you taken any action against Adelstein in New York City?

Mr. HOFFA. I understand Adelstein has been indicted and I believe he is pending trial.

Mr. KENNEDY. We had a good deal of information about him before the committee, about Bernie Adelstein. Did you look into any of that?

Mr. HOFFA. I did not. I have not had an opportunity.

Mr. KENNEDY. He is a close associate of Toney "Ducks" Corallo, Nick Rattenni, well-known gangsters in the United States.

Why is it in every section of the country these people exist, Mr. Hoffa, in the Teamsters Union, and you have not taken any action against any of them? You have not taken any action against Bernie Adelstein?

Mr. HOFFA. I said I didn't.

Mr. KENNEDY. You have Roland McMasters out in Detroit. Does he work for you?

Mr. HOFFA. What did he do so bad?

Mr. KENNEDY. Does he work for you?

Mr. HOFFA. He does, local 299, my own local union.

Mr. KENNEDY. How long has he been with you?

Mr. HOFFA. I believe Mac came with us somewhere around the 1940's.

Mr. KENNEDY. Did you write a letter for him to obtain a deferment from the draft for him?

Mr. HOFFA. I probably did, if he requested it. He was still inducted. As you know, he has one bad eye.

Mr. KENNEDY. Did you say he was essential for the work there in local 299?

Mr. HOFFA. Yes.

Mr. KENNEDY. At the same time you wrote the letter, was he under indictment on a charge of felonious assault against Leslie Smith and Brother Hugh Smith, these two brothers being assaulted with baseball bats and knives?

Mr. HOFFA. I don't remember if he was or not. I don't remember the indictment.

Mr. KENNEDY. Here is the letter that you wrote, and I quote:

You described his activities:

Settling of all labor disputes between management and labor and particularly through his extensive knowledge was very successful in the careful handling of all jurisdictional disputes between various A. F. of L. labor organizations; also with the CIO, in particular of keeping a continuous supply of essential war materials flowing into our war industries.

Mr. WILLIAMS. If you are going to ask him questions about a letter, may we see the letter, please?

The CHAIRMAN. The Chair presents to you the letter the counsel has referred to. You may examine it and identify it, please.

(The document was handed to the witness.)

(The witness conferred with his counsel.)

The CHAIRMAN. Do you identify the letter, Mr. Hoffa?

Mr. HOFFA. I beg your pardon, sir.

The CHAIRMAN. Do you identify the letter?

Mr. HOFFA. I must have sent this. It is back to January 5, 1943. I don't remember it, but my signature is on it. It does not look as though—when I say my signature, my name is on it. It does not look as though it is my signature. It could very well be. It could have been one of my secretaries or somebody else signed it with my permission.

The CHAIRMAN. All right. It may be made exhibit 19.

(The document referred to was marked "Exhibit No. 19" for reference and may be found in the files of the select committee.)

Mr. KENNEDY. It says in the letter that McMasters was promoted to the position of "paid business representative on December 19, 1941." At that time he was under indictment, at the time that you promoted him to paid business representative.

Mr. WILLIAMS. Where is that, Mr. Kennedy?

Mr. KENNEDY. The bottom of the first page.

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

Mr. KENNEDY. Prior to that, in the 1930's, he had 2 other convictions, Mr. Hoffa, 1 for assault and battery, and 1 for larceny of auto tires in 1932.

Senator KENNEDY. Mr. Hoffa, you say you wrote the letter of 1943?

Mr. HOFFA. The letter seems as though I did.

Senator KENNEDY. What was your job?

Mr. HOFFA. President of local 299.

Senator KENNEDY. Well, now, what was your status? This was in regard to the draft?

Mr. HOFFA. That is right.

Senator KENNEDY. What was your status?

Mr. HOFFA. I believe I was 1-A.

Senator KENNEDY. Were you called up?

Mr. HOFFA. No, sir.

Senator KENNEDY. For what reason?

Mr. HOFFA. Did you say for what reason?

Senator KENNEDY. Yes.

Mr. HOFFA. I assume the fact that I was in transportation.

Senator KENNEDY. Did Mr. Bennett write a letter for you?

Mr. HOFFA. I think he must have.

Senator KENNEDY. You must know about that. That would be fairly important, wouldn't it?

Mr. HOFFA. Well, I probably had a letter drafted, I don't recall exactly what Brennan wrote, but he must have had a letter drafted asking for deferment.

Senator KENNEDY. Did you ask him about the letter?

Mr. HOFFA. I did. I am quite sure I did.

Senator KENNEDY. Mr. Ray Bennett, what was his position at that time?

Mr. HOFFA. I would think he would be international organizer.

Senator KENNEDY. And he was in the picture, identified as a member of the bomb squad?

Mr. HOFFA. He was picked up.

Senator KENNEDY. As being a member of the bomb squad?

Mr. HOFFA. I don't know if they listed him as that, as such.

Senator KENNEDY. You saw this picture that was put in as an exhibit?

Mr. HOFFA. No, I did not see the picture, Senator Kennedy.

Senator KENNEDY. I am sorry. Anyway, you know who Mr. Bennett is?

Mr. HOFFA. Yes, I do.

(The photograph was handed to the witness.)

Senator KENNEDY. He wrote the letter in 1943?

Mr. HOFFA. I believe I requested a letter to be drafted.

Senator KENNEDY. He wrote it, in answer to your request?

(The witness conferred with his counsel.)

Mr. HOFFA. I beg your pardon, what did you say?

Senator KENNEDY. He wrote the letter, then, in answer to your request in 1943, is that correct?

Mr. HOFFA. If he wrote the letter, I probably requested him.

Senator KENNEDY. Do you know what was the result of the letter.

Mr. HOFFA. I was not inducted.

Senator KENNEDY. Who wrote one for him?

Mr. HOFFA. Well, I wouldn't know offhand. I don't remember. I think he was the age he probably would not have been drafted.

Senator KENNEDY. Under the emergency power of the general president to conduct a trial when the welfare of the organization demands, section 10A, your powers seem quite vast under the constitution in moving against any of these people. It says:

Whenever charges involving a member or members, officer or officers, local union, joint council, or other subordinate body create, involve or relate to a situation imminently dangerous to the welfare of a local union, joint council, other subordinate body or the international, the general president is empowered, in his discretion, in all cases except where the general executive board has assumed jurisdiction under section 4 of this article, to assume original jurisdiction in such matters, regardless of the fact that charges have been filed with a subordinate body and are pending.

Under such circumstances, the general president shall hold a hearing upon giving not less than 48 hours' notice to the party or parties charged to appear before him at a place and time designated by him.

It seems to me that your powers are extensive. You don't have to rely on this moving from the bottom to the top. You could move in on any occasion. I would think when you have influential officers of your organization come before this committee with damaging testimony before them, where they take the fifth amendment in regard to their use of funds, that that would be a situation that you would feel involved danger to the organization and you would move at once.

Mr. WILLIAMS. What page did you read from, Senator, please?

Senator KENNEDY. 77.

Mr. Hoffa, I don't understand why, when somebody comes before us, and takes the fifth amendment in regard to their use of union funds, you don't immediately decide that that is of danger to the Teamsters, endangers their reputation and endangers your reputation.

You have not moved against one of them.

Mr. HOFFA. I don't know why anybody takes the fifth amendment. They may have reasons of their own. I certainly can't inquire into their minds.

Senator KENNEDY. It does not disturb you when they do?

Mr. HOFFA. It disturbs me to the effect that individuals don't have a right to cross-examine witnesses, and it may get them disturbed to

the point, or to have lawyers representing them where there cannot be questions asked, which are confusing and conflicting, and it would very easily confuse a very honest man in trying to answer many of the questions that are proposed and propounded at this hearing here.

Senator KENNEDY. In other words, your view is that when all of the officers of local 107, Philadelphia, take the fifth amendment, that that does not disturb you because you may feel that honest men can be confused by the questions?

Mr. HOFFA. That is not correct because there is a committee going to investigate the 107 situation.

Senator KENNEDY. Now, will you tell me why it is on all other cases you do not at least, particularly involving union funds or abuse of union position, with the vast powers given to you under the title that I have just read, why it is that you do not immediately proceed to investigate at least to see if they are honest or dishonest?

Mr. HOFFA. Senator, I explained to you a minute ago that I took office February 1. I have had a trial which lasted weeks.

I have had the problems in the international office.

I say in due time this situation in our international union will all be checked into and the constitution will be applied where necessary.

Senator KENNEDY. Mr. Hoffa, that would be a fine assurance, but you do not seem to indicate, either the other day or in your answer today, any great zeal to move in.

You are defending the right to their taking the fifth amendment, which is your privilege and their privilege, but why should anybody take your statement on faith considering your attitude?

Mr. HOFFA. You probably do not realize the fact that we are dealing with hundreds of thousands of people. If a group of our members elect an officer of the local union and he is the man of their choice, it is not as easy as it sounds to go in and yank that man out and put in a trustee of a local union and have all the members become disturbed and dissatisfied with the union.

Senator KENNEDY. I do not think you have to under this section.

Mr. HOFFA. It has to be handled with care.

Senator KENNEDY. You do not have to put them under trustee in this section.

Mr. HOFFA. If you are going to remove the officers and take original jurisdiction, then in my opinion section 6 would come into effect under the president's powers, I believe it is, of trusteeship because until there are hearings on charges I do not believe that you can remove a man without the threat of him being able to go into court and demand that he have a hearing before he is removed.

Senator KENNEDY. Mr. Hoffa, under section 5A, I agree if you are going to remove an officer under that section you would have to put the local under trusteeship, but under section 10A there is no necessity for you to put a local into trusteeship.

You can call for a trial of that officer any time the situation is "imminently dangerous to the welfare of a local union," or other organization.

There is no necessity for you to follow the procedure of placing in trusteeship.

Mr. HOFFA. Out of the experience dealing with local unions it just is not as easy as it sound to be able to do this and it has to be handled

at the opportune time to be able to keep the union intact rather than to have it disrupted.

Senator KENNEDY. I do not know what is more disrupting than to have Duke Corallo holding office in New York City, a responsible office in the union; does that not disturb you?

Mr. HOFFA. I have discussed the matter, I won't say discussed it—I have followed the matter for a considerable period of time. In due time I will take care of it.

Senator KENNEDY. Are you disturbed about it?

Mr. HOFFA. Yes.

Senator KENNEDY. Do you think he should stay in his position?

Mr. HOFFA. I will give him a hearing.

In my opinion after having a hearing the decision will be proper and I question whether or not he will be there.

Senator KENNEDY. When are you going to have the hearing?

Mr. HOFFA. When I get time to have hearings where I am not involved with the Senate committee or courts and I can have a normal operation of the international union.

Senator CURTIS. Mr. Chairman.

Senator IVES (presiding). Senator Curtis.

Senator CURTIS. In regard to your policy of dealing with individuals who take the fifth amendment, were you speaking of all of them, or is there a different policy followed between those that are international representatives serving directly under you, and those who are officers of local unions?

Mr. HOFFA. Senator, I thought I made myself clear on the fifth amendment the first day I was here, that I believe that every man has a right to take the fifth amendment, but in line with his constitutional privilege as an American citizen, where it involved any question of finance we would investigate into it, either as charges came along or as we had time to get into it.

I do not differentiate between international officers and local unions.

Senator CURTIS. The reason I raise the question whether you differentiate, you have pointed out that local officers you have said were elected by the local membership.

But whether or not there are some of these people who took the fifth amendment, representatives of the international appointed by you and your associates—

Mr. HOFFA. Excuse me, just a moment.

(Witness confers with counsel.)

Mr. HOFFA. I do not believe prior to the convention that any international officer took the advantage of the fifth amendment except President Beck, but I believe after the international convention two officers, O'Rourke and Brennan, did take advantage of the fifth amendment and that just happened recently.

Senator CURTIS. I do not think it is good practice. I think the American workmen are entitled to better stewardship.

When Walter Reuther was before this committee Senator Mundt developed the case in reference to his union. There are a number, I do not know how many, individuals who took the fifth amendment. They are still a part of that organization.

I do not believe that is fair to the members; I think they are entitled to something better.

Now, the other day, when you were here, I started to inquire into the Teamsters activity in politics.

Mr. HOFFA. In where?

Senator CURTIS. In politics.

On page 655 of last Thursday's record, I asked you :

Do you have any political activity in reference to the election of judges to State and local courts?

Mr. HOFFA. I am quite sure that we participate in those elections.

Senator CURTIS. Do you in Michigan?

Mr. HOFFA. Yes.

Senator CURTIS. Any other States?

Mr. HOFFA. I wouldn't want to get committed, but I would assume so.

Then we proceeded to develop the point that some of this support came from general funds made up from initiation fees and dues.

Later on on the next page I asked you :

Do you engage in politics in the election of any officials connected with schools and education?

Mr. HOFFA. Yes.

Now, I rather think that this political activity of unions goes to the very heart of all of this investigation by this committee. It is not only the Teamsters Union. We took the testimony of the situation in New York City, the "paper" locals, some of which were Teamsters, some of which were others.

We have investigated the Carpenters. We have investigated the Operative Engineers. We have investigated the Kohler strike, the Perfect Circle strike. Where we have gone into it we have found that these unions have contributed to the campaign funds of prosecutors and mayors and judges and I just am thoroughly convinced that this same full record that has been built up here now for over a year and a half could not have happened unless there is a liaison between people in offices and the offenders.

The Chicago Restaurant Association was a typical example.

Now, you have answered about judges and school officials. Do the Teamsters engage in politics in reference to the election of prosecuting attorneys?

Mr. HOFFA. Yes. I am talking now about the locals that I know about. I can't say nationwide.

Senator CURTIS. Where are those locals located?

Mr. HOFFA. I will talk about Detroit.

Senator CURTIS. Do the Teamsters take part in the election of mayors?

Mr. HOFFA. Yes.

Senator CURTIS. Have you been successful in electing your people, your prosecuting attorneys?

Mr. HOFFA. I would not consider them our people.

Senator CURTIS. The people you supported?

Mr. HOFFA. In some instances, yes; in some instances, no. There is no pattern one way or the other.

Senator CURTIS. Do all the labor forces in Michigan unite in whom they are going to support?

Mr. HOFFA. Once in a while we can agree on a candidate. Many times we cannot agree on a candidate for a particular office, but each organization will reserve the right to go for its own if we could not agree.

Senator CURTIS. Do you participate in politics by contributions and otherwise in the election of members of the State legislature?

Mr. HOFFA. Yes.

Senator CURTIS. Have you elected some of those people that you have endorsed and supported?

Mr. HOFFA. Some of them have been elected that we endorsed; yes.

Senator CURTIS. Has the Teamsters Union participated in elections for governor, the Governor of the State of Michigan?

Mr. HOFFA. Yes.

Senator CURTIS. Has the Teamsters Union supported the present Governor of Michigan?

Mr. HOFFA. We did at one time.

Senator CURTIS. How long ago was that?

Mr. HOFFA. I think it was the first 2 or 3 terms.

Senator CURTIS. That takes me back to the Monaco case and some of these other efforts to get action in that State on extradition into the sister State of Wisconsin.

I think at that time also we developed a record of pardons and preferential treatment.

Now, certainly this record of violence and corruption and beating people up in union meetings and all of that just couldn't go on if unions were treated like other citizens. But they are given special privileges.

We had the account of the restaurant man here from Chicago who told of all of his harassment, appealing to a State trooper to help him. He said that the Governor called him off.

That just would not happen if there was not an alliance between politics and those few in the labor movement who are criminals.

Now, has the Teamsters Union taken any part in Federal elections?

Mr. HOFFA. Around the country, I imagine we have.

Senator CURTIS. Have you in Michigan?

Mr. HOFFA. I don't know. I am not the chairman of the political action committee, and I couldn't answer whether or not we did or didn't, specifically. I think you would have to ask the chairman of the political action committee that question.

Senator CURTIS. Now, is that a separate committee?

Mr. HOFFA. Well, it is a designated person. Brennan is chairman of the political action committee. I think you would have to ask Brennan that question.

Senator CURTIS. Do you have a special fund set up for it?

Mr. HOFFA. For politics?

Senator CURTIS. Yes.

Mr. HOFFA. I believe when we have a political campaign that we contribute money to the various local unions, sometimes the business agents, so far as contributing to the various representatives or candidates for office of political parties.

Senator CURTIS. Now, in these special funds, are those funds raised entirely by voluntary contributions of individual members?

Mr. HOFFA. In our particular instance, they would be dues and initiation fees when it came to the election of State, county, or city employees.

Senator CURTIS. And that is not prohibited by law in Michigan?

Mr. HOFFA. Not to my knowledge.

Senator CURTIS. Now, any money that goes into the election of Federal officers, does any of that money come from dues or initiation fees?

Mr. HOFFA. I say not to my knowledge. I think you would have to ask Mr. Brennan that question, since he is political action chairman and he handles the contributions on that basis.

Senator CURTIS. I would like to know the answers to that, not only for the Teamsters' Union, but for unions at large, because the admitted contributions, those filed by various union affiliates where there are several of these union-designated outfits that will contribute to a particular candidate in four figures, that I just do not believe that that money is raised by voluntary contributions of the workers. I think that the union dues money is going into Federal elections from violations of Federal law. There has not been a Federal election since you were made president of the Teamsters, has there?

Mr. HOFFA. Just recently, there were some nominations around the country.

Senator CURTIS. Primaries?

Mr. HOFFA. Primaries, yes.

Senator CURTIS. If you mean business in this cleanup of unions, generally, you can make a great contribution by doing something that no other labor-union leader has done yet, come in here and tell the Congress how they can make effective, more effective, the present prohibitions of Federal laws for unions to spend money in politics. Until we stop that, there will not be any Federal legislation that will go to the very real heart of any of these abuses that have arisen, where it involves money or violence or bankrupting of somebody by methods of the union or otherwise.

That is all, Mr. Chairman.

Senator IVES. Mr. Chairman.

The CHAIRMAN. Senator Ives.

Senator IVES. I would like to follow up Senator Curtis' peroration.

I take it, Mr. Hoffa, you are a pretty practical political operator, among other things.

Mr. HOFFA. Tentatively.

Senator IVES. I gather so. I would like to ask you a simple question, one which I have discussed with leaders of organized labor over the years. Is it your idea that you actually control the votes of the members of these organizations and their wives?

Mr. HOFFA. Senator, the best answer is many candidates that we expressed to our membership for the candidates should be elected were defeated. So, I would say that we do not control the member nor his wife nor his relatives concerning his right to vote whom he wants. I think, ultimately, even though he listens to us, when he walks into the booth he expresses his own desire and right of choice as to whom he wants to be elected.

(At this point, the following members were present: Senators McClellan, Ives, Ervin, Church, Kennedy, Goldwater, and Curtis.)

Senator IVES. That has been the response I have received invariably from the labor leaders with whom I have talked. They don't claim for 1 minute that they can control these votes. In fact, I think the best evidence that they do not control the votes is the last election

of President Eisenhower, when all of the leadership of organized labor went out against President Eisenhower, and he won by such a sweeping majority. Apparently, the wives did not go along and a lot of the men did not go along. I don't really think you help yourselves with this effort.

Mr. HOFFA. Well, I think that the membership are entitled to the views of the officers who represent them. I think that the membership is entitled at meetings to either authorize the officers, in general or specifically, to support certain candidates.

Senator IVES. You follow the theory, of course, of Samuel Gompers?

Mr. HOFFA. Take care of your friends and attempt to whip your enemies; yes.

Senator IVES. I think you do. I think that is perfectly all right. I wouldn't argue about that at all. But I think, when you go any further than that, politically, you are making a mistake, for your own sake and everybody else's.

Mr. HOFFA. I haven't made it a practice of being a one-party man.

Senator IVES. I am not talking about you, personally.

The CHAIRMAN. All right.

Mr. KENNEDY. I also want to ask you, Mr. Hoffa, whether you took any action against Jack Thompson, also of local 332, who has just been arrested in connection with the matter involving Frank Kierdorf, of Flint, Mich.

Mr. HOFFA. The matter is under investigation by the police department. There have been no charges filed yet.

Mr. KENNEDY. I am talking about after he testified before our committee.

Mr. HOFFA. The fifth amendment?

Mr. KENNEDY. Yes.

Mr. HOFFA. No; I did not.

Mr. KENNEDY. It was not just the fifth amendment, Mr. Hoffa. We developed some extensive information regarding Thompson. He had also given the committee an affidavit in which he said that he had accepted the hospitality of George Kamenow, on various trips. Then, when he appeared before the committee, he took the fifth amendment. But we developed information that there was collusion and that there were shakedown of various employers in Flint, Mich. Did you take any action against Mr. Thompson then?

Mr. HOFFA. I have not. I know that Thompson went in front of his membership after he attended this meeting, so he told me, and explained to his membership that he had taken the fifth amendment.

Mr. KENNEDY. But you did not take any action to have him removed?

Mr. HOFFA. No; I did not.

Mr. KENNEDY. We had before the committee the fact that the automobile from local 332 was the automobile that was used to attempt to run down one of the employees of one of companies up there, an attempted killing. Did you take any action against Thompson or Frank Kierdorf in connection with that?

Mr. HOFFA. I think it is the responsibility of the Flint Police Department to handle the situation concerning that. I don't recall any arrest made in that particular incident.

Mr. KENNEDY. I am asking you whether you took any action, Mr. Hoffa?

Mr. HOFFA. I did not.

Mr. KENNEDY. As well as taking the fifth amendment, and the other material that we developed about him, his police record goes back to 1930, when he was sent to boys' vocational school at Lansing for breaking and entering. He served 2 years. In 1935, arrested for unlawfully driving away in an automobile, he was sentenced to 3 years' probation. In 1937, breaking and entering in the nighttime, he pleaded guilty and was sentenced to 5 years' probation. In 1937, arrested for armed robbery, he pleaded guilty and received a sentence of 4 to 25 years in the southern Michigan prison at Jackson, Mich. In 1941 he was paroled. There is a man with an extensive criminal record. Once again armed robbery, and he ends up as a business agent of local 332. We develop information about him before the committee, the fact that he is shaking down employers, with George Kamenow, of the Shefferman organization, he and Frank Kierdorf. And you don't take any action whatsoever; you don't even look into the matter. Did you or not?

Mr. HOFFA. There has been no charges lodged against Jack Thompson.

Mr. KENNEDY. Do you know George Kamenow yourself?

Mr. HOFFA. I do.

Mr. KENNEDY. How long have you known George Kamenow, of the Shefferman organization?

Mr. HOFFA. Well, a considerable number of years. How many I don't know, offhand.

Mr. KENNEDY. Well, approximately how many?

Mr. HOFFA. Better than 5. I will put it that way.

Mr. KENNEDY. Ten years?

Mr. HOFFA. It could be. I can't recall how long I know George.

Mr. KENNEDY. Did you ever have any business dealings with him?

Mr. HOFFA. Business dealings with him?

Mr. KENNEDY. Yes.

Mr. HOFFA. I bought a television set from him; yes.

Mr. KENNEDY. When was that?

Mr. HOFFA. Maybe 2 or 3 years ago.

Mr. KENNEDY. How did you pay for that?

Mr. HOFFA. Cash.

Mr. KENNEDY. Do you have any records to show you paid for it?

Mr. HOFFA. I do not.

Mr. KENNEDY. You bought a television set?

Mr. HOFFA. Yes; portable.

Mr. KENNEDY. Of course, we can't find the answer to that from him, because he appeared before the committee and took the fifth amendment, so we can't go into that.

Did you get anything else from him?

Mr. HOFFA. I may have got a Christmas present from him.

Mr. KENNEDY. When was that?

Mr. HOFFA. I don't know. I am saying he may have. I don't recall. It would not be anything extensive.

Mr. KENNEDY. How much did you pay for the television set?

Mr. HOFFA. I believe that it was \$100, if I am not mistaken. Somewhere around there.

Mr. KENNEDY. You don't have any records on it?

Mr. HOFFA. No, I do not.

Mr. KENNEDY. Have you had any other business dealings with him?

Mr. HOFFA. I can't recall of any that I had with George.

Mr. KENNEDY. Why didn't you just buy the television set directly?

Mr. HOFFA. I think I got it at a discount, if I remember right.

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

Mr. KENNEDY. Is he a personal friend of yours?

Mr. HOFFA. They are friendly acquaintances. He is not a personal friend, no. He is more or less of a business acquaintance.

Mr. KENNEDY. He has discussed contracts with you?

Mr. HOFFA. Definitely.

Mr. KENNEDY. He has.

Have you ever received any money from him?

Mr. HOFFA. I have not.

Mr. KENNEDY. Have you ever received any money directly or indirectly from him?

Mr. HOFFA. I think if you are talking about money, I want to correct the situation. I say I may have got a gift certificate from him. I don't know, for Christmas.

Mr. KENNEDY. What did you get from him?

Mr. HOFFA. I don't recall. It may have been a gift certificate.

Mr. KENNEDY. You have only known him for 5 years. You should remember that.

Mr. HOFFA. I don't recall.

Mr. KENNEDY. Did you or did you not—

Mr. HOFFA. I don't recall. I say he may have given me a gift certificate or a gift for Christmas. I don't recall.

Mr. KENNEDY. Did you get anything else from him, directly or indirectly?

Mr. HOFFA. I can't recall anything else George ever gave me. Well, yes, I guess he did. He gave me a fishing tackle outfit, I believe.

Mr. KENNEDY. When was that?

Mr. HOFFA. I think 2 or 3 years ago.

Mr. KENNEDY. How much was the gift certificate for?

Mr. HOFFA. I don't remember.

Mr. KENNEDY. Anything else other than the television set?

Mr. HOFFA. I can't recall of a thing.

Mr. KENNEDY. And a fishing tackle and possibly the gift certificate?

Mr. HOFFA. I can't recall of a thing.

Mr. KENNEDY. You didn't get any money from him directly or indirectly?

Mr. HOFFA. No cash money from Kamenow.

Mr. KENNEDY. Has he visited at your home?

Mr. HOFFA. I don't think George was ever at my home. Well, now, maybe he was at my cottage one Sunday. I don't know. It was not a regular habit. If he was there, he just dropped in and spent the time of day and went about his business. It would not be a regular habit. I don't even think that happened, though it might have.

Mr. KENNEDY. Have you visited his home?

Mr. HOFFA. No; I don't think I was ever in George's house.

Mr. KENNEDY. You and Bert Brennan own the Lake 13 Hunting and Fishing Club?

Mr. HOFFA. Hobren Corp. owns it.

Mr. KENNEDY. You own Hobren Corp.?

Mr. HOFFA. My wife and Brennan's wife has the stock in the company.

Mr. KENNEDY. Your wife and Brennan's wife owns Lake 13 Hunting Club; is that right?

Mr. HOFFA. Hobren Co. owns it, and they have stock in Hobren Co.

Mr. KENNEDY. Then they own the Hobren Co.?

Mr. HOFFA. Yes.

Mr. KENNEDY. Any questions about Lake 13 you are going to have to ask your wife?

Mr. HOFFA. Not that I know; any question you would have to ask her.

Mr. KENNEDY. Do you know about Lake 13?

Mr. HOFFA. Certainly I know about it.

Mr. KENNEDY. Do you have outsiders other than union members as members of the Lake 13 Hunting and Fishing?

Mr. HOFFA. Yes, we do.

Mr. KENNEDY. Who do you have?

Mr. HOFFA. Well, I believe George Kamenow is a member.

Mr. KENNEDY. That is the same George Kamenow we have just been discussing?

Mr. HOFFA. That is right. Well, I don't know who all are members. You have the list. Bellino got it.

Mr. KENNEDY. Who else?

Mr. HOFFA. I can't tell you. You show me the list. Bellino has it. I can read it off and tell you.

Mr. KENNEDY. We are trying to get some information from you.

Mr. HOFFA. Well, I can't recall offhand who are the members, since I do not handle that particular situation.

Mr. KENNEDY. Who handles it?

Mr. HOFFA. Walter Schuler.

Mr. KENNEDY. What about Ben Dranow?

Is he also a member?

Mr. HOFFA. Ben has been there. I don't know whether he is a member or not. He may be a member, but I don't know, offhand.

Mr. KENNEDY. He is from the Thomas Department Store?

Mr. HOFFA. That is right.

Mr. KENNEDY. That is the Thomas Department Store that you advanced \$1,200,000 to?

Mr. HOFFA. Well, we advanced two loans to him; yes.

Mr. KENNEDY. \$1,200,000?

Mr. HOFFA. Well, he paid 1 loan back out of the \$1 million. He paid back the first loan, so it was a million dollar loan. But he paid the original money back that he borrowed out of the second loan he received.

Mr. KENNEDY. What is the status of the Thomas Department Store at the present time?

Mr. HOFFA. It is an operating business.

Mr. KENNEDY. Has it gone into bankruptcy?

Mr. HOFFA. I was informed that it is not in bankruptcy, that there is some kind of a credit arrangement under some chapter of law. I don't know exactly what it is.

Mr. KENNEDY. It is a chapter 11 procedure, is it not?

Mr. HOFFA. I don't know. Just a moment. I can find out for you. (The witness conferred with his counsel.)

Mr. HOFFA. Yes; I am told it is.

Mr. KENNEDY. Isn't that correct?

Mr. HOFFA. It is in bankruptcy or receivership. It is in bankruptcy court anyway, is it not?

(The witness conferred with his counsel.)

Mr. HOFFA. I am advised that it is in Federal court, and there is an arrangement made between the creditors and the company which has been approved, I understand, by the court.

Mr. KENNEDY. That is bankruptcy court, is it not?

Mr. HOFFA. It is under that type of law; yes. I am not familiar with it.

Mr. KENNEDY. We have been looking for Ben Dranow, to whom this money went. Can you tell us where Ben Dranow is?

Mr. HOFFA. The last I heard of him he was in New York.

Mr. KENNEDY. How long ago was that?

Mr. HOFFA. About 3 weeks ago—I think I talked to him—2 or 3 weeks ago.

Mr. KENNEDY. Do you know where he is now?

Mr. HOFFA. No; I don't. I have not heard from him for about 2 or 3 weeks.

Mr. KENNEDY. We have been looking for him for about 3 weeks and have not been able to find him.

Mr. HOFFA. I think he was in New York.

Mr. KENNEDY. Whereabouts was he in New York?

Mr. HOFFA. I don't know. He called me, if I remember correctly.

Mr. KENNEDY. If you talk to him again, would you tell him we are looking for him?

Mr. HOFFA. I will be very happy to inform him of that, Mr. Kennedy.

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

Senator KENNEDY. Mr. Dranow owns the store to which the loans were given; is that correct? He controls it?

Mr. HOFFA. He controls it. Whether or not he owns all of the stock or not, I don't know.

Senator KENNEDY. The \$200,000 was from where?

Mr. HOFFA. Michigan Council of Teamsters.

Senator KENNEDY. And the million dollar loan?

Mr. HOFFA. The Central Conference.

Senator KENNEDY. Did you approve both of them?

Mr. HOFFA. The trustees did. I was one of the trustees in the Central Conference.

Senator KENNEDY. With George Fitzgerald?

Mr. HOFFA. George is not a trustee.

Senator KENNEDY. You were a trustee and you approved the two loans?

Mr. HOFFA. No; I was not a trustee on the Michigan loan, but I was a trustee on the Central Conference loan.

Senator KENNEDY. Did you discuss both loans with those who were in positions of responsibility as trustees?

Mr. HOFFA. I did.

Senator KENNEDY. In other words, you gave your support to the loan?

Mr. HOFFA. Yes.

Senator KENNEDY. And how much did Dranow have invested in the company?

Mr. HOFFA. I couldn't tell you.

Senator KENNEDY. Isn't it a fact he only had \$14,000?

Mr. HOFFA. I don't know. He may have only had that. I think at that time he was only a representative of the company but became the owner of the company.

Senator KENNEDY. He bought his share for \$14,000. Wasn't that his equity in the company?

Mr. HOFFA. I couldn't tell you if it is or isn't, Senator Kennedy; I don't know.

Senator KENNEDY. According to the testimony, he had invested \$14,000, with which he took control. Then you loaned him, or the Teamsters' organization in Michigan, of which you are the dominant figure, loaned him \$200,000 and \$1 million, and now the company is in the bankruptcy court. I don't think that is a very safe loan.

Mr. HOFFA. There is sufficient collateral as a real-estate loan, even if it wasn't an operating company, to be considered a good loan for a welfare fund in our opinion as trustees.

Senator KENNEDY. When the \$200,000 was loaned, I am informed by the counsel a strike was going on at that time. Do you know of that?

Mr. HOFFA. The Retail Clerks.

Senator KENNEDY. Your organization loaned him the money, the \$200,000, at a time the strike was in effect against them?

Mr. HOFFA. That is right.

Senator KENNEDY. Do you think that is a good idea, Mr. Hoffa?

Mr. HOFFA. I don't know what one has to do with the other.

Senator KENNEDY. This loan was not just because it looked like such a good investment, was it?

Mr. HOFFA. We considered it a good investment.

Senator KENNEDY. What about Mr. Bushkin; what was his job in it?

Mr. HOFFA. I don't believe he had any job, except the fact that he knew Dranow.

Senator KENNEDY. Was he labor-relations adviser?

Mr. HOFFA. I can't answer that.

Senator KENNEDY. Didn't he help settle the strike with the Retail Clerks?

Mr. HOFFA. He discussed the strike, but I don't know whether or not he was retained by Dranow.

Senator KENNEDY. Did he discuss the loan with you?

Mr. HOFFA. Bushkin didn't discuss the loan with me.

Senator KENNEDY. He never discussed the loan?

Mr. HOFFA. Not with me.

Senator KENNEDY. In other words, though, isn't it a fact that Mr. Bushkin was active in settling the strike with the Retail Clerks and was labor-relations adviser for this company?

Mr. HOFFA. I don't know if he was labor-relations adviser, but he was active in helping settle the strike.

Senator KENNEDY. In other words, so I get it clear, the \$200,000 was loaned at the time the strike was in effect?

Mr. HOFFA. That is right.

Senator KENNEDY. Then a million dollars was loaned?

Mr. HOFFA. That is right.

Senator KENNEDY. Mr. Dranow was the dominant figure, the owner; his own equity in the company was \$14,000. Mr. Bushkin, who took the fifth amendment the other day in regard to his financial dealings, had some relationship with the company.

Mr. HOFFA. I don't think that Dranow was the owner of the company at the time of the first loan. I believe he was the manager of the company.

Senator KENNEDY. When the million dollars was loaned, he was the owner?

Mr. HOFFA. I don't know if he owned all of the company or not.

Senator KENNEDY. He was the controlling owner.

Mr. HOFFA. I believe he was the controlling owner.

Senator KENNEDY. His total investment was \$14,000.

Mr. HOFFA. I don't know that. I can't answer that.

Mr. KENNEDY. I might say, also, that we have developed the fact that, at the time the bombings were planned, the dynamitings were planned, Mr. Dranow and Mr. Gerald Connelly were in Miami, Fla., staying at a hotel in adjoining rooms.

The call giving the instructions for the bombing was made out of Gerald Connelly's room; that the bill for Gerald Connelly and Ben Dranow at that time was paid by the Thomas department store, and Gerald at that time was a union official.

After Gerald Connelly got into difficulty and was arrested, Mr. Dranow paid \$25,000 in cash while he was running the Thomas department store to defend Gerald Connelly in connection with the dynamiting.

How long have you known Ben Dranow?

Mr. HOFFA. I think 3 or 4 years.

Mr. KENNEDY. Who introduced you to him?

Mr. HOFFA. Dranow wrote a letter to our office, requesting an interview concerning a loan for their company. A lawyer from Minneapolis came with him, I think St. Paul, came with him to our office.

Mr. KENNEDY. And you met him at that time?

Mr. HOFFA. Right.

Mr. KENNEDY. Who was the lawyer?

Mr. HOFFA. I think it was a fellow named Davis, if I am not mistaken. I think it was a man named Davis.

Mr. KENNEDY. Have you ever had any business dealings with Ben Dranow?

Mr. HOFFA. Have I been in business with him?

Mr. KENNEDY. Have you had any business dealings of any kind.

Mr. HOFFA. I never have had.

Mr. KENNEDY. Have you had any financial dealings of any kind with him?

Mr. HOFFA. Only to the extent I bought a fur piece off him; that is all.

Mr. KENNEDY. When did you buy the fur piece?

Mr. HOFFA. Maybe a year ago; maybe 2 years; I don't know which.

Mr. KENNEDY. How much money did you pay for that?

Mr. HOFFA. Five hundred dollars.

Mr. KENNEDY. How did you pay for it?

Mr. HOFFA. Cash.

Mr. KENNEDY. Do you have any records to show you paid for it?

Mr. HOFFA. I don't know if I have the receipt or not. I might have a receipt.

Mr. KENNEDY. From whom?

Mr. HOFFA. It would be, necessarily, from him.

Mr. KENNEDY. Did you get the fur piece directly from him?

Mr. HOFFA. Yes.

Mr. KENNEDY. Why did you not turn it over when we subpoenaed all your records?

Mr. HOFFA. Turn what over?

Mr. KENNEDY. If you had such a receipt?

Mr. HOFFA. Turn what over?

Mr. KENNEDY. Why didn't you turn the receipt over to the committee?

Mr. HOFFA. I said I don't know if I have one or not. I may have.

Mr. KENNEDY. We subpoenaed all your records. If you had such a receipt, why didn't you turn it over to the committee?

Mr. HOFFA. I haven't been able to find it. It may be around somewhere.

Mr. KENNEDY. Do you have any documents you know of to show you paid \$500 for the fur piece you got from Ben Dranow?

Mr. HOFFA. I can't tell you that.

Mr. KENNEDY. Did Mr. Dranow also get something?

Mr. HOFFA. I don't know.

Mr. KENNEDY. You know he got a fur piece, also?

Mr. HOFFA. I don't know if he did or not. I know he discussed it. I don't know if he completed arrangements or not.

Mr. KENNEDY. Did you get anything else from Ben Dranow?

Mr. HOFFA. I think I bought some sweaters from Dranow, I think he did send me some kind of material for hunting purposes. I can't think what it was, now.

Mr. KENNEDY. When was this?

Mr. HOFFA. I think it was Christmastime.

Mr. KENNEDY. How long ago?

Mr. HOFFA. I think he sent it to me last year.

Mr. KENNEDY. Did you pay for that?

Mr. HOFFA. No; it was a Christmas gift.

Mr. KENNEDY. What was it, again?

Mr. HOFFA. A suite of underwear that fits under the hunting suit; you don't have to wear as heavy clothes.

Mr. KENNEDY. Did you get anything else, other than a suit of underwear?

Mr. HOFFA. No.

Mr. KENNEDY. Nothing else?

Mr. HOFFA. No.

Mr. KENNEDY. Did you have any other financial dealings with him, other than the underwear?

Mr. HOFFA. I can't recall any financial dealings with him other than what I said.

Mr. KENNEDY. Excuse me.

Mr. HOFFA. I said I cannot recall any other financial dealings I had with him, other than that situation except—well, you are talking about me, personally?

Mr. KENNEDY. Well, you or your family?

Mr. HOFFA. No.

Mr. KENNEDY. Whatever ones you know?

Mr. HOFFA. I am thinking of the fact that our lawyer did reimburse Dranow for the \$2,500 he put out for Connelly. Whether or not you consider that a business transaction, I don't know.

Mr. KENNEDY. Was that out of union funds?

Mr. HOFFA. Yes.

Mr. KENNEDY. Who reimbursed him?

Mr. HOFFA. I believe the central conference.

Mr. KENNEDY. What lawyer? You said your lawyer did.

Mr. HOFFA. I am just trying to think what lawyer it was. It might have been Solly Robbins or a fellow by the name of Irving something; I can't think of his last name.

Mr. KENNEDY. Nemeroff?

Mr. HOFFA. That could be the one.

Mr. KENNEDY. You also told us you had bought some things, obtained some things through Bushkin. Will you tell us about that?

Mr. HOFFA. What did I say I obtained through Bushkin?

Mr. KENNEDY. You said you bought some material wholesale, or bought some things wholesale through Bushkin.

Mr. HOFFA. I didn't tell you that.

Mr. KENNEDY. Yes; you did.

Mr. HOFFA. Where did I say it?

Mr. KENNEDY. We can look it up. You don't remember that?

Mr. HOFFA. I don't recall it.

Mr. KENNEDY. Did you or did you not?

Mr. HOFFA. I don't recall getting anything from Bushkin.

Mr. WILLIAMS. I think, in fairness, we ought to direct the witness' attention to that part of the record.

Mr. KENNEDY. I think he made that statement.

Mr. HOFFA. I don't think I did. I can't recall buying anything from Bushkin on that basis.

Mr. KENNEDY. You did not do such a thing; you didn't get anything through Bushkin?

Mr. HOFFA. I don't recall getting anything through him. It wasn't anything of major importance, if I did.

Mr. KENNEDY. We can look it up. Did Holtzman buy you anything? Did you have any financial dealings with Holtzman?

Mr. HOFFA. I borrowed some money from Holtzman.

Mr. KENNEDY. Other than borrowing the money?

Mr. HOFFA. When I first bought my house, I believe, now I think about it, I think Holtzman and Bushkin did give me some equipment for my recreation room; tables and chairs.

Mr. KENNEDY. They gave that to you?

Mr. HOFFA. I believe they did.

Mr. KENNEDY. When was that?

Mr. HOFFA. It must have been 1941, 1942, 1943; somewhere around there, when I set up a recreation room.

Mr. KENNEDY. Now, anything else?

Mr. HOFFA. I can't think of anything else.

Mr. KENNEDY. Mr. Hoffa, we are talking about loans. What about the loans from Bitonti?

Mr. HOFFA. What about it?

Mr. KENNEDY. You made the loan of some \$40,000 to Mr. Bitonti?

Mr. HOFFA. Right.

Mr. KENNEDY. Why was the note signed for \$50,000?

Mr. HOFFA. Because he had a potential borrowing of up to \$50,000. He only wanted \$40,000. He could have borrowed up to \$50,000.

Mr. KENNEDY. Did he actually borrow 40 and pay 50 back?

Mr. HOFFA. He borrowed 40 and paid interest. What the interest amounted to, I don't know.

Mr. KENNEDY. But he did borrow \$40,000 and \$50,000 back in principal?

Mr. HOFFA. He paid \$40,000 back that he borrowed.

Mr. KENNEDY. If he was only receiving \$40,000, why would he make a note out for \$50,000?

Mr. HOFFA. I just told you.

Mr. KENNEDY. He could write a second note when he received the \$10,000?

Mr. HOFFA. He had the potential borrowing up to \$50,000.

Mr. KENNEDY. Did you have any financial dealings with Bitonti? He received \$40,000 on a loan from the union and has been arrested 23 times. Did you have any financial dealings with him?

Mr. HOFFA. No; I didn't have any financial dealings with him that I can ever recall.

Mr. KENNEDY. Did you receive anything from him directly or indirectly, money, gifts?

Mr. HOFFA. At Christmas time I received a gift certificate occasionally from Bitonti.

Mr. KENNEDY. How much?

Mr. HOFFA. I suppose \$20, \$30, \$50, maybe \$100.

Mr. KENNEDY. When was that, last Christmas?

Mr. HOFFA. No; several years ago.

Mr. KENNEDY. Just one Christmas?

Mr. HOFFA. No; Bitonti has a habit of giving Christmas gifts. It may have been 2, 3, 4 times. I don't know.

Mr. KENNEDY. Is there anything else you received from him?

Mr. HOFFA. Not that I recall receiving from Bitonti; no.

Mr. KENNEDY. Were you ever in any business dealings together?

Mr. HOFFA. I don't recall any business dealings with Bitonti; no.

Mr. KENNEDY. Never made any investments together?

Mr. HOFFA. I don't believe so; no.

Mr. KENNEDY. About the time of the loan that he received from the union, you weren't in any dealings together?

Mr. HOFFA. No; not to my knowledge. I am sure we weren't.

Mr. KENNEDY. Did you make an investment in the North American Rare Metals Co.?

Mr. HOFFA. That is right, a stock company.

Mr. KENNEDY. Was Mr. Bitonti in that?

Mr. HOFFA. He has stock in it, but he is not part of the company as far as I know.

Mr. KENNEDY. Does Mr. Bert Brennan own that?

Mr. HOFFA. I think he has some stock in it.

Mr. KENNEDY. Will you identify this and this?

Mr. HOFFA. I think I listed that with you the last time I was here.

The CHAIRMAN. The Chair presents to you a photostatic copy of a document. Will you please examine it and state if you identify it.

Mr. HOFFA. Could I inquire when the loan was made to Bitonti?

Mr. KENNEDY. The money came to him on July 17, 1953, and 8-10-53.

(Witness confers with his counsel.)

(At this point, the following members were present: Senators McClellan, Ives, Ervin, Church, Kennedy, Goldwater, Curtis.)

The CHAIRMAN. You have examined the document, Mr. Hoffa? You identify it?

Mr. HOFFA. I don't know if I ever saw it or not. I may have saw the document. I don't remember ever seeing it. I recognize the name of one of the men on there, Lou Cadesky, as a fellow who I did business with, buying some stock.

I think Bitonti bought stock in the same company.

The CHAIRMAN. The document may be made exhibit 20 for reference.

(The document referred to was marked "Exhibit No. 20" for reference and may be found in the files of the select committee.)

The CHAIRMAN. You may interrogate the witness about it.

Mr. KENNEDY. This is the North American Rare Metals, and it has as one of its directors Mr. Owen Bernard Brennan, union executive, Wilcox Road, Plymouth, Mich.

Then it states on page 2:

The particulars relating to the acquisition of the property of the company are as follows: Section 3: Arthur James McLaren, Toronto, Ontario; Donald John Birse, Winnipeg, who are associated with the vendor in the staking and acquisition of the claim group.

Andrew Robertson, 60 Highland Avenue, Toronto, Ontario; * * * John Bitonti.

John Bitonti, Dearborn, Mich.; Owen Bert Brennan, Plymouth, Mich., and James Hoffa, are the only persons who received or are entitled to receive from the vendor a greater than 5 percent interest in the consideration paid for the claim group aforesaid.

You evidently were in this business together, Mr. Hoffa.

Mr. HOFFA. No, that isn't necessarily true.

Mr. KENNEDY. Did you know he was in it?

Mr. HOFFA. I said that before. But Bitonti isn't any director, I don't believe, or any owner, other than—

Mr. KENNEDY. Mr. Bert Brennan is a director.

Mr. HOFFA. I believe he was.

Mr. KENNEDY. The only three people who are listed here are people who have a special interest in this company, Owen Bert Brennan, James Hoffa, and John Bitonti.

Mr. WILLIAMS. That is not accurate. I have not got the document before me, but I know from my recollection that that is not correct. If you are going to quote from the document, you ought to quote accurately.

Mr. KENNEDY. Mr. Williams, I am quoting it.

Mr. WILLIAMS. May we have the document?

Mr. KENNEDY. Yes; you may.

(The document was handed to the witness.)

(The witness conferred with the counsel.)

Mr. WILLIAMS. Your question was that according to the document the only three people who had a special interest in it were Brennan, Hoffa, and Bitonti, and you were reading from the second page of the document?

Mr. KENNEDY. That is correct; yes.

Mr. WILLIAMS. That is not the way I read the document, Mr. Kennedy, because I can count——

Mr. KENNEDY. Read the paragraph.

Mr. WILLIAMS. All right. I will read it.

Arthur James McLaren, 2601 Bathurst Street, Toronto, Ontario; Donald John Birse, 609 Agnes Street, Winnipeg, Manitoba, who were associated with the vendor in the staking and acquisition of the claim group. Andrew Robertson, 60 Highland Avenue, Toronto, Ontario; Dr. Leon Fred Simon, 2640 John R. Street, Hazel Park, Mich., U. S. A.; John Bitonti, 6865 Oakman Boulevard, Dearborn, Mich., U. S. A.; Owen Bernard Brennan, 41801 Wilcox Road, Plymouth, Mich., U. S. A.; and James Hoffa, 16154 Robson Avenue, Detroit, Mich., U. S. A., are the only persons who received or are entitled to receive from the vendor a greater than 5 percent interest in the consideration paid for the claim group aforesaid.

So I count seven names, Mr. Kennedy.

Mr. KENNEDY. I thought there was a separation between John Bitonti and the other two names. So there are 6 people instead of just 3.

The principle, I believe, is the same, that you people had the primary interest in this organization. What I am trying to find out is whether you were aware of this fact and whether you went in business with John Bitonti.

Mr. HOFFA. I didn't go in business with anybody. I simply had stock in the concern.

Mr. KENNEDY. Did you discuss it with him, that you were going to have an interest in the rare metals?

Mr. HOFFA. Well, I knew that Bitonti had it, and we certainly discussed it as time went on.

Mr. KENNEDY. Then how did Owen Bert Brennan become a director of it?

Mr. HOFFA. I imagine the board of directors or the people in charge of the company made him a director.

Mr. KENNEDY. The situation is this, Mr. Hoffa, that he received a loan, as we developed last week, under rather suspicious circumstances; he had been arrested 23 times; he received a loan from your union; the loan stated that he was to repay \$50,000; he only received \$40,000 from the union.

And then the 3 of you, Owen Bert Brennan, John Bitonti, and James Hoffa, end up as 3 of possibly 6 people who have a special arrangement in the North American Rare Metals.

Mr. HOFFA. I think you ought to ask Lou Cadesky to give you the information, because he would be the only man who could give it to you. I could not give it to you.

Mr. KENNEDY. He is up in Canada.

Mr. HOFFA. Well, I think he can be reached. He comes back and forth to the United States quite regularly.

(At this point Senator Ervin withdrew from the hearing room.)

Mr. KENNEDY. Who interested you in it?

Mr. HOFFA. Cadesky.

Mr. KENNEDY. He came down to Detroit?

Mr. HOFFA. That is right.

Mr. KENNEDY. Did you have meetings with John Bitonti in connection with it?

Mr. HOFFA. Bitonti and Cadesky both were there, yes, when we discussed the question of us buying stock in it.

Mr. KENNEDY. Did the three of you have a meeting with him; is that right?

Mr. HOFFA. Bitonti came in with Cadesky, and discussed the question of the prospects of this stock, and out of that discussion we bought some stock.

Mr. KENNEDY. Did you make a loan to Ahmed Abass?

Mr. HOFFA. Yes.

Mr. KENNEDY. How much money did you advance to Ahmed Abass?

Mr. HOFFA. I don't know offhand. The record will have to speak for itself. I have not got the record here.

Senator KENNEDY. Mr. Hoffa, on this previous deal, how did you pay for your share of the investment?

Mr. HOFFA. Cash.

Senator KENNEDY. How much?

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

Mr. HOFFA. Well, I think \$7,500.

Senator KENNEDY. What did you do, buy cashier's checks?

Mr. HOFFA. No.

Senator KENNEDY. Who did you give the cash to?

Mr. HOFFA. Lou Cadesky.

Senator KENNEDY. You gave it outright to him in cash?

Mr. HOFFA. I think it was Lou in the office that I gave the cash to.

Senator KENNEDY. Where did you get the \$7,500 in cash?

Mr. HOFFA. An accumulation of savings.

Senator KENNEDY. You keep it at home; do you?

Mr. HOFFA. I keep it around the office or home, wherever it is convenient.

Senator KENNEDY. You just carried \$7,500 in cash in and gave it to him?

Mr. HOFFA. That is right.

Senator KENNEDY. Did he give you a receipt for it?

Mr. HOFFA. I think I got the stock for it. I don't think I got all the stock. I think there was some kind of a holding arrangement on the stock, where you can't get it all at one time.

Senator KENNEDY. Do you ever write checks? You do everything in cash; do you?

Mr. HOFFA. Almost always.

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

Senator KENNEDY. That was a substantial percentage of your yearly income; wasn't it?

Mr. HOFFA. It didn't necessarily have to come out of one year. It comes out of an accumulation.

Senator KENNEDY. Has it made out, this deal? What is it worth now, do you know?

Mr. HOFFA. If you don't hold it to me, I think it is up around a dollar.

Senator KENNEDY. So what would your investment be worth now?

Mr. HOFFA. Well, I think I had 50,000 share of stock. If you look, I think you will find it is 50,000 shares of stock, and I think I got 5,000 shares of stock.

I think you get the other 45,000 shares over a period of time, in some way. I am not familiar with it.

Senator KENNEDY. I didn't understand that. As I understand, you paid \$7,500 for how many shares? 5,000?

Mr. HOFFA. I think it was 50,000 shares put in escrow. I think Mr. Bellino has it. I think I got 5,000 shares. I think he could come up with the right answer rather than me guessing with it, if he wanted to.

Senator KENNEDY. I am just trying to get the details of the transaction.

Mr. HOFFA. I am trying to give it to you, but it is from memory.

Senator KENNEDY. Could you give me any idea from memory what you bought with the \$7,500 in cash?

Mr. HOFFA. I told you what I bought.

Mr. WILLIAMS. May I suggest, Senator, that if Mr. Bellino has the records, and if the committee is really looking for information for a legislative purpose, then it might be expeditious to give the witness the records and it would probably move things along more rapidly.

Senator KENNEDY. To establish what the legislative purpose is, I am trying to find out, because it involves the use of union dues and pension and welfare money in the sense of being a loan originally to Mr. Bitonti.

Mr. HOFFA. Excuse me, that is not correct, sir.

Senator KENNEDY. What money was involved?

Mr. HOFFA. The \$7,500—

Senator KENNEDY. I am talking about the original business in 1953, as I understand it, did involve union money.

Mr. HOFFA. With Bitonti, you are talking about?

Senator KENNEDY. Therefore, you loaned money to Mr. Bitonti and now you are in business with Mr. Bitonti in 1955.

Mr. HOFFA. Excuse me. I am not in business with Mr. Bitonti.

Mr. WILLIAMS. The record shows, as I recall, there were 720,000 shares of stock, as I recall the prospectus, which I read in a few seconds, that were authorized.

Senator KENNEDY. The reason I use the phrase, Mr. Williams, is because he is 1 of 7 people, Mr. Hoffa, Bitonti and Brennan, 3 out of 7 who seem to be especially picked out of this group to purchase more than 5 percent. So his position, in a sense, is a preferred position, as is the position of the other six people.

There were 7 and 3 of those are involved before this committee. I would just like to find out what he did to be in that preferred position, and how much he was able to buy with \$7,500, and what his holdings are now, what his profits have been.

Mr. WILLIAMS. My point, I think originally, Senator, was that these records were turned over to Mr. Bellino, who currently has them in his possession. I think that the basic dictates of fairness would require that since the witness turned the records over to the committee—

Mr. HOFFA. I didn't turn them over to him. I didn't have them.

Mr. WILLIAMS. Just a minute. Or from wherever he got them. That he should be given these records before this testimony is pursued.

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

The CHAIRMAN. I believe we have no records. They were not turned over to us. We are having to try to find out in this manner.

Mr. WILLIAMS. If you have none, that clears it up.

Senator KENNEDY. Well, it has not cleared it up in my mind. You could tell me what you got with the \$7,500.

Mr. HOFFA. I told you.

Senator KENNEDY. What did you get? How many shares?

Mr. HOFFA. I am quite sure that there was 50,000 shares of stock for the \$7,500, but I think I only received 5,000 shares of the stock with the understanding that as the project progressed—and I am not familiar with the operations of the stock exchange in Canada, that the stock would come to us. But over an extended period of time. I don't believe, if I recall rightly, that you could sell the stock for a period of time, either.

Senator KENNEDY. As I understand, what you are saying is that for \$7,500 you bought 50,000 shares, of which you received 5,000.

Mr. HOFFA. I think that is right.

Senator KENNEDY. Your judgment today is that it is worth a dollar, is that correct?

Mr. HOFFA. I say I think that it is. I am not sure. You could probably check the stock market and find out, if you want.

Senator KENNEDY. I think we can check. How did you and Mr. Bitonti and Mr. Brennan arrive together?

Mr. HOFFA. Cadesky was a friend of Bitonti's, and Cadesky, I believe, was the fellow who was handling the selling of the stock. Since it was supposed to be a good investment, we discussed the question with Cadesky, made the loan—

Senator KENNEDY. Who did? You and Mr. Brennan or you alone?

Mr. HOFFA. Brennan, myself, Bitonti, and Cadesky.

Senator KENNEDY. The four of you sat down together and discussed it?

Mr. HOFFA. They were in our office. They came to our office, yes.

Senator KENNEDY. Then the four of you decided to proceed ahead with this investment; is that correct.

Mr. HOFFA. I know that I did. I don't know what Bitonti and Brennan did; I think Brennan did the same thing I did; I am not sure.

Senator KENNEDY. The four of you discussed it in your office, so you must have some idea what they did.

Mr. HOFFA. No; that isn't true, we simply discussed whether or not it was a good stock, whether or not it would be able to increase in value.

Senator KENNEDY. What conclusion did you come to?

Mr. HOFFA. Well, listening to Cadesky I thought it was a good investment.

Senator KENNEDY. And so did Mr. Brennan, and so did Mr. Bitonti?

Mr. HOFFA. Apparently so.

(At this point, the following members were present: Senators McClellan, Kennedy, and Curtis.)

Senator KENNEDY. Of course so, obviously they are all.

Mr. Brennan is the director?

Mr. HOFFA. I don't know if he is now, or not. He may have been at the time.

Senator KENNEDY. At the time he went in he was?

Mr. HOFFA. I don't think he was director at the time he was in. I think he became a director later on.

Senator KENNEDY. So you and Mr. Bitonti did go in a business dealing together?

Mr. HOFFA. No, we did not. We simply bought stock in one company.

Senator KENNEDY. After holding a conference in your office and the three of you who met getting a preferred position?

Mr. HOFFA. No. I think Cadesky was already into the company by buying stock. I don't think Bitonti came in at the same time we were in.

Senator KENNEDY. He was in ahead of the time?

Mr. HOFFA. I believe he was. That is why he had Cadesky come in and see us.

Senator KENNEDY. Cadesky and Bitonti came in to see Brennan and urged you to go in?

Mr. HOFFA. That is right.

Senator KENNEDY. So, in other words, you did join Bitonti in a business deal?

Mr. HOFFA. I did not. I simply bought some stock in a company that Bitonti was in.

Senator KENNEDY. What did you have to pay to get the preferred position?

Mr. HOFFA. Have to deliver—

Senator KENNEDY. Only people who put in \$7,500 or more got that position?

Mr. HOFFA. I don't know whether they did, or not.

Senator KENNEDY. What did you do that put you in that position?

Mr. HOFFA. I have no reason to believe it was brought to my attention until such time as I saw this that there was only that many people involved in this.

Senator KENNEDY. I hope, Mr. Chairman, it will be possible for us to get detailed figures on this North American Rare Metals, including the amount of the investment of the other people who got this position, Mr. Bitonti's own holdings; Mr. Cadesky's own holdings, and Mr. Bert Brennan's holdings along with the other participants, and we can make a judgment as to what kind of deal exactly it was there.

Mr. KENNEDY. Is Cadesky Samuel Siglin's partner?

Mr. HOFFA. I don't know.

Mr. KENNEDY. Do you know Sam Siglin?

Mr. HOFFA. I don't believe I ever met the man in my life, or heard the name until now.

Mr. KENNEDY. I want to ask you about Ahmed Abass.

How much money did he receive from the union?

Mr. HOFFA. I told you I am not quite sure. I know you have the checks there, if you will show me the check.

The CHAIRMAN. The Chair presents to you what appears to be a photostatic copy of a check dated April 19, 1956, drawn on local No. 299, payable to Ahmed Abass and also a photostatic copy of check stub of this same date.

I ask you to examine these two documents and state if you identify them.

(The witness conferred with his counsel.)

Mr. HOFFA. I authorized the loan, Senator.

The CHAIRMAN. The check and stub thereof may be made exhibit 21 and 21A, respectively.

(The documents referred to were marked "Exhibits 21A and 21B," for reference and will be found in the appendix on pp. 13720-13721.)

Mr. KENNEDY. That was for \$12,000?

Mr. HOFFA. The check; yes.

Mr. KENNEDY. What was the date of that check? That is Ahmed Abass, A-h-m-e-d A-b-a-s-s. Has he ever been arrested?

Mr. HOFFA. Yes.

Mr. KENNEDY. How many times has he been arrested?

Mr. HOFFA. I don't know.

Mr. KENNEDY. According to our records he has not been arrested as many times as Bitonti, which is 23, who received a \$40,000 loan, but he was arrested 17 times and he has 7 convictions.

You made a \$12,000 loan of union funds to him.

Mr. HOFFA. Yes, with sufficient collateral to cover the loan where there was no possibility of loss and I believe either 5 or 6 percent interest.

Mr. KENNEDY. He has been associated with John Bitonti; did you know that?

Mr. HOFFA. Yes.

Mr. KENNEDY. Charles Harrison, who is known as Black Charlie Harrison?

Mr. HOFFA. Yes.

Mr. KENNEDY. Did you ever intercede for Charlie Harrison to get a liquor license? Did you ever take any steps along those lines to intercede for him?

Mr. HOFFA. I can't recall ever interceding for Charlie.

Mr. KENNEDY. Do you deny you did?

Mr. HOFFA. I don't deny if I did or did not. If he had asked me to, I would have. I don't know if he did or not. It seems to me that the license was already there, it came from his father-in-law, or somebody.

Mr. KENNEDY. This is the Manor Bar.

Mr. HOFFA. I think the license was owned by some part of their family, if I am not mistaken, and he took it over from there. So I don't know why anybody would have to intercede for him.

Mr. KENNEDY. He was having trouble because of a police record in having the license transferred over. I want to know if you or the union interceded on his behalf?

Mr. HOFFA. I don't believe I was asked to do it. If I had been asked I would have interceded.

Mr. KENNEDY. You figured that that was part of your duties and responsibilities as a union official, to make sure that your friends get a liquor license?

Mr. HOFFA. It is a union restaurant and bar.

Mr. KENNEDY. I want to explain the reason he was having trouble getting it was the fact that he had such a long police record.

Does it help in getting a loan from the union if you have had a criminal record, Mr. Hoffa?

Mr. HOFFA. Any license for what?

Mr. KENNEDY. Any loan from the union. Does it help to get a loan from your union if you have a criminal record?

Mr. HOFFA. It certainly does not. You must have necessary collateral for the loan.

Mr. KENNEDY. These two individuals, between them, have been arrested 40 times, Ahmed Abass and Bitonti. Now, Mr. Hoffa, after some of these individuals in the union get into difficulties, even the ones with criminal records, and they have been found involved in extortions, then according to the record, and according to the testimony we have had before the committee, you then on occasion have paid their legal bills, have you not?

Mr. HOFFA. That is right.

Mr. KENNEDY. You paid the legal bills of Mr. Linteau?

Mr. HOFFA. That is right.

Mr. KENNEDY. Mr. Marroso?

Mr. HOFFA. I believe so.

Mr. KENNEDY. Mr. Nicoletti?

Mr. HOFFA. I think we paid those bills.

Mr. KENNEDY. Mr. Keating?

Mr. HOFFA. Yes.

Mr. KENNEDY. And they were all found guilty of extortion?

Mr. HOFFA. Yes—no, just a moment. I forget the background. It was a bribery statute violation.

Mr. KENNEDY. Receiving money from employers; is that right?

Mr. HOFFA. Yes, but it was not extortion.

Mr. KENNEDY. Mr. Chairman, we probably won't be able to finish this this morning. I would like to call your attention to your testimony regarding Bushkin on page 49?

Mr. WILLIAMS. The first day?

Mr. KENNEDY. The first volume.

(At this point, the following members were present: Senators McClellan and Curtis.)

Mr. KENNEDY. The chairman asked the question:

I am not talking about just concerning the loaning of money. I am talking about any other financial transactions or business transactions with them in which money was involved.

Mr. HOFFA. I may have asked Bushkin or I may have wanted him to buy me something at wholesale. I don't know. But so far as other than purchasing something from him, that is the only financial transaction I had.

Did you purchase anything from him or through him?

Mr. HOFFA. As I say, I don't recall whether I did or not, buy anything through him wholesale or not. I could have.

The CHAIRMAN. The committee will stand in recess until 2 o'clock.

(Whereupon, at 12:26 p. m., the hearing recessed to reconvene at 2 p. m. of the same day, with the following members present: Senators McClellan and Curtis.)

AFTERNOON SESSION

(At the reconvening of the session, the following members were present: Senators McClellan and Ives.)

The CHAIRMAN. The committee will come to order.

You may proceed.

Mr. KENNEDY. Mr. Chairman, before we proceed with Mr. Hoffa, I would like to call Mr. Adlerman, who will testify on a couple of matters that were brought up this morning.

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

Mr. KENNEDY. Mr. Adlerman, have you made a study of the records of the Thomas department store in connection with the purchase of any fur pieces?

Mr. ADLERMAN. I have.

Mr. KENNEDY. And fur coats?

Mr. ADLERMAN. Yes.

Mr. KENNEDY. Did you find, in fact, that Mr. Dranow did purchase two fur coats through the Thomas department store?

Mr. ADLERMAN. Yes. There were two fur coats ordered from the firm of Faden & Appel Furs, Inc., of New York City.

Mr. KENNEDY. F-a-d-e-n?

Mr. ADLERMAN. F-a-d-e-n A-p-p-e-l Furs. They were billed to the John W. Thomas department store.

Mr. KENNEDY. When was that?

Mr. ADLERMAN. That was on August 13, 1956.

Mr. KENNEDY. Could you tell the committee what the value of those furs were?

Mr. ADLERMAN. Yes. One coat was valued at \$2,000 and the other coat was valued at \$2,150.

Mr. KENNEDY. What was the disposition of the coats?

Mr. ADLERMAN. These two coats were ordered and sent to Ben Dranow, care of the Briggs Hotel, Detroit, Mich.

Mr. KENNEDY. Did he pay the Thomas department store for that?

Mr. ADLERMAN. He received a check from Mr. Bushkin in the sum of \$4,430, I believe.

Mr. KENNEDY. Mr. Chairman, could we have him identify the check?

The CHAIRMAN. The Chair presents to you a photostatic copy of a check. You may examine it and state if you identify it.

(The document was handed to the witness.)

Mr. ADLERMAN. Yes, this is the check I am referring to.

The CHAIRMAN. It may be made exhibit No. 22.

(The document referred to was marked "Exhibit No. 22" for reference and will be found in the appendix on p. 13722.)

Mr. KENNEDY. Did we find that one of these coats was forwarded directly to Mr. Bert Brenman?

Mr. ADLERMAN. Yes. Of the 2 coats, 1 of them was returned and then a substitute coat was sent down. At this time it was sent on August 27, 1956. It was returned to the fur company of Faden & Appel, and on September 28, 1956, another jacket, a mink jacket, valued at \$2,125 was charged to the John W. Thomas Stores, and delivered by air express to Alice Brenman, 41801 Wilcox Road, Plymouth, Mich.

Mr. KENNEDY. Do we know what happened to the other coat?

Mr. ADLERMAN. The other coat? I don't know what happened to it. It never was returned. It was paid for.

Mr. KENNEDY. Do you know, Mr. Hoffa, if that was the coat you received, the second coat?

Mr. HOFFA. I did not receive a coat.

Mr. KENNEDY. What did you receive?

Mr. HOFFA. It was, I believe, a stole.

Mr. KENNEDY. What was the material?

Mr. HOFFA. Mink.

Mr. KENNEDY. A mink stole. When did you receive that?

Mr. HOFFA. 1956 or 1957. I can't recall which it was. I believe 1 of those 2 years.

Mr. KENNEDY. And the price of that was \$500?

Mr. HOFFA. That is right.

Mr. KENNEDY. You never received any coat?

Mr. HOFFA. I did not.

Mr. KENNEDY. You never purchased any coat through Mr. Bushkin?

Mr. HOFFA. I did not.

Mr. KENNEDY. Or purchase a coat through Mr. Dranow?

Mr. HOFFA. No, I did not.

Mr. KENNEDY. This is the only thing?

Mr. HOFFA. Right, except what I told you.

Mr. KENNEDY. Yes, except what you have testified to.

Mr. HOFFA. That is right.

Mr. KENNEDY. We don't know what the disposition then is from the records, the disposition of the second coat?

Mr. ADLERMAN. No, we do not.

Mr. KENNEDY. One coat you did trace to Mrs. Brennan?

Mr. ADLERMAN. That is right.

Mr. KENNEDY. Are there any records that we have seen that indicate that that was paid for by the Brennans?

Mr. ADLERMAN. No. As far as I know, I have seen no records showing that.

Mr. KENNEDY. Did you also make an examination, Mr. Adlerman, of this loan to the Thomas department store, this loan of \$200,000 originally and then later of \$1 million, to determine what the status of that loan was and what the status of the store is at the present time?

Mr. ADLERMAN. I did.

Mr. KENNEDY. Could you tell us whether the store is now in a bankruptcy court?

Mr. ADLERMAN. There is a so-called chapter 11 proceeding which is now in the hands of the referee in bankruptcy in the Federal court in Minneapolis. This was filed in January of this year, some 6 months after the loan was made, 7 months after the loan.

Mr. KENNEDY. Are there any claims against Mr. Benjamin Dranow?

Mr. ADLERMAN. Yes. The records and schedules of the bankruptcy proceeding show that Mr. Ben Dranow withdrew from the corporation the sum of \$116,431.48.

Mr. KENNEDY. \$116,000?

Mr. ADLERMAN. \$116,000.

Mr. KENNEDY. Was that over and above his salary?

Mr. ADLERMAN. Yes. He drew a salary of \$1,000 a month.

Mr. KENNEDY. This is \$116,000 that he has taken out of the Thomas Department Store?

Mr. ADLERMAN. Yes, sir.

Mr. KENNEDY. Is the Thomas Department Store or the bankruptcy court officials looking for Mr. Dranow?

Mr. ADLERMAN. I spoke to the referee in bankruptcy, I think his name was Mr. Heitzig, and he said he is very anxious to speak to Mr. Dranow about this item.

Mr. KENNEDY. And we also have been looking for Mr. Dranow?

Mr. ADLERMAN. We have been looking for him very hard.

Mr. KENNEDY. From an examination of the records, did you find that Mr. Hoffa had been in touch with Mr. Dranow approximately 3 weeks ago?

Mr. ADLERMAN. Yes.

Mr. KENNEDY. By telephone?

Mr. ADLERMAN. That is right.

Mr. KENNEDY. You don't know where he is now, Mr. Hoffa?

Mr. HOFFA. I do not.

**TESTIMONY OF JAMES R. HOFFA, ACCOMPANIED BY COUNSEL,
EDWARD BENNETT WILLIAMS, GEORGE FITZGERALD, AND
DAVID PREVIANT—Resumed**

Mr. KENNEDY. Mr. Hoffa, is this mink stole that you purchased insured?

Mr. HOFFA. I don't believe so.

Mr. KENNEDY. It is not insured?

Mr. HOFFA. I don't think so.

Mr. KENNEDY. Can you find that out for us? Would you let us know that?

Mr. HOFFA. Yes; I can find it out.

Mr. KENNEDY. Mr. Chairman, I would like to call Mr. Kelly on a different matter.

The CHAIRMAN. Has he been sworn?

Mr. KENNEDY. I don't think he has been; no, sir.

The CHAIRMAN. You do solemnly swear 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. KELLY. I do.

TESTIMONY OF JAMES P. KELLY

The CHAIRMAN. Proceed.

Mr. KENNEDY. Mr. Kelly, do you have any information on Mr. Cadesky?

Mr. KELLY. I do.

Mr. KENNEDY. What is your position with the committee?

Mr. KELLY. I am a staff investigator with the committee.

Mr. KENNEDY. How long have you been with the committee?

Mr. KELLY. Since February 1957.

Mr. KENNEDY. And prior to that you were with the New York Police Department?

Mr. KELLY. That is correct, sir.

Mr. KENNEDY. For how long?

Mr. KELLY. For 7 years.

(At this point Senator Goldwater entered the room.)

Mr. KENNEDY. Have you compiled some information on Mr. Cadesky?

Mr. KELLY. I have compiled some information on his background; that is correct.

Mr. KENNEDY. That is the Mr. Cadesky who is in the North American Rare Metals that we had the testimony about this morning?

Mr. KELLY. He was connected with the North American Rare Metals, Ltd., of 100 Adelaide West, a street in Toronto.

Mr. KENNEDY. Can you tell us what you found about Mr. Cadesky's background?

Mr. KELLY. Mr. Cadesky came to this country from Russia—came to Canada, rather, from Russia.

Mr. KENNEDY. I don't want to go into everything.

Mr. KELLY. He got into the securities business as far back as 1934; we do have reference to the fact that in 1949 he was listed as vice president of this C. E. Hepburn Co., Ltd., 2 Toronto Street, Toronto, Canada. In October of 1949 a show-cause order was obtained in the supreme court, New York County, by the New York attorney general's office, to enjoin this company, C. E. Hepburn, and five individuals, including Louis Cadesky, from engaging in the sale of securities in New York State. I understand that from information of the Securities and Exchange Commission that at or about this time there were numerous cease-and-desist orders from the various States, including Pennsylvania, in 1946, and Michigan, which named Cadesky and the company, also the Solinco Mines, Ltd., company, that Mr. Cadesky was connected with, and which is now known by another name.

It is now called the Ancil Mines, Ltd. In 1949 the State of Wisconsin also had a cease-and-desist order against the Solinco Mine Co. and the C. E. Hepburn Co.

Mr. KENNEDY. He was with them?

Mr. KELLY. He was vice president of C. E. Hepburn at that time, and also connected with Solinco, in the guise of a salesman or promoter. In March of 1949 the State of Virginia had a cease-and-desist order, which I understand is the same as an injunction in that State.

In 1949 the State of Ohio also had a cease-and-desist order against both Hepburn and the Solinco Mining Co.

Mr. KENNEDY. So he had a career to at least indicate, from the information that you had, involving himself in some questionable financial transactions?

Mr. KELLY. That is correct. Incidentally, Mr. Kennedy, when I was looking for Mr. Bitonti last year, after he had left the jurisdiction of this committee, I was seeking to serve a subpoena on him, I had occasion to call Mr. Cadesky in Toronto, Canada, the North American Rare Metals, Ltd., and he told me he had not seen Mr. Bitonti, although I learned since that Mr. Bitonti had been in Toronto and had been in contact with this person.

Mr. KENNEDY. All right.

TESTIMONY OF JAMES R. HOFFA, ACCOMPANIED BY COUNSEL, EDWARD BENNETT WILLIAMS, GEORGE FITZGERALD AND DAVID PREVIANT—Resumed

Mr. KENNEDY. Mr. Hoffa, I would like to ask you about some other matters. We had a witness appear before this committee last year by the name of Robert Scott. He told the committee of the fact—well, one of the things that he related to the committee was that upon your instructions, he hid your brother William Hoffa from the police when he was wanted for armed robbery. Can you tell us if that happened?

Mr. HOFFA. I discussed this matter with my brother as to whether or not he had been in Pontiac during that time. He told me he had been in Pontiac but he was under bond. I don't know why he would be hiding if he was under bond.

Mr. KENNEDY. Would you answer the question, please? Did you, in fact, instruct Mr. Scott to hide your brother from the police when the police were looking for him?

Mr. HOFFA. I don't ever recall discussing this matter with Scott whatsoever.

Mr. KENNEDY. Do you deny that you requested or instructed, Mr. Scott to hide your brother from the police when the police were looking for him?

Mr. HOFFA. I don't recall ever discussing this matter with Scott. I certainly did not tell him to hide my brother from the police. I may have asked him to have my brother in Pontiac for a period of time.

Mr. KENNEDY. Well, when the police were looking for him, is that another way of saying—

Mr. HOFFA. I understand that isn't true.

Mr. KENNEDY. Did you or did you not? That is what I am trying to find out from you, Mr. Hoffa. I think most people could answer that question as to whether they asked someone to hide their brother from the police. Did you tell Mr. Scott—

Mr. HOFFA. I had no reason to ask Scott to hide my brother.

Mr. KENNEDY. Well, did you do that?

(The witness conferred with his counsel.)

Mr. HOFFA. I have no recollection discussing my brother with Scott insofar as hiding him or trying to avoid the law.

Mr. KENNEDY. What conversations did you have with him?

Mr. HOFFA. I don't remember any of them. The best I would have had with him if he was in Pontiac would have been to ask Scott to make arrangements for him.

Mr. KENNEDY. To do what?

Mr. HOFFA. To stay in Pontiac.

Mr. KENNEDY. Mr. Hoffa, are you prepared to deny Mr. Scott's testimony, then?

Mr. HOFFA. I am saying that to the best of my recollection I have no disremembrance of discussing with Scott any such question.

The CHAIRMAN. What year was this?

Mr. KENNEDY. 1948 or 1949, I believe, Mr. Chairman.

Mr. HOFFA. That is a long time ago.

Mr. KENNEDY. Yes, but as I said before, I don't think that there are many people in this room or in the United States that can't remember whether they asked someone to hide their brother when the police were looking for them. I think that is a very important matter in somebody's life. I can't believe that you cannot remember it.

Mr. WILLIAMS. Mr. Chairman, may I suggest to you, sir, No. 1, that the witness has answered this question. He has said, as I understand his answer, that he has no recollection of this ever having taken place. I guess it was in 1944.

May I point this out to you, sir, in the interest of fairness in the interrogation of this witness: Mr. Kennedy wants him now categorically to deny this, or to affirm it. I understand that this is a wholly unreliable witness. My information is—

Mr. KENNEDY. Why don't you let him—I don't think that is fair, Mr. Chairman.

Mr. WILLIAMS. My information is that this man, Mr. Chairman, is a narcotic addict. I think that this witness need not subject himself to a pattern whereby his testimony is forthwith sent to the Department of Justice for investigation as to perjury immediately upon a conflict arising in the testimony.

Last week, Mr. Chairman, we had a witness come in here and testify to some certain facts about Mr. Hoffa. It was represented by the counsel that that witness had taken a lie detector test and that he had passed it. My information, Mr. Chairman, is that in three particulars in which he mentioned Mr. Hoffa under that lie detector test, he was found to have lied. This was a self-confessed perjurer. This man, when he took the lie detector test, said that he had had a dinner with Mr. Hoffa, wherein certain bombings were discussed. He subsequently, when the lie detector test showed that he was lying, recanted on that. Thereafter, Mr. Chairman, he said he had a telephone conversation with Mr. Hoffa. When that was shown by the lie detector test to be false, he recanted on that. Now, if the witness is put into a position where he must cross swords with witnesses of this character and subject himself to a perjury case, I say, No. 1, that no legislative purpose is being served; No. 2, I say that it is improper to conduct this kind of an interrogation of the witness when he is giving his best recollection on events which took place a decade and a half ago.

So I submit, Mr. Chairman, that this subject has now been exhausted. The witness has said, in response to the questions, that he has no recollection of this event with Mr. Scott; that his brother did stay with Mr. Scott at a time when he was under bond. I ask that the interrogation in this vein be concluded.

The CHAIRMAN. Let the Chair proceed. The question is that we have this proof here, and you want to say maybe the fellow was lying. I don't know what you are trying to say. That is your privilege. If you want to take the position that you don't believe him, that is all right. But we have this proof here, and it's a matter of record. It is under oath. Certainly, the one who knows best about it, other than the ones who have testified, would be Mr. Hoffa, himself. He is being given the opportunity to deny it or to admit it. To say that he does not remember it, that is a matter people will have an opinion about, if it does occur. I think, even to counsel, if he actually engaged someone, employed someone, to hide his brother out when officers were looking for him, it is very unlikely that he would forget that, if he did it.

He can say he did or did not. Or, if he is not going to say either way, he can continue to say he does not remember. But I do want him to have the opportunity definitely to deny that he did. For that reason, I will ask you, Mr. Hoffa, did you or did you not hire someone or arrange with someone to hide your brother out from the law?

Mr. HOFFA. I have no recollection of ever discussing any such a situation with Mr. Scott.

Mr. KENNEDY. Do you want to leave the record that way?

Mr. HOFFA. It will have to be that way, to the best of my recollection.

The CHAIRMAN. Proceed, Mr. Kennedy.

Mr. KENNEDY. Mr. Hoffa, Mr. Scott also testified that union funds were used to take your wife and Mrs. Brennan on a trip by air over the Lake 13 property. Is that correct, and that it cost the union approximately \$1,400?

Mr. HOFFA. I asked Mr. Keating whether or not that was correct, not having handled the transaction myself, and he told me it was not correct. So, I have to take Keating's word for it, because I didn't handle it. My wife did go up to Wisconsin, but I do not believe she ever went to Lake 13 by air.

Mr. KENNEDY. We asked Mr. Keating the same question, Mr. Hoffa, and he took the fifth amendment under oath before the committee. We are trying to get the information.

Mr. HOFFA. I am trying to give it to you from what he told me, and he handled the transaction.

Mr. KENNEDY. Is that the only answer you can give us on that?

Mr. HOFFA. I would have no other answer.

Mr. KENNEDY. Who paid for your wife's trip, airplane trip, up there, then?

Mr. HOFFA. Keating—and I discussed this matter with Keating—he did not remember the incident, but he said if it did happen that he would have had a friend take her up there who owns an airplane.

Mr. KENNEDY. Who was the friend?

Mr. HOFFA. He wouldn't tell you.

Mr. KENNEDY. He wouldn't tell you the name of the friend?

Mr. HOFFA. That is right.

Mr. KENNEDY. That is not very satisfactory, Mr. Hoffa.

Mr. HOFFA. I can't make Mr. Keating tell me something he doesn't want to tell me.

Mr. KENNEDY. It is very convenient for you. Either you forget it, or you tell us somebody who is responsible for the incident, who takes the fifth amendment.

Mr. HOFFA. If the individual who carries out the transaction wants to take the fifth amendment, I can't help that.

Mr. KENNEDY. Did you ask your wife about the trip?

Mr. HOFFA. My wife remembers going to Wisconsin. How the arrangements were made, who flew her up, she has no recollection.

Mr. KENNEDY. What about when your brother Billy's wife went off and Mr. Scott also testified that union funds were used; that a man by the name of Tom Burke was sent to find Billy Hoffa's runaway wife?

Mr. HOFFA. I asked Tom Burke that question. Tom said he went on his own and spent his own money.

Mr. KENNEDY. Mr. Burke will be a witness, Mr. Chairman.

Mr. Scott also testified that you requested him to intercede with the Government in connection with obtaining a pardon for somebody who was under a life sentence in jail. Can you tell us if you asked Mr. Scott to intercede?

Mr. HOFFA. Yes; I think I did. I don't remember exactly what date, but I think I did.

Mr. KENNEDY. Who was that that you asked to intercede for?

Mr. HOFFA. Frank—

Mr. KENNEDY. Imoratta?

Mr. HOFFA. I think that is the name; yes.

Mr. KENNEDY. Is he a relation of Pete Licavoli?

Mr. HOFFA. I wouldn't know that.

Mr. KENNEDY. Why did you want to intercede with the governor on the part of Frank Imoratta?

Mr. HOFFA. I believe some attorney asked me to see whether or not Scott could get the governor to give a pardon.

Mr. KENNEDY. Is that Mr. Louisell?

Mr. HOFFA. I can't remember.

Mr. KENNEDY. Didn't you tell him that union officials don't intercede on behalf of people who are in jail for life sentences?

Mr. HOFFA. I didn't intercede. I asked Scott to see if the governor would give him a pardon. Scott did not work under me. Scott was secretary-treasurer of the Michigan Federation of Labor. What year was this? Was it under the trusteeship?

Mr. KENNEDY. You don't know the year?

Mr. HOFFA. I can't call, offhand. Was the local 614 under trusteeship? If it was, Scott was under my authority. If it wasn't, then they were an autonomous local. I don't recall the year.

Mr. KENNEDY. You were in that area at that time?

Mr. HOFFA. I was Michigan conference chairman.

Mr. KENNEDY. Then he was under your jurisdiction, certainly. All I said is that, if somebody did this, I would think it was completely outside the realm of union activity.

Mr. HOFFA. I don't think there is any question about that.

Mr. KENNEDY. That again becomes questionable; why you would interject yourself in such an operation of trying to get a pardon for somebody from the governor who was sentenced to life imprisonment?

Mr. HOFFA. I don't know that Scott ever went to the governor or not.

Mr. KENNEDY. You went to him and asked him to go to the governor?

Mr. HOFFA. That is right.

Mr. KENNEDY. Did you also ask Mr. Scott to make arrangement with the State prosecuting attorney in Oakland County so that a number of individuals, including Ben Arso, could set up a gambling operation there?

Mr. HOFFA. I did not.

Mr. KENNEDY. You didn't have any conversation with him about that?

Mr. HOFFA. I did not discuss the matter with Scott or anybody else.

Mr. KENNEDY. Did Ben Arso ever discuss the matter with you?

Mr. HOFFA. Ben Arso never discussed the matter with me.

Mr. KENNEDY. Did he ever discuss with you the fact he wanted to open up an operation in Oakland County?

Mr. HOFFA. Not with me.

Mr. KENNEDY. With Bert Brennan?

Mr. HOFFA. I wouldn't know.

Mr. KENNEDY. Did Bert Brennan relate this to you?

Mr. HOFFA. No.

Mr. KENNEDY. Do you know if Ben Arso wanted to set up such an operation?

Mr. HOFFA. I wouldn't know.

Mr. KENNEDY. Now, Mr. Scott also testified that he was a contact man with the grand jury that was investigating you back in 1940.

Did you assign him to that operation to try to find out what information came out of the grand jury in connection with you?

Mr. HOFFA. Never assigned Scott to find out from the grand jury any information that was improper. I asked him to contact newspapermen to see what was going on in the grand jury, if he could, for what newsworthy information they had.

Mr. KENNEDY. Then he related he gave you the information that Turk Prujanski had testified that you had approached him and said that for \$5,000 or \$10,000 you could get Turk Prujanski's liquor license restored, and that the money was to be split between you and Ahmed Abass.

Mr. HOFFA. That is not true.

Mr. KENNEDY. That did not happen?

Mr. HOFFA. I did not discuss the matter with Scott.

Mr. KENNEDY. Did you discuss the matter with Turk Prujanski?

Mr. HOFFA. I did not; no, so far as money was concerned.

Mr. KENNEDY. He said that you said you had arranged for Turk Prujanski to leave, and Turk Prujanski left for California.

Mr. HOFFA. I never arranged for Turk to go to California at all.

Mr. KENNEDY. Did you ever urge him to go to California?

Mr. HOFFA. I did not.

Mr. KENNEDY. And that the State had to extradite him back into Michigan. Then, when he appeared before the grand jury, he refused to answer the questions on the same matter and was sentenced to 60 days. He said you knew all about this.

Mr. HOFFA. I am not responsible for what Scott said. I don't know why Prujanski didn't testify and preferred to take 60 days in jail.

Mr. KENNEDY. Had you approached Turk Prujanski and told him for a sum of money you could arrange to have his liquor license restored?

Mr. HOFFA. I did not.

Mr. KENNEDY. Didn't your union pay for any of the defense bills of Turk Prujanski when he was indicted at a later date, 1953, I believe?

Mr. HOFFA. Let me check with counsel, Mr. Chairman.

The CHAIRMAN. All right.

(The witness conferred with his counsel.)

Mr. HOFFA. What year was this, Mr. Kennedy?

Mr. KENNEDY. 1954.

Mr. HOFFA. Will you tell me what attorney represented him?

Mr. KENNEDY. Mr. Fitzgerald knows.

Mr. HOFFA. He doesn't remember, either. I just asked him. That is why I am trying to find out.

Mr. KENNEDY. He doesn't know anything about that?

Mr. HOFFA. He doesn't recall, he told me, who represented him. That is what I was trying to find out to refresh my memory.

Mr. KENNEDY. Joe Louisell.

Mr. HOFFA. I would have to check the record before I could answer that, because it was a conspiracy trial and there may have been some legal fees in the conspiracy trial which could be construed one way or the other. I can't answer that.

Mr. KENNEDY. Did the union pay for Turk Prujanski's legal bill?

Mr. HOFFA. At this moment, I don't know because I have not checked. I will have to check back to see if he did.

Mr. KENNEDY. I thought you were checking with George Fitzgerald.

Mr. HOFFA. George doesn't recall.

Mr. KENNEDY. It was Mr. Louisell; does that refresh your recollection?

Mr. HOFFA. No; it does not. I know Joe. We will have to check if he was involved. We will find that out. That is all we can do.

The CHAIRMAN. Mr. Scott, will you come around?

Mr. WILLIAMS. While we are waiting, and since it won't take any time of the committee, I want to renew my objection, as I have lodged it heretofore, to this calling of witnesses in juxtaposition.

I submit most respectfully to you, sir, that this cannot have a legislative purpose because this man, as I understand it from counsel, has already testified before this committee. He is now being recalled in juxtaposition to this witness.

I understood your ruling the other day, Mr. Chairman, to be that, hereinafter, although you did not subscribe to the views which I expressed as to the conduct of the hearing and overruled my objection, you did rule, as I understood it, that witnesses would not be called back with this man after he had been interrogated on the subject matter.

The CHAIRMAN. Which way do you want us to do it; put the witness on first and ask him, or do it the other way? I cannot quite understand which way you want us to go.

Mr. WILLIAMS. I don't want you to do it either way, Mr. Chairman.

The CHAIRMAN. Proceed.

Mr. KENNEDY. Mr. Scott, you were in the Teamsters Union, were you?

Mr. SCOTT. I was.

Mr. KENNEDY. For what period of time—

The CHAIRMAN. You have not been sworn. Will you be sworn?

Do you solemnly swear 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. SCOTT. I do.

TESTIMONY OF ROBERT P. SCOTT

The CHAIRMAN. Be seated, please.

State your name, place of residence, business, and occupation.

Mr. SCOTT. My name is Robert P. Scott. I live at 31 Bloomfield Terrace, Pontiac, Mich. I am on the board of examiners of barbers for the State of Michigan.

Mr. KENNEDY. At the beginning, Mr. Edward Bennett Williams, the attorney for Mr. Hoffa, has made a statement here, without any proof, that you are a drug addict. Will you make any comment on that, please.

Mr. SCOTT. I would be glad to. I would like to have Mr. Williams offer some proof to that effect.

The CHAIRMAN. Answer, are you a drug addict or not?

Mr. SCOTT. No; I am not.

The CHAIRMAN. All right; proceed.

Mr. KENNEDY. How long have you been in the Teamsters Union, Mr. Scott?

Mr. SCOTT. From 1945 until 1952, July 2.

Mr. KENNEDY. For what local were you?

Mr. SCOTT. 614.

Mr. KENNEDY. Now, were you an officer in 614?

Mr. SCOTT. In later years, I was. I think I was elected in 1948 to the vice presidency.

Mr. KENNEDY. Under what circumstances were you elected; by the membership?

Mr. SCOTT. Yes; I was.

Mr. KENNEDY. Was that a rigged election, Mr. Scott?

Mr. SCOTT. Well, they declared everyone else ineligible to run.

Mr. KENNEDY. So it was arranged for you to win by that means; is that right?

Mr. SCOTT. I believe that was the purpose of it.

Mr. KENNEDY. Based on the standard that they used, which I believe was as to whether you had your dues paid up, were you eligible to run for office?

Mr. SCOTT. There wasn't an officer that was eligible to run at that time.

Mr. KENNEDY. They just ruled everybody else ineligible; is that right?

Mr. SCOTT. That is right.

Mr. KENNEDY. Who made those arrangements?

Mr. SCOTT. I think Ray Bennett made the final decision. He was an international organizer.

Mr. KENNEDY. After you became an officer—tell me who else were the officers of local 614?

Mr. SCOTT. At that time Dan Keating.

Mr. KENNEDY. What was his position?

Mr. SCOTT. He was president, and Louis Lento was secretary-treasurer, and Finazzo was recording secretary, and I was vice president.

(At this point, the following members were present: Senators McClellan, Ives, Church, and Goldwater.)

Mr. KENNEDY. Were there any financial statements given to the union after you became an officer and the rest of these gentlemen became officers?

Did you ever give any financial statements?

Mr. SCOTT. Under the Taft-Hartley law, they were required to give a financial statement, but they didn't give it. They posted it on the window in the office.

Mr. KENNEDY. Were these financial statements accurate?

Mr. SCOTT. I didn't make them out. I couldn't swear that they were.

Mr. KENNEDY. During this period of time, was the home of Mr. Hoffa being erected at Lake Orion?

Mr. SCOTT. I think he purchased that in 1948.

Mr. KENNEDY. He was remodeling it during this period of time?

Mr. SCOTT. From 1948 on.

Mr. KENNEDY. He was remodeling it from 1948?

Mr. SCOTT. That is correct.

Mr. KENNEDY. Were you told by the president of the union as to how the bills for the remodeling of the home were paid?

Mr. SCOTT. He said he was—

Mr. KENNEDY. Who is he?

Mr. SCOTT. Dan Keating was paying all the bills for the remodeling of the home. Someday he was going to hand them all to Jimmie Hoffa.

Mr. KENNEDY. Did you understand that this was being paid out of union funds?

Mr. SCOTT. Yes, I did.

Mr. KENNEDY. Were the telephone bills for Mr. Hoffa at that time also being paid out of union funds?

Mr. SCOTT. For his lake cottage; yes.

Mr. KENNEDY. Out of union funds?

Mr. SCOTT. Yes, they were. They were paid by local 614.

Mr. KENNEDY. Did you see that yourself?

Mr. SCOTT. Yes; I seen the girls make out the checks.

Mr. KENNEDY. On the Lake 13 property, did you understand that Mrs. Hoffa and Mrs. Brennan were going to fly up there?

Mr. SCOTT. Dan Keating said he made arrangements with Gordon Rorich, who is now dead, to fly them up there, and he had to pay \$1,400 to fly them up there.

Mr. KENNEDY. That was out of union funds?

Mr. SCOTT. Yes, sir.

Mr. KENNEDY. Did Mr. Hoffa ever speak to you about the fact that his brother was being looked for by the police?

Mr. SCOTT. Yes, he did, in the Fort Shelby Hotel in Detroit.

Mr. KENNEDY. What conversations did you have with him?

Mr. SCOTT. He asked me to take his brother, Billie, out to Pontiac and hide him. At first he said I could take him out to the cottage, but there was no heat in the cottage, so I put him in the hotel, the Roosevelt Hotel in Pontiac.

Mr. KENNEDY. Was this the time he was wanted by the police?

Mr. SCOTT. He had a case going on in circuit court in Wayne County, at that time.

Mr. KENNEDY. Did you understand that the police were looking for him at that time?

Mr. SCOTT. I was told that they were going to pick him up again.

Mr. KENNEDY. At that time?

Mr. SCOTT. Yes, sir.

Mr. KENNEDY. Who paid for the bills for Mr. Billie Hoffa while he was staying at that hotel?

Mr. SCOTT. Local 614.

Mr. KENNEDY. How do you know that?

Mr. SCOTT. Because I carried the check over to the hotel.

Mr. KENNEDY. Did Mr. William Hoffa receive any money during the period of time he was being hidden?

Mr. SCOTT. \$75 a week for spending money.

Mr. KENNEDY. From whom did that come?

Mr. SCOTT. From local 614.

Mr. KENNEDY. How do you know that?

Mr. SCOTT. Because I took that check over to Billie.

Mr. KENNEDY. What about the fact that when William Hoffa's wife—did she run away from him?

Mr. SCOTT. Yes; she did.

Mr. KENNEDY. Was that during the same period of time?

Mr. SCOTT. Yes, it was.

Mr. KENNEDY. And could you tell us whether you heard anything about trying to get her to come back?

Mr. SCOTT. Well, she run away and Billie was throwing a fit about it. Jimmie raised hell and he called me down to the office, and he raised hell with me, and I didn't have a thing to do with his wife. But he said he would send Tom Burke after her.

Mr. KENNEDY. Jimmie Hoffa said he was going to send Tom Burke after her?

Mr. SCOTT. Yes; and Tom was in the office at the time.

Mr. KENNEDY. Did he go out after her?

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

Mr. SCOTT. Well, the next thing I knew she was brought back, but she didn't stay very long. She went again.

Mr. KENNEDY. Did you understand who paid for the bill for him, for Tom Burke, to go look for Mr. Willie Hoffa's wife?

Mr. SCOTT. I was told it was in the neighborhood of \$7,000.

Mr. KENNEDY. Who told you that?

Mr. SCOTT. Tom Burke.

Mr. KENNEDY. Did he tell you who paid for that?

Mr. SCOTT. Why, he was working for the union at the time.

Mr. KENNEDY. You just gathered from the fact that he was working for the union, that the union must have paid for it, is that right?

Mr. SCOTT. Well, he said it cost them \$7,000 to go get her and bring her back.

The CHAIRMAN. Cost who?

Mr. SCOTT. The union.

The CHAIRMAN. Are you sure of that, that he said it cost the union?

Mr. SCOTT. That is what he told me.

The CHAIRMAN. All right.

Mr. KENNEDY. Were you ever approached——

Senator GOLDWATER. Where was she?

Mr. KENNEDY. She was out in the Far West, is that right?

Mr. SCOTT. Arizona, or some place.

Senator GOLDWATER. I would prefer it if you didn't say "Arizona or some place." Was she in Arizona?

Mr. SCOTT. I don't know. I didn't go get her.

Senator GOLDWATER. Why would she be in Arizona, do you have any idea?

Mr. SCOTT. That I could not tell you. I did not know her at all.

Senator GOLDWATER. Did you know any of the Licavolis that lived down there?

Mr. SCOTT. No, I did not.

Mr. KENNEDY. Were you ever approached by anyone about putting Billie Hoffa up in the rackets in Pontiac?

Mr. SCOTT. A fellow they called "The Chinaman" said that Billie Hoffa wanted to get in the numbers racket.

Mr. KENNEDY. Who was the Chinaman?

Mr. SCOTT. He was a Greek fellow.

The CHAIRMAN. Let's have order.

Mr. KENNEDY. When was this, approximately?

Mr. SCOTT. About 1950.

Mr. KENNEDY. Did he have conversations with you?

Mr. SCOTT. The Chinaman did. He said that Billie Hoffa wanted to get in the number rackets. He was going to muscle in. I asked him not to let him muscle in because he worked for local 614, and his brother would not like it.

Mr. KENNEDY. So what happened?

Mr. SCOTT. He didn't get in.

Mr. KENNEDY. Did you ever have any conversations with anybody else in connection with this?

Mr. SCOTT. Herman Kierdorf.

Mr. KENNEDY. Kierdorf? What did he say to you?

Mr. SCOTT. He told me that Billie wanted to hire him to bump me off because I stopped him from getting in the numbers rackets.

Mr. KENNEDY. Did Mr. Hoffa, Jimmie Hoffa, ever approach you about interceding with anyone, with the Governor, in connection with anyone who was serving a penitentiary sentence, life sentence in the penitentiary?

Mr. SCOTT. Yes, he did.

Mr. KENNEDY. Would you tell us about that?

Mr. SCOTT. There was two fellows, but the one fellow I don't know his name at all.

Mr. KENNEDY. He asked you to intercede on two different occasions?

Mr. SCOTT. Right.

Mr. KENNEDY. Both of these people were serving life sentences?

Mr. SCOTT. Well, I can't say what Cammarata was serving, whether it was life—

Mr. KENNEDY. Cammarata.

Mr. SCOTT. Cammarata was serving, whether it was life or not, but he was serving time for violating his parole, because he was deported from the United States.

Mr. KENNEDY. Why did he want you to intervene on his behalf?

Mr. SCOTT. Because they were going to pick him up, and they were afraid they was going to deport him again.

Mr. KENNEDY. Did you understand that he was a relative of Pete Licavoli?

Mr. SCOTT. Well, Bill Buffalino came and got me and took me over to Pete Licavoli's house, and Frank Campanero was there.

Mr. KENNEDY. Is it Frank Cammarata?

Mr. SCOTT. Or Cammarato, I don't know how you pronounce it.

Mr. KENNEDY. He was there at the time?

Mr. SCOTT. Yes, he was.

Mr. KENNEDY. It was in connection with the fact that he might be breaking his parole.

Mr. SCOTT. His parole.

Mr. KENNEDY. He wanted you to intercede with the Governor on behalf of him?

Mr. SCOTT. Yes, he did. But a lot of people had interceded for him and they could not get the Governor to do anything.

Senator GOLDWATER. You have been in Michigan politics?

Mr. SCOTT. I was in the Michigan Federation of Labor and I was also in politics.

Mr. KENNEDY. What level of politics?

Mr. SCOTT. Just precinct worker and a delegate to the conventions.

Mr. KENNEDY. Did you know the Governor well enough to ask him a favor like this?

Mr. SCOTT. I did.

Mr. KENNEDY. Is that some time ago?

Mr. SCOTT. Yes, it was.

Mr. KENNEDY. What Governor was it?

Mr. SCOTT. Governor Williams.

Mr. KENNEDY. He turned you down?

Mr. SCOTT. I didn't ask him.

Mr. KENNEDY. Did Mr. Hoffa, James Hoffa, ever speak to you in connection with putting a fix at the Oakland prosecutor?

Mr. SCOTT. Bert Brennan called me up on the telephone in Lansing and he asked me if my insurance was paid, and I said "What have you got to do with my insurance?"

Well, he said "There are two fellows here in the office that are pretty bad guys, and they might have something to do with it."

Mr. KENNEDY. What was that about?

Mr. SCOTT. Then he asked me to come down to the office, and I came down and there was two fellows in the office.

He wanted me to put the fix in.

Mr. KENNEDY. Who was present?

Mr. SCOTT. Jimmie Hoffa and Bert Brennan and these two fellows.

Mr. KENNEDY. Who were these two fellows?

Mr. SCOTT. One of them was Sammie Furness—

Mr. KENNEDY. Finazzo?

Mr. SCOTT. I don't know how you pronounce it.

Mr. KENNEDY. We had him as a witness.

The CHAIRMAN. How did you pronounce it?

Mr. SCOTT. Sammie Furness.

The CHAIRMAN. Sammie Furness?

Mr. SCOTT. Yes.

Mr. KENNEDY. He is also known as Sam Finazzo.

The CHAIRMAN. We had a Sam Finazzo.

Mr. KENNEDY. That is him. He has various names.

The CHAIRMAN. Does the witness identify him?

Mr. SCOTT. I beg your pardon?

The CHAIRMAN. I am just trying for the record to determine whether you are talking about the same man.

Mr. SCOTT. He is a little short fellow, and he is Jewish. That is what I think he is. And he runs a boxing ring in town there.

The CHAIRMAN. Is that the one?

Mr. KENNEDY. Yes.

The CHAIRMAN. He ran the boxing ring?

Mr. SCOTT. Yes.

The CHAIRMAN. Did you ever know Embrel Davidson?

Mr. SCOTT. Yes, sir.

The CHAIRMAN. The prizefighter?

Mr. SCOTT. Yes, sir. I seen him box.

The CHAIRMAN. Was he working there at the same place where Finazzo was?

Mr. SCOTT. He boxed in the same ring that he owned.

The CHAIRMAN. That Finazzo owned?

Mr. SCOTT. Yes.

The CHAIRMAN. So that is the man you are talking about?

Mr. SCOTT. Yes.

The CHAIRMAN. The one there that runs the boxing show?

Mr. SCOTT. That is right.

Mr. KENNEDY. What was the conversation between you when you went down to the office?

Mr. SCOTT. Well, Bert wanted me to put a fix in for this Sammie and this other fellow to run a gambling joint out on the Eight Mile and Greenfield Road. I told them I couldn't do it. They said I knew the prosecutor and I should be able to do it. I said, "Well, I couldn't do it." Then they wanted the fix in for 30 days, for this fellow to get his money back out that he had invested in clubs.

Mr. KENNEDY. Who was this fellow you are talking about?

Mr. SCOTT. Sammie Finazzo or Furniss. I guess the fix was put in by somebody else besides me, because the place did run better than 30 days.

Mr. KENNEDY. What did Bert Brennan mean when he called you up and asked you if your insurance was paid up?

Mr. SCOTT. Well, he said I was keeping these two fellows from operating in Oakland County.

Mr. KENNEDY. Did you ever go to the prosecutor in connection with this?

Mr. SCOTT. Do, I didn't.

Mr. KENNEDY. You refused to do so?

Mr. SCOTT. Yes, I did, because this Sammie Finazzo had a fellow out in Oakland County that had put the fix in for the sheriff, and when I was down there to the office, I told Bert to have the same fellow put the fix in with the prosecutor.

Mr. KENNEDY. Anyway, the fix was put in by someone, because they were allowed to operate; is that right?

Mr. SCOTT. That is right.

Mr. KENNEDY. Did Mr. Hoffa ever speak to you about the grand jury that was investigating him?

Mr. SCOTT. Yes, he did.

Mr. KENNEDY. Would you tell us what you did about that?

Mr. SCOTT. Well, they were investigating all of the Teamsters' boys in Detroit, and there was a fellow I went to school with by the name of Earl Keeler. He either worked for the Detroit News or was an investigator for the grand jury. He was getting information and I was to give the information to Jimmie.

Mr. KENNEDY. Did you furnish him information?

Mr. SCOTT. I did.

Mr. KENNEDY. Did you give him any information about a man by the name of Turk Prujanski?

Mr. SCOTT. Yes, I did.

Mr. KENNEDY. What information?

Mr. SCOTT. I told him Turk Prujanski testified in front of the grand jury that he had paid Jimmie either \$5,000 or \$10,000 to put the fix in for a liquor license, to have them keep from taking it away from him. He was a front for the Bernstein boys.

Mr. KENNEDY. What did Jimmie Hoffa say when you told him that?

Mr. SCOTT. Well, he said he would have him taken care of.

The next day a couple of the boys went out to the racetrack and Turk Prujanski left town.

Mr. KENNEDY. That is when he went to——

Mr. SCOTT. California.

Mr. KENNEDY. Did Hoffa relate this to you, that he was going to get him sent out of the State?

Mr. SCOTT. He said he would have these boys take care of him.

Mr. KENNEDY. And Prujanski, in fact, leave and go to California?

Mr. SCOTT. He left Michigan and went to California.

Mr. KENNEDY. Was it ever arranged for him to come back?

Mr. SCOTT. They brought him back on a fugitive warrant.

Mr. KENNEDY. What happened then?

Mr. SCOTT. He would not talk, and they put him in jail for 60 days, I believe, for contempt of court.

Mr. KENNEDY. Did Mr. Hoffa ever speak to you about Charlie Harrison, about whom we had some testimony this morning? About the Manor Bar? Did he ever speak to you about the Manor Bar?

Mr. SCOTT. The Manor Bar? He asked me to intercede for the fellow that owned it to get the license put in his name. His father was dying of cancer. This Charlie wanted the license put in his name.

Mr. KENNEDY. So what did he ask?

Mr. SCOTT. So I said I could not at that time because I only know one of the commissioners on the liquor-control commission. Well, he said, "I know one." I said, "Who is that?" And he said, "Mr. Henderson." He said, "Can you do anything with the other fellow?"

I said, "Yes; I can get him to vote for putting the license in his name," and he said, "I will get Mr. Henderson to vote." Well, it came up a couple of nights later Jimmie called me about 11 o'clock, and he said, "You are not so damn smart," and hung up on me.

Mr. KENNEDY. The fellow had not gotten the liquor license?

Mr. SCOTT. No; he did not.

Mr. KENNEDY. So Hoffa called you up and said what?

Mr. SCOTT. That I am not so damn smart. I called him back and said, "You are not so smart, either. Your man did not vote for the damned liquor transfer at all and my man did."

Mr. KENNEDY. So what happened then?

Mr. SCOTT. Well, then he said—he cooled off a little, and he said, "Well, what can be done?" I said, "Well, if you keep your nose out of it, it can be done after the first of the year."

So after the first of the year it was done.

Mr. KENNEDY. And he did get the transfer?

Mr. SCOTT. That is right.

Mr. KENNEDY. Did you ever hear mention of Mr. Bushkin or Mr. Holtzman?

Mr. SCOTT. Abe Bushkin worked for Jimmie in the Retail Clerks Union.

Mr. KENNEDY. Was there any discussion about the coin-operated machines or the cigarette machines that Mr. Bushkin owned in the various chainstores?

Mr. SCOTT. Well, they were supposed to own all the cigarette machines that was in the supermarkets, but they were having some difficulty with the sales tax division of the revenue department of the State. They asked me to get it straightened out. Well, I made arrangements for Mr. Bushkin and Mr. Brennan to see Mr. Mintz.

Mr. KENNEDY. You made that appointment?

Mr. SCOTT. Yes, I did.

Mr. KENNEDY. Was it straightened out?

Mr. SCOTT. I believe it was.

Mr. KENNEDY. Was there also some effort during the campaign regarding the Democratic Party? Were there certain efforts to get nomination papers?

Mr. SCOTT. Well, at one time they attempted to get all the precinct delegates elected.

Mr. KENNEDY. That was 1950?

Mr. SCOTT. I believe it was.

Mr. KENNEDY. What did they do along those lines?

Mr. SCOTT. Well, they paid to have petitions circulated.

Mr. KENNEDY. Who is "they"?

Mr. SCOTT. The Teamsters Union, Mr. Hoffa.

Mr. KENNEDY. What happened?

Mr. SCOTT. Well, the fellows that he paid didn't circulate the petitions. They sat down and filled them out by roundrobin at a table.

Mr. KENNEDY. And signed their names in in that way?

Mr. SCOTT. That is right.

Mr. KENNEDY. How much were they to be paid for these petitions?

Mr. SCOTT. \$150 a week.

Mr. KENNEDY. Instead of going out and getting them, they filled the names in?

Mr. SCOTT. That is what I understood they did.

Mr. KENNEDY. Who did you understand that from?

Mr. SCOTT. Monroe Lake.

Mr. KENNEDY. What was his position?

Mr. SCOTT. Well, he just worked at that time for the county board of auditors on the welfare setup.

Mr. KENNEDY. Did Mr. Hoffa ever speak to you about approaching a judge in connection with, I believe, Mr. Fletcher—is that his name?

Mr. SCOTT. Harry Fletcher.

Mr. KENNEDY. Yes.

Mr. SCOTT. He asked me to intercede and see if I could not get a retrial for him. I think they were sentenced to 20 to 40 years.

Mr. KENNEDY. Why did he want you to see if you could get a new trial?

Mr. SCOTT. He knew Harry Fletcher. I guess they were friends. That is all I know about it.

Mr. KENNEDY. Had you known the judge? Is that why he approached you?

Mr. SCOTT. Yes. I did.

Mr. BELLINO. We understand that Harry Fletcher was the head of the Purple Gang in Detroit.

Mr. KENNEDY. Had you known the judge; is that why he approached you?

The CHAIRMAN. Wait a minute, do you know about him being the head of a gang in Detroit?

Mr. SCOTT. He had that reputation. All the newspapers wrote him up that way, as the head of the Purple Gang, and he was arrested in Oakland County by Governor Zigler. He arrested him on the pretense that he was the fellow that killed one of the State senators. He got the judge to give 20 to 40 years sentence in order to make him talk about this senator that was killed.

The CHAIRMAN. I particularly wanted some testimony regarding this Purple Gang, or whatever it was, because while that was our information I wanted to know what you knew about it.

Senator GOLDWATER. Mr. Chairman.

The CHAIRMAN. Senator Goldwater.

Senator GOLDWATER. I want to see if I have this right.

This Fletcher was a judge?

Mr. SCOTT. No, he was the fellow that was arrested.

Senator GOLDWATER. What judge are you talking about? I got the name of Fletcher.

Mr. SCOTT. Judge Hartrick was the man that sentenced him.

Senator GOLDWATER. Judge Hartrick was the man you went to see?

Mr. SCOTT. I did not go see him because there was no use. He sentenced him and I think he made an agreement with the former Governor there for appointment on the State supreme court if he sent these guys to jail for 20 to 50 years and they were sentenced to that.

Senator GOLDWATER. Did he get his appointment to the supreme court?

Mr. SCOTT. No, he didn't, because they elected Williams.

Senator GOLDWATER. As Governor?

Mr. SCOTT. Yes, sir.

Senator GOLDWATER. That judge's name was Hardy?

Mr. SCOTT. Hartrick. H-a-r-t-r-i-c-k.

Senator GOLDWATER. Those judges are elected; is that right?

Mr. SCOTT. That is right.

Senator GOLDWATER. Would you have felt that you had access to his office had you wanted to talk to him on this?

Mr. SCOTT. I always have had, but there was no use because he was the one that sentenced him and there were four of them that I can recall by name that were sentenced.

There was Pete Mahoney, Harry Fletcher, and Mike Selig and Candy Davis. I think there were 5 of them, but I can only recall the names of 4.

They all got the same sentence. Then they got out on bond and they skipped the country, or the State, rather, and they were eventually caught.

Senator GOLDWATER. These members were members of the Purple Gang that were sentenced?

Mr. SCOTT. They were supposed to be.

Senator GOLDWATER. That is all I have right now.

Senator CURTIS. Mr. Chairman.

The CHAIRMAN. Senator Curtis.

Senator CURTIS. What information do you have as to an understanding concerning this sentence with the possible appointment to the supreme court between the Governor and the judge?

Mr. SCOTT. Well, the Governor and I debated one time a woman grand jury bill, for the repeal of it, and there was repeal, and after the debate that was held in the house of representatives, and after the debate at night the Governor and I went out for something to eat.

I told him I thought it was a rotten sentence over in Oakland County.

He said, "You know why that was done, don't you?"

I said, "No."

He said, "Judge Hartrick wanted an appointment on the supreme court and I wanted to convict the murderer of Senator Cooper."

Senator CURTIS. What Governor told you that?

Mr. SCOTT. Governor Zeigler.

Senator CURTIS. Where did this conversation take place?

Mr. SCOTT. In the senate cafe.

Senator CURTIS. The senate cafe in the capitol building?

Mr. SCOTT. In Lansing.

Senator CURTIS. When?

Mr. SCOTT. It was about midnight or 1 o'clock.

Senator CURTIS. What was the date?

Mr. SCOTT. I can't tell you the date.

Senator CURTIS. What was the year?

Mr. SCOTT. I think it was 1950.

Senator CURTIS. What month?

Mr. SCOTT. I can't tell you that.

Senator CURTIS. Who else was present?

Mr. SCOTT. Just the Governor and I.

Senator CURTIS. Tell me just what did the Governor say.

Mr. SCOTT. I just got through telling you.

Senator CURTIS. Yes; but tell me what were the words that he said?

Mr. SCOTT. The exact words?

Senator CURTIS. As you can remember them.

Mr. SCOTT. I can't tell you the language he used because he was quite a scholar.

Senator CURTIS. Will you tell me what he said?

Mr. SCOTT. I said first, "That was a hell of a sentence you gave them boys in Oakland County and caused them to get with the grand jury."

He said, "Well, that was done for a reason."

I said, "What was the reason, Governor?"

He said, "Well, I wanted to convict somebody for the slaying of Senator Cooper."

And he said, "Judge Hartrick gave them 20 to 50 years and that was supposed to make them talk."

Senator CURTIS. Did he say anything else?

Mr. SCOTT. We had a conversation there for a couple of hours.

Senator CURTIS. Did he say that he intervened with the judge and asked for a stiff sentence of this kind?

Mr. SCOTT. Yes, he did.

Senator CURTIS. Did he say that in return he was offering a place on the supreme court?

Mr. SCOTT. Yes, he did. He made a deal with him.

Senator CURTIS. Nobody else was present but you?

Mr. SCOTT. The Governor was there.

Senator CURTIS. He is not living any more?

Mr. SCOTT. No, he isn't. He wasn't Governor at that time, either.

Senator CURTIS. He was not Governor?

Mr. SCOTT. No, sir.

Senator CURTIS. What position did he hold?

Mr. SCOTT. He didn't hold any.

Senator CURTIS. Oh, I thought you said he was the Governor.

Mr. SCOTT. He had been the Governor when these boys were sentenced to jail, but at that time he wasn't Governor no more. Williams had defeated him and he debated for this one-man grand jury bill that was no good. I debated with him against the bill and the bill was killed.

Senator CURTIS. Where did this debate take place?

Mr. SCOTT. In the house, in the capitol.

Senator CURTIS. During one of their sessions, or did they just use the house chambers?

Mr. SCOTT. They used the house chambers that night.

Senator CURTIS. It was not part of the legislative session?

Mr. SCOTT. No, it wasn't, but the bill was up for passage.

Senator CURTIS. Where is the judge involved now?

Mr. SCOTT. He is on the bench in Oakland County yet.

Senator CURTIS. Now, these four men were not being tried for Cooper's death, were they? They were being tried for something else?

Mr. SCOTT. They were tried for robbing a gambling joint. They charged them with conspiracy. Then they started questioning them about Cooper's murder.

Senator CURTIS. Who was the first person that you told this conversation you had with the Governor? Did you ever tell anybody between the time it took place and now?

Mr. SCOTT. No, I don't believe I did.

Senator CURTIS. Never told anyone about it?

Mr. SCOTT. Nobody ever asked me anything about it, so I never said anything.

Senator CURTIS. What led you to being asked about it today?

Mr. SCOTT. You will have to ask Mr. Kennedy that.

Senator CURTIS. That is all, Mr. Chairman.

Mr. KENNEDY. Did you ever hear Mr. Hoffa talk to or about Mr. Anastasia in New York, or Joe Massei?

Mr. SCOTT. I heard him call Tony Anastasia one time after he got through talking to Mr. Bugas.

Mr. KENNEDY. Who was Mr. Bugas?

Mr. SCOTT. Mr. Bugas is the personnel director for the Ford Motor Co.

Mr. KENNEDY. What was he at that time?

Mr. SCOTT. He was the personnel director at that time. He was a former FBI director for Michigan.

Mr. KENNEDY. What was he calling Anastasia about? Which Anastasia was it?

Mr. SCOTT. Tony.

Mr. KENNEDY. Where was he calling him?

Mr. SCOTT. In New York.

Mr. KENNEDY. Do you know what it was about?

Mr. SCOTT. About some trucks. The Ford Motor Co. was going to have some trouble in delivering their cars and Jimmy was trying to straighten it out.

Mr. KENNEDY. Was this in connection with a trucking company that Anastasia had an interest in?

Mr. SCOTT. Yes.

Mr. KENNEDY. Did you ever hear him talk about or to Joe Massei?

Mr. SCOTT. He told me that Joe Massei was the head Dago in Michigan.

Mr. KENNEDY. Did you ever hear him talking to him?

Mr. SCOTT. Once when he called him in Florida.

Mr. KENNEDY. Now, when did you break with the Teamsters or with Mr. Hoffa, Mr. Scott?

Mr. SCOTT. July 2, 1952.

Mr. KENNEDY. What was that in connection with?

Mr. SCOTT. I was secretary-treasurer of the Michigan Federation of Labor, and I quit. He said I couldn't quit. He said nobody quits him.

Mr. KENNEDY. Is this Mr. Hoffa?

Mr. SCOTT. Yes.

I said, "I will quit."

He said, "I will break both your arms and legs."

I said, "Don't forget you have 2 arms and 2 legs, too."

That is all we had to say and I quit.

Mr. KENNEDY. Why had you quit?

Mr. SCOTT. Because him and Bert Brennan came into an executive board meeting and insisted upon changing the constitution.

Mr. KENNEDY. Would this have deprived you of some of the powers that you had?

Mr. SCOTT. That is right.

Mr. KENNEDY. And given them to someone else?

Mr. SCOTT. Yes, sir.

Mr. KENNEDY. So you quit the whole thing; is that right?

Mr. SCOTT. That is right.

Mr. KENNEDY. Now, you have had a stroke, have you, Mr. Scott?

Mr. SCOTT. Yes.

Mr. KENNEDY. When was that?

Mr. SCOTT. In March of 1953.

Mr. KENNEDY. Were you a member of the Barbers Union?

Mr. SCOTT. I was.

Mr. KENNEDY. In March of 1953—

The CHAIRMAN. Did you say 1933 or 1953?

Mr. SCOTT. 1953.

Mr. KENNEDY. Were you a member of the Barbers Union?

Mr. SCOTT. I was.

Mr. KENNEDY. Were you a member of the Barbers Union up to the time you testified last year?

Mr. SCOTT. I was.

Mr. KENNEDY. Have you been expelled now from the Barbers Union?

Mr. SCOTT. I can't say whether I have or haven't. The court has restrained them from expelling me.

Mr. KENNEDY. They took action against you, however, after you testified here?

Mr. SCOTT. Yes, they did.

Mr. KENNEDY. For what reason did they take action against you?

Mr. SCOTT. Well, 2 weeks after I went back from here I was in the old Conoly Bar and 3 business agents and the secretary was in there and an international officer.

He said, "We are going to expel you."

I said, "What for?"

He said, "You will find out."

I said, "Well, what is it for?"

He said, "You belong to another union."

I said, "You want to be sure you can prove it when you prefer the charges."

Mr. KENNEDY. So it was going to be for dual unionism; is that right?

Mr. SCOTT. Yes, sir.

Mr. KENNEDY. What other union were you supposed to belong to?

Mr. SCOTT. The State Barbers Association.

Mr. KENNEDY. Were you in fact a member of the State Barbers Association?

Mr. SCOTT. No; I haven't been since 1947.

Mr. KENNEDY. Did you have a withdrawal card in 1947?

Mr. SCOTT. Yes, I did.

Mr. KENNEDY. You were also able to obtain the ledger sheet showing the last payment into that organization, the State Barbers Association, was on July 28, 1947?

Mr. SCOTT. That is right.

The CHAIRMAN. I hand you a photostatic copy of a card. Will you examine it and state if you identify it?

Mr. SCOTT. That is a withdrawal card.

The CHAIRMAN. It may be made exhibit No. 23.

(The document referred to was marked "Exhibit No. 23" for reference and will be found in the appendix on p. 13723.)

The CHAIRMAN. I do not know whether you can identify this, or not, but I hand you what purports to be a photostatic copy of a ledger sheet reportedly showing the payment of your dues and the time you retired. I do not know whether you have seen that, or not. Have you?

Mr. SCOTT. Yes, I have.

The CHAIRMAN. Are you familiar with it?

Mr. SCOTT. Yes, I am.

The CHAIRMAN. What is it?

Mr. SCOTT. It is the ledger sheet, or it is a photographic copy of the original sheet showing the years I paid dues to them, 1943, 44, 45, 46, and part of 1947.

The CHAIRMAN. It may be made exhibit No. 24.

The document referred to was marked "Exhibit No. 24" for reference and will be found in the appendix on p. 13724.)

The CHAIRMAN. There is some writing on there that indicates that you retired, a withdrawal is noted on there.

Mr. SCOTT. Yes. In 1947 I was working for the Teamsters Union out in Pontiac and the officers office was next door.

I went over to pay my dues. He said, "You don't have to pay dues any more. You are not barbering, so we are going to put you on a retirement card."

So they did.

The CHAIRMAN. They refer here to a retiring card, not to a withdrawal card. Are they all the same?

Mr. SCOTT. Yes, sir.

The CHAIRMAN. In other words, you retired from the union?

Mr. SCOTT. Yes, sir.

Mr. KENNEDY. From the association?

Mr. SCOTT. That is right.

The CHAIRMAN. From what?

Mr. KENNEDY. From the State Barbers Association?

Mr. SCOTT. Yes.

The CHAIRMAN. Is that a union?

Mr. SCOTT. It is a State association of barbers.

Mr. KENNEDY. They claimed that that was a union and you were guilty of dual unionism; is that right?

Mr. SCOTT. That is what they claimed.

Mr. KENNEDY. They wrote you a letter April 14, 1958, from local 552 of the Barbers; is that right?

Mr. SCOTT. That is right.

Mr. KENNEDY. They wrote you on May 13, 1958, notifying you that the trial board of local 552 had found you guilty as charged?

Mr. SCOTT. That is right.

Mr. KENNEDY. That is despite the fact that you had the withdrawal card?

Mr. SCOTT. That is right, and that was submitted as evidence at the trial.

Mr. KENNEDY. Then on May 16, 1958, 3 days later, you received a telegram notifying you that the trial committee's report would be read at the meeting of Monday evening, May 19; is that right?

Mr. SCOTT. Yes.

The CHAIRMAN. Is this a Teamsters Union you were expelled from?

Mr. SCOTT. No. It is a State association and the Barbers Union is the one I was expelled from.

Mr. KENNEDY. Then you tried to send your dues in, did you not?

Mr. SCOTT. Yes.

Mr. KENNEDY. And they refused to accept your dues?

Mr. SCOTT. Yes, sir.

Senator GOLDWATER. Before you leave that point, Mr. Chairman, let me get something straight.

Were you a member of the Barbers Association when you joined the Teamsters?

Mr. SCOTT. Yes, sir.

Senator GOLDWATER. How long have you lived in Michigan?

Mr. SCOTT. All my life so far.

Senator GOLDWATER. How long have you been a barber, before you joined the Teamsters?

Mr. SCOTT. I got my license in 1926.

Senator GOLDWATER. When did you join the Teamsters?

Mr. SCOTT. In 1945.

Senator GOLDWATER. Was that 552?

Mr. SCOTT. No. 552 is the Barbers Union.

Senator GOLDWATER. How big was the local that you joined?

Mr. SCOTT. The Barbers Union?

Senator GOLDWATER. No, the Teamsters?

Mr. SCOTT. Well, I would say there is probably 3,000 members in it.

Senator GOLDWATER. When did you become an officer?

Mr. SCOTT. In 1947 or 1948.

Senator GOLDWATER. You have been a member for 2 years and you became an officer of a local of some 3,000?

Mr. SCOTT. Yes, sir.

Senator GOLDWATER. Why did you join the Teamsters?

Mr. SCOTT. Because I was offered a job to go to work for them. I was working at the Barbers Union as a business agent. George Husk, who was the then secretary-treasurer, said that Jimmy Hoffa would have to see me. I said, "What for?"

He said, "Come on, I will take you over there."

So he took me over there and Dan Keating was there in the office and Bert Brennan.

Jimmy said, "I want you to go to work for me."

I said, "Well I am satisfied where I am at."

He said, "Well, we want you to go to work out in Pontiac. We are having some difficulty out there and we would like you to go to work out there."

So I went to work out there.

Senator GOLDWATER. That is all I have.

Mr. KENNEDY. I just want to get the situation finished about what happened in the Barbers Union.

They then had the meeting; is that correct?

Mr. SCOTT. That is right.

Mr. KENNEDY. You have been ousted from the union and you are now on appeal; is that right?

Mr. SCOTT. Well, I was ousted, but then I went into court and the court restrained them from kicking me out.

Mr. KENNEDY. Now, the evidence against you was the fact that you were listed by the Legislative Agents' Register as of January 1958, as "Scott, Robert, capacity, legislative agent and member of the State Barbers Association."

Mr. SCOTT. That is correct. But they did not introduce that at the trial.

The only thing they introduced was a throw sheet that I had when I was running for the legislature, and I said I was a charter member.

Mr. KENNEDY. You are a charter member?

Mr. SCOTT. That is right.

Mr. KENNEDY. What you meant to put on here also was that you were a charter member?

Mr. SCOTT. That is right.

Mr. KENNEDY. You just are not an active member and have not paid dues since 1947 and you had your withdrawal card?

Mr. SCOTT. That is right.

Mr. KENNEDY. They ousted you anyway?

Mr. SCOTT. That is right.

Mr. KENNEDY. I thought it was of significance, Mr. Chairman. We have had some testimony in connection with the Barbers Union and Teamsters Union in the past. This man appeared before the committee and testified.

Shortly afterward they took action against him. Of course, we have had testimony in the last few days where people have committed all sorts of crimes and have not been ousted.

The CHAIRMAN. Let me present to you what purports to be a photostatic copy of a telegram and ask you to examine it and state if you identify it.

Mr. SCOTT. I do.

The CHAIRMAN. Is that the telegram you received?

Mr. SCOTT. Yes, sir; I received that on a Friday night about 8 o'clock.

The CHAIRMAN. That may be marked "Exhibit No. 25."

(The document referred to was marked "Exhibit No. 25" for reference and will be found in the appendix on p. 13725.)

Mr. KENNEDY. The other officer that you mentioned, Mr. Keating, was ultimately found guilty of extortion; is that correct, or receiving money from employers?

Mr. SCOTT. Yes; he was. I don't know what the charge exactly was.

Mr. KENNEDY. Also, Marroso, Nicoletti, and Lintean?

Mr. SCOTT. Yes, sir.

Mr. KENNEDY. Did you understand that they continued to receive their salaries?

Mr. SCOTT. Dan Keating told me that when he was in the House of Corrections.

Mr. KENNEDY. What did he say?

Mr. SCOTT. He told me he was getting paid and Sam Marroso and Louis Lintean were getting paid at the same time.

Mr. KENNEDY. I might say that even before we knew the fact that these people were receiving salaries after they had been convicted, we received this information from Mr. Scott. We checked into it and it was one of the other matters that we found was correct.

The CHAIRMAN. Mr. Scott, have we found that this action was taken against you in the Barbers Union simply because you testified down here?

Mr. SCOTT. I would say so.

The CHAIRMAN. Sir?

Mr. SCOTT. I would say, "Yes."

The CHAIRMAN. You know of no other reason?

Mr. SCOTT. No, sir.

The CHAIRMAN. You never have had a complaint filed against you before?

Mr. SCOTT. No, sir; because I was a former business agent for them and a legislative agent. I lobbied for it.

The CHAIRMAN. You never had any problem with them before?

Mr. SCOTT. No, sir; not at all.

The CHAIRMAN. Immediately after you testified down here?

Mr. SCOTT. Two weeks.

The CHAIRMAN. They took this action against you?

Mr. SCOTT. That is right.

The CHAIRMAN. All right.

Mr. KENNEDY. I think that about summarizes it, Mr. Chairman.

Mr. Scott has testified, went over some of the material he testified to the last time.

Also, Mr. Chairman, he gave some new information that we did not have before and which has some significance in view of what we have had developed over the period of the last 6 months.

The CHAIRMAN. Are there any further questions of Mr. Scott?

Senator CURTIS. Yes.

Who brought the action to oust you from the Barbers Union?

Mr. SCOTT. The secretary-treasurer.

Senator CURTIS. He relied upon a provision in their constitution which prohibits dual membership?

Mr. SCOTT. Yes, sir.

Senator CURTIS. Do you know of any other instances where that provision has been invoked against an individual?

Mr. SCOTT. No; I don't. But I know a lot of members that have dual membership.

Senator CURTIS. Is it known to the National Barbers Union?

Mr. SCOTT. It is known to the secretary-treasurer, the same one that preferred the charges against me.

The CHAIRMAN. Are there any further questions?

Mr. KENNEDY. Did Mr. Keating or any of the other individuals ever indicate to you that they kicked back any of this money they received from these employers?

Mr. SCOTT. Just Mr. Keating was the only one.

Mr. KENNEDY. What did he tell you?

Mr. SCOTT. He said that he shook Heck de Tavenier down for \$35,000 to give it to Jimmy Hoffa.

Mr. KENNEDY. He told you that?

Mr. SCOTT. That is what he said.

Senator CURTIS. Will you look at this telegram, the photostat. That appears to be a telegram addressed to you telling you when the membership would act?

Mr. SCOTT. That is right.

Senator CURTIS. Did you appear?

Mr. SCOTT. Yes; I did.

Senator CURTIS. Did they permit you to speak?

Mr. SCOTT. Hardly, but I did get in a few words and they took a vote and the first vote was in my favor.

Senator CURTIS. How many members were present?

Mr. SCOTT. I would say a hundred.

Senator CURTIS. What was the first vote?

Mr. SCOTT. Total?

Senator CURTIS. You said it was in your favor. How did it come out?

Mr. SCOTT. They voted not to sustain the trial board.

Senator CURTIS. How many votes did you get?

Mr. SCOTT. That I couldn't tell you.

Senator CURTIS. Did they call the roll?

Mr. SCOTT. No.

Senator CURTIS. On the first vote how did they do it?

Mr. SCOTT. Voice vote.

Senator CURTIS. The Chair announced that it was in your favor?

Mr. SCOTT. He didn't announce it was in my favor, but everybody there knew it was and he kept talking and finally he said we are going to take another vote. He said that vote is questionable, so we will have another vote. Then they had a standing vote.

The CHAIRMAN. Did anybody vote for you then?

Mr. SCOTT. There was just a very few.

The CHAIRMAN. When they had to stand up and be counted?

Mr. SCOTT. That is right.

Senator CURTIS. How do you explain the change in sentiment between the first vote and the second vote?

Mr. SCOTT. Well, fear, more than anything else.

Senator CURTIS. Who were they afraid of?

Mr. SCOTT. Business agents and the officers.

Senator CURTIS. All right, name them.

Mr. SCOTT. George Husk, Elmer Albrecht, Lawrence Miller, Morosky, and a fellow by the name of Johnson.

Senator CURTIS. They are all officers and agents of the Barbers Union?

Mr. SCOTT. That is right.

Senator CURTIS. What is the number of that local?

Mr. SCOTT. 552.

Senator CURTIS. Where is it located?

Mr. SCOTT. In Detroit.

Senator CURTIS. That is all, Mr. Chairman.

Senator GOLDWATER. This does not relate to this particular series of questions, but we have not had an opportunity to have a man like you who has lived in Detroit, Mich., for such a length of time. I would like to ask this question: Is the numbers racket going on in Detroit?

Mr. SCOTT. That I would not care to testify to, because I could not testify honestly and say it was or it was not.

Senator GOLDWATER. To your knowledge, does the numbers racket go on in the factories in Detroit?

Mr. SCOTT. Well, as recently as a month ago they arrested people for being in that business.

Senator GOLDWATER. In the factories?

Mr. SCOTT. I couldn't tell you whether it was in the factories or on the street.

Senator GOLDWATER. Is there any other form of gambling going on in the factories?

Mr. SCOTT. That I couldn't tell you.

Senator GOLDWATER. You don't know?

Mr. SCOTT. I don't know.

Senator GOLDWATER. That is all.

The CHAIRMAN. Are there any other questions of this witness?

If not, thank you very much.

Mr. KENNEDY. Mr. Hoffa, did you receive any of this money from Mr. Keating?

Mr. WILLIAMS. Before you resume the questioning of Mr. Hoffa—

Mr. KENNEDY. Mr. Scott, would you stay around? You might have to defend yourself again.

Mr. WILLIAMS. Mr. Chairman, I want to call to your attention, sir, that this witness has testified for, by my count, approximately 44 minutes, and the first 34 minutes of his testimony was simply a restatement of what he said on September 26, 1957, in the transcript beginning at page 5582 and ending at page 5613.

Mr. KENNEDY. That is not right.

Mr. WILLIAMS. May I finish?

The CHAIRMAN. What is the purpose of this? If we want to get the testimony—I don't know what the point is.

Mr. WILLIAMS. I think I can make the point, Mr. Chairman, if you will just allow me another minute.

In the interim report of this committee, the testimony of this witness was summarized, and I refer to the interim report that came out

earlier this year, at pages 244 and 245. So I submit, Mr. Chairman, always respectfully to you, sir, that there could have been no legislative purpose in calling this witness. I also submit to you, sir, and again always respectfully to you, that the recall of this witness and the rehash of this testimony constitutes an abuse of the legislative power of inquiry.

I say again that this is demonstrative of the fact that this is really a legislative trial.

The CHAIRMAN. Now let the Chair and you have an understanding.

Mr. WILLIAMS. Yes, sir.

The CHAIRMAN. This investigation is going to proceed. We just as well make up our minds.

Mr. WILLIAMS. I know that, Senator. I have no power to do anything except with your permission to make such observations as you permit me to make for this record.

The CHAIRMAN. I'm going to permit the counsel, of course, to present anything that he feels he should present to the committee, but we have settled the matter and there is no use to keep bringing it up. That is why I am saying this investigation is going to proceed. You say it has no legislative purpose. I wholly disagree with you. The unions should not be run in the fashion that this testimony shows one is being run.

Just because a man comes down here and gives testimony before a legislative committee that he is expelled from a union, if that is proper practices, I don't know what decency is. That testimony, as well as other, is very important, because if your client has been spending union money, as this witness testified he has been, that is nothing but corruption, and we do have a legislative purpose.

The Congress is going to try to legislate some of these crooks out of this business.

Mr. WILLIAMS. You and I agree wholeheartedly on this, Senator.

My point is that it was a rehash of old testimony that was given here a year ago. My point further is, Mr. Chairman, that there is no testimony that there is any casual relationship between the expulsion of this man from his union and any activity of anyone in the International Brotherhood of Teamsters.

The CHAIRMAN. How do you know we are not going to show that? I can't show you everything in 10 minutes.

Mr. WILLIAMS. I would say up to now we have been guilty of the logic of post hoc; ergo propter hoc, that something took place because he testified, that therefore that is the cause of it.

The CHAIRMAN. I suppose that is the reason he was turned out.

Mr. WILLIAMS. I have no idea why he was turned out. After hearing him, I still have no idea.

Senator IVES. I would like to ask the distinguished counsel how many labor relations matters he has been in, in connection with litigation. Is he an expert in labor relations?

Mr. WILLIAMS. I am certainly not an expert in labor relations, but I feel I am qualified to make observations on due process of law.

Senator IVES. What I would like to bring out in this relation is this: I know you are not an expert in labor relations, you don't contend to be, that is not your field. You are, however, one of the few outstanding criminal lawyers in the United States. I would like to point out that you are here not as a labor relations representative in

any way, shape, or manner, or representing here from the standpoint of labor relations, but as a criminal lawyer defending the Teamsters. Now kindly reconcile that.

Mr. WILLIAMS. I want to correct you, first of all, Senator, since you have seen fit to characterize me. I am not——

Senator IVES. You don't deny it, do you?

Mr. WILLIAMS. I am a trial lawyer, Senator Ives. I have been a trial lawyer all of my professional life. I try cases. I try them according to my lights and the limits of integrity. I am here acting within the limits of my integrity here. So long as I feel that any client that I have is being abused, I shall speak up.

Senator IVES. I would not argue with you on that point, but you don't deny that you are one of the few outstanding criminal lawyers in the United States, do you?

The CHAIRMAN. Gentlemen, that is not a legislative matter as to the ability or character of practice that Mr. Williams has. Let's move along with the investigation. Mr. Williams has a perfect right to be here, as long as he respects the committee, he has a right to be here, and counsel his client with reference to legal matters. The Chair, when Mr. Williams presents anything to the committee, the Chair will rule on it. But where we have ruled and ruled I think that should end it.

Proceed with the interrogation.

Senator CURTIS. Mr. Chairman, could I ask Mr. Scott a question before he departs?

The CHAIRMAN. Yes.

Senator CURTIS. Mr. Scott, you testified about intervening with the Governor to receive clemency for people charged or convicted of offenses. Did you even intervene with the Governor for anyone other than a member of the Teamsters Union?

Mr. SCOTT. I did not testify that I did intervene. I was asked to intervene, but I did not.

Senator CURTIS. You did not intervene?

Mr. SCOTT. I did not intervene.

Senator CURTIS. Were you ever asked to intervene for anybody other than members of the Teamsters?

Mr. SCOTT. When I was secretary-treasurer, yes.

Senator CURTIS. By whom?

Mr. SCOTT. I couldn't recall now.

Senator CURTIS. Could you tell me something about the circumstances of who it was?

Mr. SCOTT. Well, a fellow met me in the lobby one time and asked me to intervene for a fellow that was going to be extradited, and I told him I did not have any jurisdiction.

Senator CURTIS. Extradited from where to where?

Mr. SCOTT. From the State of Michigan to Minnesota, I believe.

Senator CURTIS. It was not Wisconsin?

Mr. SCOTT. No.

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

Senator CURTIS. When the Governor had this conversation with you, he knew that you were active in politics, did he not?

Mr. SCOTT. He knew that I was secretary-treasurer of the Michigan Federation of Labor, and I was a legislative agent for that body.

Senator CURTIS. Were you of the same political party as Governor Selig here?

Mr. SCOTT. No, I was not.

Senator CURTIS. He knew that you were not?

Mr. SCOTT. Yes, sir.

Senator CURTIS. Still he told you about his commitment to give an appointment to the supreme court on the basis of a sentence passed?

Mr. SCOTT. At the time he told me this, he was not Governor.

Senator CURTIS. That is all.

The CHAIRMAN. Mr. Scott, you will remain under your present subpoena, subject to being recalled. Do you accept that recognizance?

Mr. SCOTT. Yes, sir.

The CHAIRMAN. In the event anyone undertakes to intimidate or threaten or harm you in anyway, you advise this committee about it promptly. We will give you all the protection we can. I have about reached the conclusion that there are efforts being made, beyond any doubt, to intimidate witnesses that this committee has before it. I ask you to give this committee any information you have that may come to your attention along that line.

Mr. KENNEDY. Just in connection with that, Mr. Chairman, I might ask Mr. Scott if he knows anything about it—when did you first hear about the situation involving Frank Kierdorf?

Mr. SCOTT. The night it happened, at 5 minutes to 2 in the morning, the police came to my house and woke my wife and I both up. He asked my wife if I was home, and she said "Yes." He said could he see me? She said, "Well, he is in bed."

He said, "Well, I would like to see him." So I came downstairs and he put his hands on my shoulder, and he said "God, I am glad to see you." I said "Why?" He said, "Well, I thought you just walked into the hospital all burned."

Mr. KENNEDY. What had been said to make him believe that?

Mr. SCOTT. Well, this fellow first mentioned the name Bob 2 or 3 times when they questioned him, and then he said his name was John Doe and he was from Washington.

Mr. KENNEDY. They had not been able to identify Kierdorf?

Mr. SCOTT. They could not identify him.

Mr. KENNEDY. And the first person that they thought of was—

Mr. SCOTT (continuing). Was me.

Senator GOLDWATER. Could I ask counsel a question? Have you talked with Judge Hartrick, or whatever his name is?

Mr. KENNEDY. Who is he?

Senator GOLDWATER. The Judge Mr. Scott mentioned in connection with the Governor's promise to give him a higher job if he did a certain thing.

Mr. KENNEDY. No. I don't think that is directly involved.

Senator GOLDWATER. I don't know whether that is directly involved or not, but I think it involved the honesty of a former chief executive of Michigan. While I don't see any need of bringing the judge down here, I do think in fairness to this man's family and his reputation, that we get an affidavit.

Would that be possible, to get an affidavit from the judge as to the testimony of Mr. Scott?

The CHAIRMAN. Sure. We will undertake to do that. The judge, of course, or anyone else whose name is mentioned here, if they feel

like any testimony has been given, derogatory to them, or which reflects upon them, by request will be given an opportunity to testify. That is the rule of the committee.

Senator GOLDWATER. I thank the chairman. I think that is being fair.

Mr. KENNEDY. I just got a note here saying Hartrick dropped dead in California today. That answers it.

The CHAIRMAN. Proceed.

Mr. KENNEDY. Mr. Scott, I want to tell you how much we appreciate your help and assistance.

**TESTIMONY OF JAMES R. HOFFA, ACCOMPANIED BY COUNSEL,
EDWARD BENNETT WILLIAMS, GEORGE FITZGERALD, AND
DAVID PREVIANT—Resumed**

Mr. KENNEDY. Mr. Scott has testified regarding the repairs done on your home, and his conversation with Mr. Keating that union funds were used to make repairs on your home.

Can you tell us anything about that?

Mr. HOFFA. I had Dan Keating handle the remodeling of my cottage. Keating presented bills to me. I paid what bills he presented to me, and I paid them.

Mr. KENNEDY. How did you pay for them?

Mr. HOFFA. Cash.

Mr. KENNEDY. You must have some of those bills.

Mr. HOFFA. I do not.

Mr. KENNEDY. Did you turn some of those bills over to the committee?

Mr. HOFFA. I don't believe I did.

Mr. KENNEDY. Can you?

Mr. HOFFA. I say I don't believe I did. Because I don't believe I had them.

Mr. KENNEDY. What did you do with them?

Mr. HOFFA. I would normally destroy them if I had the bills, after I paid them.

Mr. KENNEDY. You said you had the bills.

Mr. HOFFA. No, I didn't. I said that I had the bills and paid the bills. I don't have the bills.

Mr. KENNEDY. What did you do with the bills?

Mr. HOFFA. I destroyed them.

Mr. KENNEDY. Do you have any records whatsoever showing that you paid for this?

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

Mr. HOFFA. I have only my word.

Mr. KENNEDY. Mr. Hoffa, we have had that before.

Mr. HOFFA. I paid the bills in cash. I suggest that you call Keating and ask Keating whether or not I paid the bills, those that were presented to me.

Mr. KENNEDY. We called Mr. Keating and he respectfully declined on the ground that a truthful answer might tend to incriminate him.

Mr. HOFFA. I cannot be responsible for Mr. Keating's answer to this committee.

Mr. KENNEDY. How much were the bills? How much did you pay out?

Mr. HOFFA. I talked to Keating recently and asked him what he thought the estimation for the remodeling was, and he said the best he could recall it was less than \$3,000. That is what he told me.

Mr. KENNEDY. And you don't have any records showing that you paid them?

Mr. HOFFA. No; I don't.

Mr. KENNEDY. You didn't use any union funds to pay any of the bills at your home?

Mr. HOFFA. I don't know of any union funds that were paid for my home. I can't think of any bills that were submitted to the union. I think they were all submitted to me.

Mr. KENNEDY. You don't know of any union funds that were used?

Mr. HOFFA. I don't know of any union funds. Unless you have some records that can refresh my memory I would say no, because I don't know of any offhand.

Mr. KENNEDY. Unfortunately, all the records for that period of time of the union have been destroyed, so we don't have those.

What about at your home at the Lake 13 Hunting and Fishing Club? Did you use any union funds in connection with that?

Mr. HOFFA. I did not use any union funds personally, except to buy some gasoline, probably, for my car to drive up there. But the remodeling of the place, the business, I believe the records will show that it came out of Hobren, to the best of my knowledge.

Mr. KENNEDY. What about the salaries of the individuals who were working up there, such as Mr. Alvy Bush and Mr. O'Brien, about whom we had testimony last year?

Mr. HOFFA. Bush worked at the Camp 13, so did O'Brien work at Camp 13.

Mr. KENNEDY. During the period of time they were being paid out of union funds, their expenses for gasoline, et cetera, were also being paid by the union, for a total of \$3,771.25?

Mr. HOFFA. They worked at the camp. What the total was, I don't know.

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

Mr. KENNEDY. They were doing work for you and Mr. Brennan, isn't that correct?

Mr. HOFFA. They were doing work for the camp, which was to be used as a recreation point for the business agents involved.

Mr. KENNEDY. Who owns the camp?

Mr. HOFFA. I told you. Hobren Co.

Mr. KENNEDY. Who owns Hobren Co.?

Mr. HOFFA. My wife and Mr. Brennan's wife.

Mr. KENNEDY. This is a camp that is owned by your wife, and Mr. Brennan's wife, and union business agents while on salary were working there at the camp, isn't that correct?

Mr. HOFFA. They did.

Mr. KENNEDY. This cost the union, to work at your wife's and Mr. Brennan's wife's camp—that is the way you want to describe it—has cost the union \$3,771.25. Are you going to reimburse the union for this?

Mr. HOFFA. O'Brien and Bush took care of their obligations with the union and kept their barns and their contracts up, and regarding the question of them being up there, if they were actually on union

time and not on their time on the weekend or on a holiday, I will discuss the question and decide what I am going to do with it.

Mr. KENNEDY. It was developed last year. They were working up there for a period of 3 months. It cost the union this amount of money. I am just bringing it in in the context of Mr. Scott's testimony, that the same kind of thing was going on back in 1940, that you were using union funds in connection with your own property. Here is another situation where we can prove it by the records. Some \$3,771.25 of union funds were used in connection with your and Mr. Brennan's camp.

Mr. HOFFA. I think both of the individuals told you that they worked up there. It wasn't any secret.

Mr. KENNEDY. That is correct. Are you going to reimburse the union for the money? Do you think that this money from the union is just to use as you see fit, Mr. Hoffa?

Mr. HOFFA. Money was used for the camp, and the camp is used for the recreation of certain business agents who are part of the club, and the others can join.

Mr. KENNEDY. Are you going to reimburse the union?

Mr. HOFFA. I will discuss the matter with Mr. Brennan and decide what to do about it.

The CHAIRMAN. Senator Kennedy?

Senator KENNEDY. Mr. Hoffa, a number of witnesses have taken the fifth amendment before this committee, with whom you are involved in transactions. The records are never in existence. Your deals were always in cash. You refer us to the other witness and they take the fifth amendment. It seems to me that you have surrounded yourself in this hearing with these witnesses, all of whom take the fifth amendment, and you don't have any records.

We only have your word as to what happened. You operate in cash. It seems to me, then, in a sense that you are taking the fifth amendment. That is the effect of it.

Mr. HOFFA. That isn't true, Senator.

Senator KENNEDY. Mr. Hoffa, if you tell us about Mr. Bushkin, for example, that he loaned you \$5,000 in cash, and you paid him back in cash, and we ask for records, and you don't have any. You refer us then to Mr. Bushkin, and he takes the fifth amendment in regard to that transaction. Mr. Keating, who we have just been inquiring about, \$14,000, once again you said there are no records. Then we ask Mr. Keating, and he takes the fifth amendment. We go through all of these witnesses.

Mr. Brennan takes the fifth amendment when we ask him about the gambling. You don't have any records yourself. You don't tell us who you bet on, what horses won, you have no records. It is all in cash. We ask your partner in the transaction, and he takes the fifth amendment. It seems to me what we have here, in a sense, is a perversion of the fifth amendment in order to protect you.

If you want to be protected yourself, it seems to me you ought to operate so that you will not be exposed to suspicion; it seems to me that you should operate and keep bills and write out checks and proceed, as most people do who permit their financial transactions to be subjected to ordinary scrutiny. Your accountant comes in and has no records. All of the people that you do business with, most of them,

whom we have interrogated, all take the fifth amendment. Then you feel that the committee is carrying on a vendetta against you.

It seems to me you have exposed yourself to this inquiry by failing to keep normal business records, and being associated with people who, when asked the questions, have to take the fifth amendment.

Senator IVES. If the Senator will yield, I would like to remind the Senator of an old mathematical axiom which should not be forgotten, that things equal to the same thing are equal to each other.

Senator KENNEDY. Do you want to comment, Mr. Hoffa?

Mr. HOFFA. I have no comment whatsoever on a man's right to take the fifth amendment, except the statements I have already made, that they have their own conscience and must decide whether or not they want to discuss matters concerning questions asked here.

Senator KENNEDY. But you have involved yourself in a number of witnesses to whom you refer us, who take the fifth amendment on what is happening to union funds. I have a list of about 13 witnesses with whom you have been involved, who all come down to this hearing and, whenever we ask them any questions they take the fifth amendment.

The point I am trying to make is that, in a sense, this multiple use of the fifth amendment is, in a sense, a fifth amendment for you, because you either don't recall or have no records or you turn us over to somebody who takes the fifth amendment.

Mr. WILLIAMS. Senator, I don't know whether that is a question or not.

Senator KENNEDY. No; it is a statement, in a sense, Mr. Williams. The point I am attempting to make is that you suggested we are carrying on from the beginning a vendetta against Mr. Hoffa. The point I am attempting to make is that he involved himself, keeps no records; his transactions are all in cash; he destroys bills; he refers us to his opposite partner in the transaction; and he takes the fifth amendment.

The \$62,000 that he is alleged to have won, we have no records of it. We ask Mr. Brennan about it and he takes the fifth amendment. That is, year after year, Mr. Hoffa is winning. I know very few horse winners who win year after year.

Mr. WILLIAMS. Senator, I have heard of people who do not agree with the Supreme Court's feeling about the fifth amendment and who subscribe to the feeling that guilt may be inferred from the invocation of the fifth amendment. But this is the first time I ever heard of guilt being inferred from somebody else's invocation of the fifth amendment.

Senator KENNEDY. I am putting it forward as an original thesis that Mr. Hoffa, surrounding himself with people who take the fifth amendment, suggests to me he is taking the fifth amendment because he has no records, he cannot recall, or it was in cash and he has no evidence of it, or he turns us over to a witness who takes the fifth amendment.

The CHAIRMAN. All right. Proceed.

Mr. KENNEDY. Did you receive any kickbacks from Mr. Keating, Lintean, Marosso, and Nicoletti, from local 614?

Mr. HOFFA. I received no money from the individuals mentioned on any kickbacks because I don't know whether they received kickbacks.

Mr. KENNEDY. A number of them plead guilty for receiving money from employers. Did you receive a part of that money?

Mr. HOFFA. I did not.

Mr. KENNEDY. Why were you so solicitous of these individuals who destroyed their union trust, so that they received a total of \$114,719.32. After we made an investigation last year, some of these people—some of them had been paid while in jail, and continued to receive the money. So, the total as of this time is \$114,719.32 in outright salary that these people received after they were convicted of extortion?

The CHAIRMAN. Is that exclusive of the legal fees that were paid?

Mr. KENNEDY. That is correct, and exclusive of some pensions they were then put on, which we will now put in. Why were you so solicitous of these people, Mr. Hoffa? Were you afraid they would expose you; that you had to pay their legal fees; that you had to pay them while in jail? Do you think they would come forward with information and expose you?

Mr. HOFFA. I was not charged with any crime connected with them, nor was I on trial. I was not afraid they were going to expose me, because they have nothing to expose. But, insofar as they were concerned, we felt—I felt they had been with the union sufficient time, worked the hours they had worked, knew their families, and decided to recommend that they be taken care of, and we did.

Mr. KENNEDY. Mr. Hoffa, if you are looking around for charitable organizations to contribute union funds to, I am sure you can get a better group than four individuals who violated their union trust. They received money from employers. This was not people out on the picket line who got into a fight or something. This was people who received money from employers. How can you possibly explain your being so solicitous for them, unless you received some of the money yourself?

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

Mr. KENNEDY. Can you explain that?

Mr. HOFFA. I think I have made my statement.

Mr. KENNEDY. You don't have anything else to add to it?

Mr. HOFFA. Nothing.

Mr. KENNEDY. Then, when they got out of jail, they continued to receive their money, all from union funds? Do you have anything to say to that?

Mr. HOFFA. I have made the statement that I care to make for that answer, unless there is some other question.

Mr. KENNEDY. I am trying to find out if you don't have some other explanation for it, but you don't have any. Were you and Mr. Marosso, or the union and Mr. Marosso, in any business after he got out of jail?

Mr. HOFFA. I don't believe the union was in any business with Marosso. I think that I was in—I either—wait a minute. Either we started to have some business arrangements together or we did have. I am not quite sure.

Mr. KENNEDY. What was this in connection with?

Mr. HOFFA. I think he was going to build some homes or something.

Mr. KENNEDY. Where was that?

Mr. HOFFA. In Detroit, I believe it was. I am not sure whether or not we ever went through with the situation.

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

Mr. KENNEDY. Do you know anything about the Comstock Corp. in Las Vegas?

Mr. HOFFA. No.

Mr. KENNEDY. Do you know of his interest in that?

Mr. HOFFA. I knew that he worked there.

Mr. KENNEDY. Did you know he was interested in getting financing for that organization, for the Comstock Corp.?

Mr. HOFFA. He didn't ask me for any.

Mr. KENNEDY. He did not?

Mr. HOFFA. He did not ask me for any.

Mr. KENNEDY. Did he ask anybody in the union that you know of?

Mr. HOFFA. I don't believe he did.

Mr. KENNEDY. Do you know if he was interested in getting any financing from the union for the Comstock Corp.?

Mr. HOFFA. I don't believe he ever asked me for it. If he asked somebody else, I don't know.

Mr. KENNEDY. Were you told he was interested in it?

Mr. HOFFA. I don't think I was.

Mr. KENNEDY. You were not?

Mr. HOFFA. I don't believe so.

Mr. KENNEDY. Did you ever have any conversations with anyone regarding financing this organization out in Las Vegas?

Mr. HOFFA. As a matter of fact, I didn't even know exactly what he was building out there, except that I think he was working as a superintendent of a building. I met him in the airport one day and that is what he told me he was doing.

(At this point, the following members were present: Senators McClellan, Ives, Kennedy, Curtis, and Goldwater.)

Mr. KENNEDY. Did anybody from the union ever discuss this with you then?

Mr. HOFFA. I don't believe they did.

Mr. KENNEDY. You don't remember that?

Mr. HOFFA. I don't believe they did. They may have but I don't believe they ever did.

Mr. KENNEDY. Mr. Chairman, can I put on the rest of the figures that Messrs. Linteau, Keating, Marroso received in addition to the \$114,000?

TESTIMONY OF JEROME S. ADLERMAN—Resumed

Mr. KENNEDY. Mr. Adlerman, did any of these individuals receive any additional money other than the \$114,000?

Mr. ADLERMAN. We have a record showing that Mr. Louie D. Linteau received \$11,200.11.

Mr. KENNEDY. When was that?

Mr. ADLERMAN. That was in October 1957.

Mr. KENNEDY. As what?

Mr. ADLERMAN. That was supposed to be severance pay or pension fund.

The CHAIRMAN. What fund was it paid out of?

Mr. ADLERMAN. It was paid out of a Joint Council 43 pension fund. They had policies of insurance.

Mr. KENNEDY. How much had the union paid into that?

Mr. ADLERMAN. In the period 1953 to 1957, 4-year period, the union premiums amount to \$7,745.22 and the contributions of Mr. Linteau, \$418.50.

Mr. KENNEDY. The union contributed how much again?

Mr. ADLERMAN. \$7,745.22.

Mr. KENNEDY. And Mr. Linteau?

Mr. ADLERMAN. \$418.50.

Mr. KENNEDY. Did Mr. Linteau pay into the fund after he went to jail?

Mr. ADLERMAN. No. During the time he was in jail—

Mr. KENNEDY. He did not pay; is that correct?

Mr. ADLERMAN. He did not pay.

Mr. KENNEDY. Did the union pay during that period of time?

Mr. ADLERMAN. Yes, they did. They paid premiums in 1955, the premium amounted to \$1,721.16. The same in 1956. And in 1957, since it was cut off before the end of the year the amount only came to \$860.58.

Mr. KENNEDY. So after Mr. Linteau had gone to prison for receiving money from the employers he received not only his salary but the union continued to pay into this pension fund for a total of more than \$3,500?

Mr. ADLERMAN. I would say it was probably about \$4,000.

Mr. KENNEDY. And during the period of time he paid nothing?

Mr. ADLERMAN. He paid nothing during those 3 years.

Mr. KENNEDY. Then he received this amount of money of \$11,000 in 1957; is that right?

Mr. ADLERMAN. That is right.

Mr. KENNEDY. Now anybody else?

Mr. ADLERMAN. Yes. We find that Mr. Daniel Keating received \$17,697.55 through the joint council.

Mr. KENNEDY. When was that?

Mr. ADLERMAN. 1953. The best I can tell it was to December 1956 or the middle of December.

Mr. KENNEDY. How much had he paid into that?

Mr. ADLERMAN. The year 1955, in the year 1954 while he was in jail only the latter part of the year, he only paid \$184.50, whereas, the union paid \$1,721—I am sorry—

Mr. KENNEDY. He did not go to jail, I don't believe, until October 1954?

Mr. ADLERMAN. Yes, pardon me. This is Mr. Keating we are on?

Mr. KENNEDY. Yes.

Mr. ADLERMAN. The union paid \$1,823.56 and Keating paid \$184.50. In 1955 Mr. Keating paid nothing. The union paid \$1,823.56. In 1956 Mr. Keating paid nothing and the union paid \$1,367.67.

Mr. KENNEDY. Then he received the total amount?

Mr. ADLERMAN. He received the total amount of \$17,697.55.

Mr. KENNEDY. Anybody else?

Mr. ADLERMAN. No; we don't have any record right now for anybody else.

Mr. KENNEDY. Now were they legally entitled to that money after 1954?

Mr. ADLERMAN. Well, going to the trust agreement they were supposed to pay their share of the contribution. Since they paid none, I would say they were not entitled to it.

The CHAIRMAN. What you mean is that it was paid for them but it was paid out of union money?

Mr. ADLERMAN. The payment was supposed to be deducted from their salaries. There was no deduction from their salaries; therefore, they made no contribution to the trust agreement. I would say under those circumstances they were not entitled to any money.

The CHAIRMAN. But the money was paid into the trust fund?

Mr. ADLERMAN. By the union.

The CHAIRMAN. It was paid out of union dues and not out of their salaries?

Mr. ADLERMAN. That is right.

The CHAIRMAN. Anything further?

Mr. KENNEDY. So these 4 individuals received about \$142,000—is that correct—after they had been found guilty of receiving money from employers?

Mr. ADLERMAN. Yes, approximately.

Mr. KENNEDY. Also their legal bills were paid; isn't that correct, Mr. Hoffa?

Mr. HOFFA. That is correct.

Mr. KENNEDY. You paid the legal bills of many of these individuals who had gotten into difficulty with the law; is that correct?

Mr. HOFFA. That is correct.

Mr. KENNEDY. Even when they were charged with extortion?

Mr. HOFFA. Whatever they were charged with, we defended them with the lawyers that we hired for them.

Mr. KENNEDY. Mr. Chairman, I would like to call on Mr. Bellino to place in the record what we have found as far as legal bills are concerned of the various unions that we have been interested in.

Mr. HOFFA. Mr. Chairman, could we have about a 3-minute break?

The CHAIRMAN. You may. We will take a 5-minute recess.

(A short recess was taken.)

(At this point, members of the committee present were: Senators McClellan, Curtis, and Goldwater.)

TESTIMONY OF CARMINE S. BELLINO—Resumed

The CHAIRMAN. Let us proceed.

Mr. KENNEDY. Mr. Bellino, just so that we get the picture. As far as the situation involving local 614 in Pontiac, these individuals were indicted for receiving moneys from various employers, is that right?

Mr. BELLINO. Yes, sir.

Mr. KENNEDY. The union membership had protested against these individuals, is that correct?

Mr. BELLINO. Yes, sir.

Mr. KENNEDY. Then the union was put in trusteeship?

Mr. BELLINO. Yes, sir.

Mr. KENNEDY. And these individuals were taken out of their positions of power, Mr. Keating and Mr. Linteau?

Mr. BELLINO. That is correct.

Mr. KENNEDY. And then Mr. Hoffa was made trustee?

Mr. BELLINO. That is correct.

Mr. KENNEDY. And Mr. Hoffa placed these same individuals, Keating and Linteau, back in as business agents to run the union for him?

Mr. BELLINO. Yes, sir.

Mr. KENNEDY. That was been developed?

Mr. BELLINO. Yes.

Mr. KENNEDY. That was after they got into difficulty?

Mr. BELLINO. Yes, sir.

Mr. KENNEDY. Then a number of them, several of them, pleaded guilty to receiving money from the employers?

Mr. BELLINO. That is correct.

Mr. KENNEDY. Mr. Scott has testified that Mr. Keating was one of them, that he had to kick back \$35,000 to Mr. Hoffa, is that correct, the testimony was to that effect?

Mr. BELLINO. I believe there was some testimony. I don't recall that was the amount.

Mr. KENNEDY. During that period of time when these individuals went to jail their salaries were continued in their wives' names?

Mr. BELLINO. That is correct.

Mr. KENNEDY. In addition, they received these pensions, is that right?

Mr. BELLINO. That is right.

Mr. KENNEDY. Can you tell us specifically about Mr. Keating, how much money he received totally? Do you have that?

Mr. BELLINO. Mr. Keating received, including the pension, \$47,675.76.

Mr. KENNEDY. That was after he had stated he was guilty?

Mr. BELLINO. That is correct.

Mr. KENNEDY. What about Mr. Linteau?

Mr. BELLINO. He received a total of \$45,252.22.

Mr. KENNEDY. Were there legal bills paid also in addition to this?

Mr. BELLINO. Yes, sir.

Mr. KENNEDY. Can you give us the approximate amount as to what that cost the union?

Mr. BELLINO. The legal bills at that time were commingled, more or less, with the Bufalino trial. But there is approximately \$20,000 in legal bills and cost of transcript which can be directly chargeable against Keating and Linteau, Nicoletti case.

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

Mr. KENNEDY. Now, have you examined generally the situation as far as the legal bills that are paid by the unions that we are interested in?

Mr. BELLINO. Yes, sir.

Mr. KENNEDY. What specific ones?

Mr. BELLINO. We have examined the records of the Michigan Conference of Teamsters, the joint council 43, locals 247, 299, 337, 376, 614, 985, and also the records of the Central States Conference of Teamsters.

Mr. KENNEDY. Have you made a compilation as to what their legal bills have been from these units of the Teamsters in that area for the years 1953 through 1957?

Mr. BELLINO. Yes, sir. The legal bills which were paid exclusive of those items which we could definitely identify as arbitration matters.

Mr. KENNEDY. You deducted the ones for arbitration matters, the regular union business?

Mr. BELLINO. The usual legal bills, not all of them—I would say this would be the major portion of the legal bills—amounted, from 1953 to 1957, to \$625,726.76.

(At this point the following members were present: Senators McClellan, Ives, Kennedy, Curtis, and Goldwater.)

Mr. KENNEDY. That was for their legal bills?

Mr. BELLINO. Yes, sir.

Mr. KENNEDY. And you deducted, where we could tell from an examination of the records, that the legal bill was in connection with an arbitration proceeding?

Mr. BELLINO. Yes, sir. We did not have all of the paid bills which we could scrutinize in every instance and, therefore, we did not know exactly why the payment was made to the attorney. But where it could be identified as arbitration matters we deducted it.

Mr. KENNEDY. From what you could tell, was the majority of this in connection with criminal matters?

Mr. BELLINO. A substantial amount of it; yes, sir.

Mr. KENNEDY. Could you give us any examples, other than the one you have given us, of Mr. Keating, Lintean, Marosso, and Nicoletti?

Mr. BELLINO. We have the case of Mr. Gerald Conley, on whom testimony has already been submitted. There we have a total of, I believe it was, \$59,000 on Gerald Conley.

Mr. KENNEDY. \$59,000. That was in connection with three cases that Mr. Conley was involved in; is that right, sir?

Mr. BELLINO. Yes, sir.

Mr. KENNEDY. He was involved in the dynamiting case, but he was also involved in two other cases, receiving money from employers—is that right?

Mr. BELLINO. Yes, sir. A total of \$59,881.55. In addition, there was a check in the amount of \$3,000, which you may want to make evidence, payable to joint council 43. The endorsement on it is "Joint Council 43, donation to Gerald Conley."

This was dated February 21, 1956.

The CHAIRMAN. That may be made exhibit No. 26.

(The document referred to was marked "Exhibit No. 26" for reference and will be found in the appendix on p. 13726.)

The CHAIRMAN. What is the amount of the check?

Mr. BELLINO. \$3,000.

The CHAIRMAN. That is a donation?

Mr. BELLINO. Yes, sir.

The CHAIRMAN. Made out of what?

Made out of what fund?

Mr. BELLINO. It is drawn out of the account of joint council No. 43 defense fund.

The CHAIRMAN. Defense fund?

Mr. BELLINO. Defense fund; yes, sir.

The CHAIRMAN. What is the source of the defense fund?

Mr. BELLINO. It was contributions from other locals into the joint council 43.

The CHAIRMAN. Is that defense fund made up out of union funds or is that a voluntary contribution?

Mr. BELLINO. Basically it comes out of union dues.

Senator GOLDWATER. Could I ask a question before you go further?

The CHAIRMAN. Senator Goldwater.

Senator GOLDWATER. This seems to be probably a general pattern where the union pays, in nearly every case that I can recall, the legal fee, and in many cases pays the salary while the person is impounded.

Mr. Counsel, do you have any list or compilation of the union connected charges that we have heard in the last year and a half and non-union-connected charges for which union funds have been used to pay these legal fees?

Mr. KENNEDY. No, I do not, Senator.

Senator GOLDWATER. Would it be possible for the staff to compile a chart showing the union-connected charges, non-union-connected charges, together with the unions involved?

Mr. KENNEDY. I would think so, Senator.

Senator GOLDWATER. Could I request that that be done?

Mr. KENNEDY. May we have a period of time?

Senator GOLDWATER. For the whole year, yes.

Mr. KENNEDY. You will give us a little time to get that together?

Senator GOLDWATER. Yes.

Any time in the next 2 or 3 months. Also I would like to ask if Mr. Bellino has made a total of how much has been spent by unions for legal fees to defend people in either union-connected cases or non-union-connected cases.

Mr. BELLINO. I do not have the total for all of them, but just this particular group we are working on. We, of course, have it on all of the locals we have investigated, but we don't have a total.

Senator GOLDWATER. Would you also have access to figures that would give you a total of salaries that have been paid to people while they have been in jail, by the unions out of the general funds?

Mr. BELLINO. I believe those we have looked into we would have; yes, sir.

Senator GOLDWATER. Mr. Chairman, if it would be possible to have, I think it would be a valuable addition to list the total legal fees, the total salaries paid while these men have been in jail in connection with union-connected charges and non-union-connected charges, and to break them down by unions.

I am convinced that this is a general pattern. This is nothing unusual. We have found it, to my memory, in every union where we found the members of the union going to jail for either a union-connected or non-union-connected charge.

I believe the membership of the unions as a whole would like to see the extent to which this practice has gone on.

The CHAIRMAN. The staff will, at its earliest convenience, prepare the chart, undertaking to make the compilation putting these figures in their proper perspective, so it will give us a picture look at the information.

Mr. KENNEDY. What about the legal expenses for Louis Berra?

What was the case involving Mr. Berra?

Mr. BELLINO. That was an income-tax case that he was involved in.

Mr. KENNEDY. How much in legal fees were paid in connection with Mr. Berra?

Mr. BELLINO. A total of \$37,323.09.

Mr. KENNEDY. Did some of that money come from Mr. Harold Gibbons as well as from Mr. Hoffa?

Mr. BELLINO. I believe most of this was from the Central Conference of Teamsters.

The CHAIRMAN. Is that the one that Mr. Gibbons is the head of?

Mr. BELLINO. Yes, sir.

The CHAIRMAN. Do you mean the money came out of the central conference fund?

Mr. BELLINO. Yes, sir.

The CHAIRMAN. Is that out of dues-paying money?

Mr. BELLINO. Yes, sir.

The CHAIRMAN. All right.

Mr. KENNEDY. Mr. Hoffa, why were Mr. Berra's legal bills paid?

Mr. HOFFA. I am not in a position to tell you why they were paid. They were paid, I believe, because the lawyers felt that he was innocent, and that the individual who was accusing him was accusing him unjustly. We attempted to defend the individual.

Mr. KENNEDY. There were a number of individuals who testified against him, Mr. Hoffa, and one of the legal bills, \$5,000 of the legal bills, was for an appeal to the Supreme Court, so that the attorney could argue that illicitly received funds do not constitute income. That was not a question of his innocence. It was just a question of his paying tax on the money that he received as a kickback.

Mr. BELLINO. Well, I am not too familiar with all of it. I know it was an income-tax case, but I am not too familiar with all of the information.

The CHAIRMAN. That is the signal for a vote. It will be too late for us to return, so we will stand in recess until 10:30 in the morning.

(At this point, the following members were present: Senators McClellan, Ives, Kennedy, Goldwater, and Curtis.)

(Whereupon, at 4:30, the hearing recessed, to reconvene at 10:30 a. m., Wednesday, August 13, 1958.)

APPENDIX

EXHIBIT No. 1

Conrad L. Bentley

DETROIT INSTITUTE OF LAUNDERING
SUITE 250 HOTEL DETROITER
CADILLAC 7047 - RANDOLPH 5600

No. 1352

Detroit, Mich. May 7 1949

Pay to the order of *Conrad L. Bentley*
One Thousand \$1000.00

PAY TO THE ORDER OF
DETROIT INSTITUTE OF LAUNDERING
Conrad L. Bentley

Commonwealth Bank
9-31 Detroit, Mich. C-2-257

POSTAL NOTE FOR CASHING PURPOSES
NATIONAL BANK OF DETROIT
9-32 Detroit, Mich.

MAY 5 1949
PEOPLES STATE BANK
74-676
NATIONAL BANK OF DETROIT

DETROIT INSTITUTE OF LAUNDERING
 SUITE 280 HOTEL DETROITER
 CANTON 7847 - RANDOLPH 5600

1948

Pay to the order of *Cash*
One Thousand

Commonwealth Bank
 9-31 Detroit, Mich.

No. **1203**
30 **1948**

\$1,000.00
 Dollars

DIT
 3665
 1-1-1948

DETROIT INSTITUTE OF LAUNDERING
 231 BANK 931
 DETROIT, MICH. 48201
W. L. Bull
 PRESIDENT

1948

W. L. Bull

DEPOSITOR NO. 2
 30 48

DETROIT INSTITUTE OF LAUNDRING
 2001 W. MICHIGAN ST. DETROIT, MICH.
 CAPITAL \$157,000

No. 1317

1933

PAID

MAY 2 1933

DETROIT INSTITUTE OF LAUNDRING

Detroit Mich.

Dollars

Commonwealth Bank
 400 Detroit Mich.

C-2-257

[Handwritten signature]

PAID
 7 1933

W. H. [Handwritten]

[Faint handwritten notes and stamps]

1 1933

6 1933

[Faint handwritten notes]

HERBERT L. GROSBURG
SPECIAL ACCOUNT
2580 Guardian Building

1010

NO 9

DENROIT 25, MICH. *March 17 19 48* 74-1115
704

\$210.00

DOLLARS

Charles J. Grosburg

SPECIAL ACCOUNT

Five hundred fifty dollars

BANK OF COMMERCE
HARTLAND, MICH.

Pay to the order of
BANK OF COMMERCE
2580 GUARDIAN BUILDING
DETROIT 25, MICH. 48106

MAR 21 1948

DEPOSIT BRANCH
2580 GUARDIAN BUILDING
DETROIT 25, MICH. 48106

9.00

capital investment

Sam Marrow

Pay to amount

Arnold Realty Co

For Deposit Only

Pay to the order of
BANK OF COMMERCE
2580 GUARDIAN BUILDING
DETROIT 25, MICH. 48106

MAR 21 1948

DEPOSIT BRANCH
2580 GUARDIAN BUILDING
DETROIT 25, MICH. 48106

9.00

EXHIBIT No. 6B

1011

10-2

HERBERT L. GROSBERG
SPECIAL ACCOUNT
2550 Guardian Building
Detroit, 26, Mich. 48215
704

Pay to the order of *San Marino* \$100.00

Herbert L. Grosberg

San Marino

Herbert L. Grosberg

BANK OF COMMERCE
HAWAIIAN TRUST CO. LTD.

SPECIAL ACCOUNT

DOLLARS

San Marino

Pay NATIONAL BANK OF DETROIT
33391 Detroit, Mich. Dr. Order 33391
LAKESIDE GENERAL HOSPITAL

58

NATIONAL BANK OF DETROIT
9-32 Detroit, Mich. 9-32

MAR 22 1936 9:45 A.M.

Herbert L. Grosberg
Special Account
2550 Guardian Building
Detroit, Mich. 48215

San Marino

1015

HERBERT L. GROSBERG
SPECIAL ACCOUNT
2550 Guardian Building

DETROIT 25, MICH. *April 16* 19*46* 74-1118
784

PAY TO THE ORDER OF *Sam Masoro*

Three Hundred *no*

Robert Masoro

\$ *300.00*

DOLLARS

BANK OF COMMERCE
HAWTHORNE, MICH.

SPECIAL ACCOUNT

Sam Masoro

Robert Masoro

9-32

OFFICE OF THE
TREASURER OF THE
UNITED STATES

9-32

EXHIBIT No. 6D

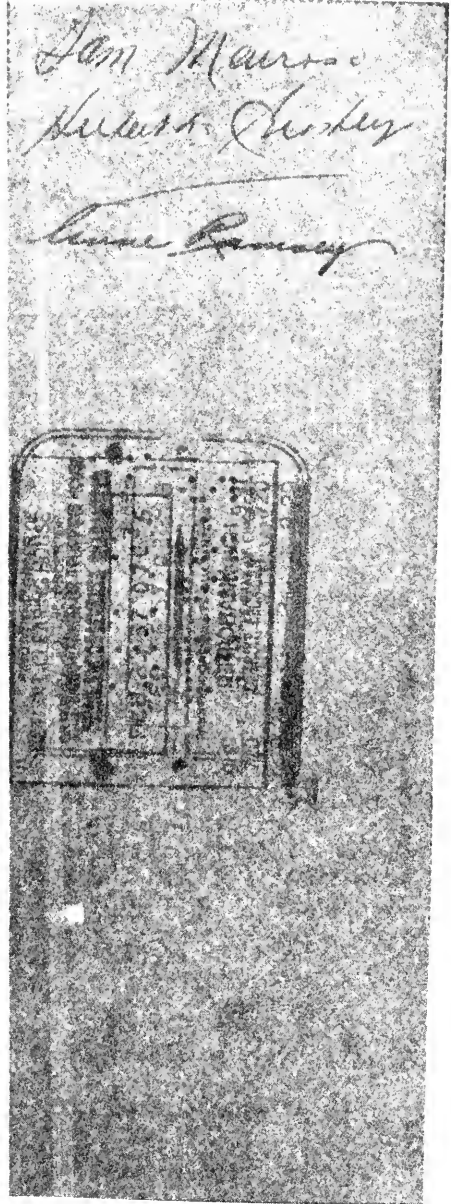
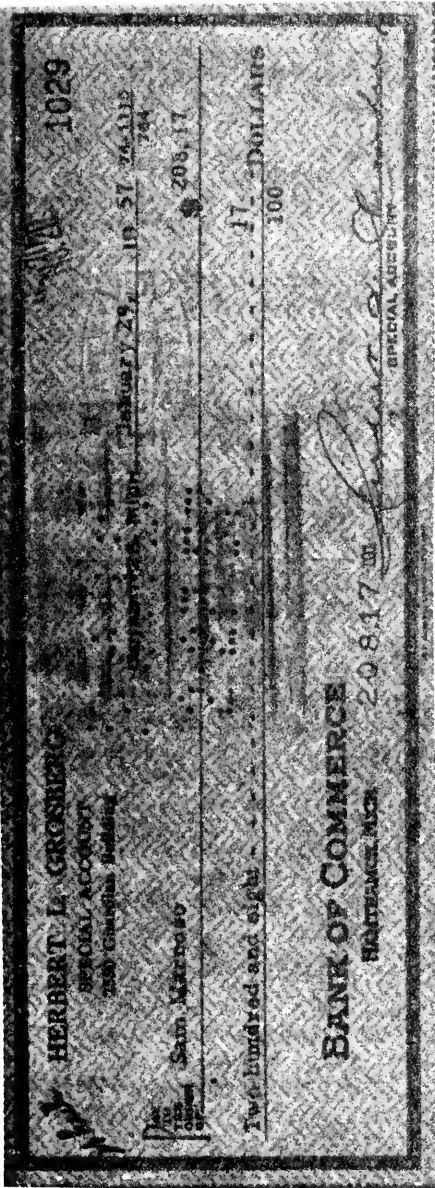




EXHIBIT No. 18

ELMER J. RYAN
COUNSELLOR AND ATTORNEY AT-LAW
89 VIRGINIA
ST. PAUL 2, MINNESOTA
Capital 7-1404

September 26, 1957

Mr. Arthur Morgan
116 W. 32nd Street
Minneapolis, Minnesota

Dear Mr. Morgan:

I talked with Sid Brennan in Florida a couple times within the last few days, and he feels that you rendered a good service in telling the truth about the Connelly matter in your testimony.

He suggested that I talk with you, and I would appreciate your giving me a call at your convenience.

Sincerely yours



EJR:rk

EXHIBIT No. 21B

1318

John C. ...
Chas. ...

... 11/11/21
... 12000⁰⁰

12000⁰⁰

DEPOSITS DATE _____
CITY BANK DETROIT

1319

April 19 '16
... Water
...

... 487477
... 3600 00

1290⁰⁰

DEPOSITS DATE _____
CITY BANK DETROIT


1320

April 19 '16
...
...

... 1.70
... 5.70

10¹⁹

DEPOSITS DATE _____
CITY BANK DETROIT


CITY BANK
 DETROIT, MICHIGAN

No. 4430

\$ 4430 DOLLARS

ORDER OF Benjamin
Forty four hundred thirty and 00/100

Pay to the order of

McDermott

EXHIBIT No. 23



To Certify Robert F. Scott
 is hereby granted retirement privileges as provided for in the By-Laws of the State Barbers' Association of Michigan for reasons of
Not active in Business. SecX, '56.

Date 8/28/47 C. Arthur [unclear]
 Local No. 50 Secretary [unclear]

This is a photographic copy
 of the originals.

EXHIBIT No. 25

This is a photographic copy
of the originals.

Class of Service
This is a free message
unless its delivery char-
acter is indicated by the
proper symbol.

WESTERN UNION

TELEGRAM

8.16

W. P. MARSHALL, President

1201

SYMBOLS
DL = Day Letter
NL = Night Letter
LT = International
Letter Telegram

The time shown in the above line on domestic telegrams is STANDARD TIME at point of origin. Time of receipt is STANDARD TIME at point of destination.

DEA177

(48) 02

DE LLC325 PD=DETROIT MICH 16 229PME=

ROBERT T SCOTT REPORT DELIVERY =

DONT FONE DCR AND REPORT CHARGES 31 BLOOMFIELD
TERRACE PONTIAC MICH=

THE TRIAL COMMITTEES REPORT CONCERNING YOU WILL BE READ
AND ACTED ON AT THE REGULAR MEETING OF BARBERS UNION
LOCAL 552 MONDAY EVENING MAY 19TH 1958 AT 830 PM IN THE
LABOR TEMPLE 82 WEST MONTCALM. ONLY MEMBERS WILL BE
PERMITTED TO ATTEND THIS MEETING. IF YOU WISH TO SPEAK
BEFORE THE MEMBERSHIP ACTS, YOU MUST BE PRESENT AT THIS
MEETING=

ELMER ALBRECHT SECRETARY TREASURER LOCAL 552=

THE COMPANY WILL APPRECIATE SUGGESTIONS FROM ITS PATRONS CONCERNING ITS SERVICE

No. 415

Sept. 21 1931

30000

DOLLARS

JOINT COUNCIL #43.

The sum of \$30,000.00

BANK OF THE COMMONWEALTH
DETROIT MICH.

027942

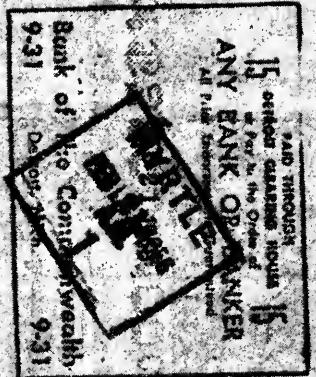
PAID TO THE ORDER OF

PAID THROUGH MICRON

15 either business hours
or after hours by the Order of
ANY BANK OR BANKER
At 11:00 A.M. on the 21st day of September 1931

*Joint Council #43
Return to Genl. Secretary*

Gen



BOSTON PUBLIC LIBRARY



3 9999 06352 026 4



