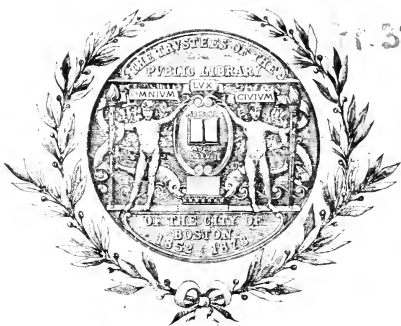


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**INVESTIGATION OF IMPROPER ACTIVITIES IN THE
LABOR OR MANAGEMENT FIELD**

HEARINGS

BEFORE THE

SELECT COMMITTEE

**ON IMPROPER ACTIVITIES IN THE
LABOR OR MANAGEMENT FIELD**

EIGHTY-FIFTH CONGRESS

SECOND SESSION

PURSUANT TO SENATE RESOLUTIONS 74 AND 221, 85TH CONGRESS

SEPTEMBER 2, 3, 4, 9, AND 10, 1958

PART 39

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



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UNITED STATES
GOVERNMENT PRINTING OFFICE

SELECT COMMITTEE ON IMPROPER ACTIVITIES IN THE LABOR
OR MANAGEMENT FIELD

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INVESTIGATION OF IMPROPER ACTIVITIES IN THE LABOR OR MANAGEMENT FIELD

TUESDAY, SEPTEMBER 2, 1958

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

The select committee met at 2 p. 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.

Also present: Robert F. Kennedy, chief counsel; Jerome S. Adlerman, assistant 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; Walter J. Sheridan, investigator; James M. Mundy, investigator, Treasury Department; John Flanagan, investigator, GAO; Alfred Vitarelli, investigator, GAO; Ruth Young Watt, chief clerk.

(At the reconvening of the committee, the following members are present: Senators McClellan and Ives.)

The CHAIRMAN. The committee will come to order. The first witness is Mr. Gibbons?

Mr. KENNEDY. That is right.

The CHAIRMAN. Mr. Gibbons, 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. GIBBONS. I do.

TESTIMONY OF HAROLD J. GIBBONS, ACCOMPANIED BY COUNSEL, DAVID PREVIANT AND STANLEY ROSENBLUM

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

Mr. GIBBONS. My name is Harold J. Gibbons. The address is 508 Altus Place, Kirkwood, Mo. The business is union representative.

The CHAIRMAN. Mr. Gibbons, you have counsel present?

Mr. GIBBONS. I do, sir.

The CHAIRMAN. Counsel, identify yourself, please.

Mr. PREVIANT. My name is David Previant. I am a member of the Wisconsin Bar. My office is located in Milwaukee, Wis. Associated

with me, if the chairman please, is Stanley Rosenblum, an attorney from St. Louis. With the chairman's leave, there is another gentleman here with Mr. Rosenblum, who is a member of Mr. Gibbons' staff, and who is familiar with the various documents we have with us. May he sit next to Mr. Rosenblum during the period of the questioning?

The CHAIRMAN. He may. Identify him, please.

Mr. PREVIANT. Charles P. Chuckray. He is an accountant.

The CHAIRMAN. Mr. Gibbons, will you elaborate upon your present position as representative of organized labor by stating the various positions you now hold?

Mr. GIBBONS. Could I get some relief from the cameras so I can better concentrate on questions, Senator, if you don't mind?

The CHAIRMAN. You may. The cameras here?

Mr. GIBBONS. These here in front of me.

The CHAIRMAN. All right. Respect the orders of the Chair.

Give us, I think, right in the beginning, the various official positions you hold with the union.

Mr. GIBBONS. I am an international vice president of the International Brotherhood of Teamsters. I am the executive assistant to the general president of the International Brotherhood of Teamsters. I am the secretary-treasurer of the Central Conference of Teamsters. I am the national director of the warehouse division of the International Brotherhood of Teamsters. I am the president of the Missouri-Kansas Conference of Teamsters.

The CHAIRMAN. Missouri-Kansas—

Mr. GIBBONS. Conference of Teamsters. I am the trustee and president of the St. Louis Joint Council, No. 13, of the International Brotherhood of Teamsters. I am the secretary-treasurer of local union 688 of the International Brotherhood of Teamsters.

The CHAIRMAN. Local 688?

Mr. GIBBONS. Yes. I am president of the Labor Health Institute, a corporation. And I am president of the Unity Welfare Association.

The CHAIRMAN. Unity Welfare?

Mr. GIBBONS. A pro forma corporation also. Unity Welfare Association.

I have some other capacities of a more minor nature. I don't think they would constitute jobs. Such as I am a trustee representing the union on a trust fund in St. Louis. I am the secretary of the committee, the joint committee, between the Butcher Workmen's Union and the International Brotherhood of Teamsters.

The CHAIRMAN. What is that last one?

Mr. GIBBONS. I am secretary of the joint committee of the International Brotherhood of Teamsters and the—I don't know the exact title of the other union, but it is the Butchers' Union, the National Butchers Union. I am also secretary of the joint committee of the International Brotherhood of Teamsters and the Upholsters International Union.

The CHAIRMAN. All right.

Mr. GIBBONS. And from time to time I may serve in other capacities on a temporary basis.

The CHAIRMAN. Are you also trustee of a number of locals?

Mr. GIBBONS. Yes.

The CHAIRMAN. Will you identify the locals?

Mr. GIBBONS. Yes. Currently I am the trustee of local 405, in the city of St. Louis. I am the trustee of, I believe the number is 833, in Jefferson City, Mo., I am the trustee of one local union still in trustee in Kansas City.

The CHAIRMAN. Do you remember the number of it?

Mr. KENNEDY. Local 955?

Mr. GIBBONS. 955, I believe it is.

The CHAIRMAN. That is Kansas City?

Mr. GIBBONS. Yes, Missouri.

The CHAIRMAN. All right.

Mr. GIBBONS. And I believe that is all. I mentioned the fact I was trustee and president of the joint council.

The CHAIRMAN. Yes.

Mr. GIBBONS. I believe that is all, unless you can bring something else to my attention.

The CHAIRMAN. Senator Ives?

Senator IVES. I would like to ask Mr. Gibbons a question.

Have you a college degree?

Mr. GIBBONS. No, sir.

Senator IVES. Did you ever attend college?

Mr. GIBBONS. Yes, sir.

Senator IVES. How far did you get?

Mr. GIBBONS. I think I finished 1 year at the University of Chicago. I have spent a couple of summers at the University of Chicago. I spent 1 summer at Wisconsin.

Senator IVES. What were you specializing in?

Mr. GIBBONS. During the summers I was taking courses in teaching techniques, teachers' education, and in the 1 year that I spent at the university I just took the regular freshman's course. Actually, I didn't even have the qualifications for entry, but through the good offices of Paul Douglas, one of your associates, he managed to get me in there on the basis of my background, experience, and previous readings.

Senator IVES. What were you aiming to be when you got through, a teacher, a professor?

Mr. GIBBONS. Yes. At that time I suspect teaching was my great interest.

Senator IVES. Thank you.

The CHAIRMAN. Mr. Gibbons, can you give us the approximate membership of these three separate locals that you are trustee of?

Mr. GIBBONS. If I can stick to approximates, all right, Senator.

The CHAIRMAN. Yes.

Mr. GIBBONS. In the cab local in St. Louis, I think you will find approximately 1,200 members. In the one over in Kansas City, you will probably find 1,800 to 2,000 members.

The CHAIRMAN. And Jefferson City?

Mr. GIBBONS. In Jefferson City you will probably find less than 1,000 members.

The CHAIRMAN. What is the membership of local 688?

Mr. GIBBONS. Well, that fluctuates. It has been as high as 11,000. In the last few years it has probably dropped to approximately 9,000. But it has at one point reached as high as 11,000. It is about the

fourth or fifth biggest local in the international. It is always referred to as a local of 10,000 members, but I think it would be closer to nine at this date.

The CHAIRMAN. Are there any other questions at this point?

All right, Mr. Kennedy, you may proceed.

Mr. KENNEDY. What about local 21?

Mr. GIBBONS. I think if my memory serves me right that has been taken out of trusteeship, Mr. Kennedy.

Mr. KENNEDY. That is Hannibal, Mo.?

Mr. GIBBONS. That is right.

Mr. KENNEDY. And local 245, in Springfield, Mo.?

Mr. GIBBONS. 245? Is Mr. Hoffa or myself trustee of that? I could very well be the trustee of that. In fact, I am certain I am. It is one that I missed.

The CHAIRMAN. What was the number?

Mr. KENNEDY. 245, Springfield.

Mr. GIBBONS. Incidentally, it is in the process, as you know, of coming out of trusteeship, and at the moment a stop order was put out by the monitors. It would have been out by now.

Mr. KENNEDY. 245 is Springfield, Mo. How many members does that have, approximately?

Mr. GIBBONS. 1,500 to 1,800, I would think.

Mr. KENNEDY. When did local 21 come out, do you know?

Mr. GIBBONS. No; I would have to check the records at the international office.

Mr. KENNEDY. Are you also the designee of other locals that are under trusteeship, such as the situation in 447?

Mr. GIBBONS. I believe that is the only one where I take an active part in administering its affairs.

Mr. KENNEDY. Just 447?

Mr. GIBBONS. I believe that is the only one where you would find such a designation.

The CHAIRMAN. Is that in trusteeship?

Mr. GIBBONS. Yes; that is in trusteeship, but under President Hoffa.

The CHAIRMAN. But you are active?

Mr. GIBBONS. I am more or less his agent in administering the affairs of that local, Senator.

The CHAIRMAN. What is that local?

Mr. KENNEDY. Local 447. That is the Carnival and Allied Workers of the United States of America.

The CHAIRMAN. Where is it located?

Mr. KENNEDY. That is the one in question.

The CHAIRMAN. What is the approximate membership of that, Mr. Gibbons?

Mr. GIBBONS. I would say it averages out to about 900 members. Maybe that is a little high, even, but no more than 900 members.

The CHAIRMAN. All right, Mr. Kennedy.

Mr. KENNEDY. Could you give us a little of your background, Mr. Gibbons? Where were you born? Where were you educated?

Mr. GIBBONS. I was born in Taylorborough, Pa. I was educated in the schools of Taylorborough. I went to night school in Scranton, Pa. I went to night school in Chicago, Ill.

Mr. KENNEDY. Where is that?

Mr. GIBBONS. Chicago, Ill.

Mr. KENNEDY. You were 1 of 23 children, is that right?

Mr. GIBBONS. Yes. I was the youngest of 23.

Mr. KENNEDY. When did you leave Pennsylvania, and how old were you?

Mr. GIBBONS. I left Pennsylvania in 1929. I left Taylorborough after 1 year in high school after finishing my freshman year in high school. That ended my formal education as such for a long period. I went to Scranton, Pa., where I lived until 1929. I continuously went to night school. I took courses in the high school of Scranton, Pa.

Mr. KENNEDY. Were you working there at all?

Mr. GIBBONS. I did restaurant work, with the exception of a short period when I was doing common laborer's work on a construction project. I went to Chicago in 1929 and again took up construction work, common labor.

Mr. KENNEDY. You were born in 1910?

Mr. GIBBONS. 1910. In 1931, approximately, I got a job in a warehouse in Chicago, and I worked there until some time in 1932 when the depression was at its height and was laid off. I was unemployed. I went to Wisconsin for the summer for a 6-week course there on a scholarship arrangement, and returned to St. Louis unemployed and worked on various Government projects of the WPA and the educational setup. I did some teaching in that period for the next few years.

Mr. KENNEDY. When would that be?

Mr. GIBBONS. I would say in 1933 and 1934. I did teaching first, and later was on a textbook writing project. I was one of the writers writing textbooks.

Mr. KENNEDY. What were the textbooks on?

Mr. GIBBONS. Generally the field of economics, on things like unemployment.

Mr. KENNEDY. Under whose name were they published?

Mr. GIBBONS. They were published under the—I forget the initials of the agency which published them—but it was a Federal educational project.

Mr. KENNEDY. Were you the only author?

Mr. GIBBONS. No; there were a series, about a half dozen, who were writing. It was under a fellow who you happen to know, Milt Disney, who headed that project.

Mr. KENNEDY. When did you first meet him?

Mr. GIBBONS. I guess it was in those days.

Mr. KENNEDY. Early 1930's?

Mr. GIBBONS. Yes, probably later than that, 1933 and 1934.

Mr. KENNEDY. Could you tell us then what you did?

Mr. GIBBONS. I was active then in the American Federation of Teachers. I became an international and national vice president of the American Federation of Teachers. I spent about 3 months organizing for them around the eastern part of the country. I guess that brings me up to 1935 or 1936. I was active in the teachers union. I think in the spring of 1937 I put out a strike bulletin for the taxi-cab workers strike in the city of Chicago. It ran 22 days. After that at Frank Rosenblum's request, of the Amalgamated Clothing

Workers Union, I went over and worked generally as his assistant. He was CIO director of the city of Chicago.

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

The CHAIRMAN. Senator Ives.

Senator IVES. Mr. Gibbons, did you say you have taught?

Mr. GIBBONS. Yes, on Government projects.

Senator IVES. Just in what kind of a project were you teaching?

Mr. GIBBONS. We had educational classes.

Senator IVES. Who were in your class?

Mr. GIBBONS. For instance, I had one of the classes that I taught in a building in Chicago, it was a group of businessmen who wanted to learn public speaking.

Senator IVES. You taught public speaking?

Mr. GIBBONS. I taught public speaking.

Senator IVES. Where did you get your instruction in public speaking?

Mr. GIBBONS. I studied textbooks on it, Senator, and sort of just picked it up.

Senator IVES. I imagine you are a pretty good speaker, but I wonder if you had any formal instruction in it.

Mr. GIBBONS. No; I had no formal instruction. I had teacher's training, techniques of teaching, things that you should watch out for, things that you should avoid, the approaches you might make, and that sort of things.

Senator IVES. Who appointed you to this position of instructor in these courses?

Mr. GIBBONS. I would not know the individual names of the people now. It was in this period of 1932-33 when the WPA educational classes with recruiting staff and conducting sessions.

Senator IVES. In other words, there is no particular requirement that must be met by those doing the instructing?

Mr. GIBBONS. I would assume that they had to have some element of competence. Otherwise, they were not going to put you in front of a bunch of businessmen and expect them to hang around very long. There was no formal educational requirement in that sense. I did not have those.

Senator IVES. Just what businessmen did you have, may I ask, who were trying to learn public speaking from you, who had never had any experience in public speaking.

Mr. GIBBONS. They did not particularly ask for Mr. Gibbons. They requested from the WPA a teacher to be assigned to their group. They formed their own group. They requested a teacher. I was assigned to that particular group by whoever was in charge at that moment of the operation.

Senator IVES. You mean that you, who never had any experience or training in that field of public speaking, were assigned to teach public speaking; is that correct?

Mr. GIBBONS. I don't know whether you can say that I did not have any experience. I did not have any training. I had training in teaching, No. 1.

Senator IVES. Just a minute. Let us start on that. What training had you had in teaching?

Mr. GIBBONS. I spent two summers at the University of Chicago.

Senator IVES. Teaching what?

Mr. GIBBONS. Not teaching; learning.

Senator IVES. You said you had experience in teaching, though, before you started teaching public speaking.

Mr. GIBBONS. No; I had experience in public speaking, No. 1.

Senator IVES. What kind of experience, making speeches yourself?

Mr. GIBBONS. Yes.

Senator IVES. That is all you ever had in that field?

Mr. GIBBONS. That is right.

Senator IVES. You never had a textbook?

Mr. GIBBONS. Oh, yes, yes, yes. I studied textbooks.

Senator IVES. What textbook did you study?

Mr. GIBBONS. As of right now, Senator, this is a couple of years ago, and I am hardly in a position to name the particular textbooks which we looked at and studied. It has been a long time since I did any teaching in public speaking.

Senator IVES. How many years ago did you say that was?

Mr. GIBBONS. 1933 or 1934.

Senator IVES. 25 years. I can understand how you would forget the authors by this time.

Mr. GIBBONS. Or even the name of the book.

Senator IVES. The reason I am inquiring in that particular field—

Mr. GIBBONS. This is all a matter of public record. One of your colleagues in the Senate, Senator Douglas, was aware. Lillian Herstein, who was active in that project who taught me, she was one of the instructors at the University of Chicago when I was a student.

Senator IVES. She taught you how to teach?

Mr. GIBBONS. Yes. She was one of the instructors at the school where I received my teachers training at the University of Chicago.

Senator IVES. How long did you teach?

Mr. GIBBONS. I suspect I taught from maybe 3 years—1933—36 or 1935.

Senator IVES. That was the end of your teaching?

Mr. GIBBONS. That is all.

Senator IVES. Then you became an organizer of the Teachers Union.

Mr. GIBBONS. Yes; the American Federation of Teachers.

Senator IVES. The American Federation of Teachers?

Mr. GIBBONS. That is a teachers union.

Senator IVES. Wait a minute. The Teachers Union in New York City is a little bit different.

Mr. GIBBONS. I am aware of the situation on the Guild.

Senator IVES. You better not get into that.

Mr. GIBBONS. Yes; I am talking now about the American Federation of Teachers.

Senator IVES. And you never had but 3 years experience in teaching, and yet you became an organizer for the Teachers Union or American Federation of Teachers?

Mr. GIBBONS. I was well steeped in the philosophy of the labor movement at that time and this was the big thing that one had to know to be an effective organizer.

Senator IVES. Where did you learn the philosophy of the labor movement? Chicago?

Mr. GIBBONS. No; I got most of it at a combination of the University of Wisconsin—

Senator IVES. Did you go to a school for workers at the University of Wisconsin?

Mr. GIBBONS. Yes.

Senator IVES. Who was your instructor?

Mr. GIBBONS. Ernest Schwartzkreiber was the director, a very fine person.

Senator IVES. Yes; he is.

Mr. GIBBONS. A woman whose name escapes me at the moment was also there. After the experience at the university, I did extensive reading in the field of economics and labor.

Senator IVES. Would you say, knowing your colleagues in the labor movement as you undoubtedly do, that you are the best informed in the labor movement itself?

Mr. GIBBONS. No; I would not. Far from me to say anything of that nature because you don't get all of your knowledge in the labor movement out of books. You get it from real experience.

Senator IVES. I understand that. I have studied the labor movement for a number of years.

Mr. GIBBONS. There are a lot of scholars in the labor movement that are occupying active positions.

Senator IVES. I know there are. I want to get your background because of what may be developed where you are concerned and I am wondering how it happened. Go ahead. I am through. Thank you.

Mr. KENNEDY. Will you go on from 1934 to 1935?

Mr. GIBBONS. I got in the taxicab strike in 1937. In 1935 and 1936 I was either teaching, because I went organizing for the American Federation of Teachers, I quit whatever I was doing and worked for a period of some 3 months, traveling the eastern part of the United States, winding up at a statewide meeting at Indianapolis of teachers.

Mr. KENNEDY. When were you involved in the taxicab strike?

Mr. GIBBONS. This was, I think, in the spring of 1937 in Chicago.

Mr. KENNEDY. That is Teamsters.

Mr. GIBBONS. That is right. I first edited the strike bulletin. Then when Doug Anderson went to Minneapolis to work with the Textile—he was the organizer—I took over as the organizer of that situation.

Mr. KENNEDY. Was Joey Glinko involved in that?

Mr. GIBBONS. I don't believe so. It doesn't ring a bell, and I don't recall having met him in those days.

Mr. KENNEDY. When did you first meet him?

Mr. GIBBONS. I would not be able to tell you, but it is a relatively recent date.

Mr. KENNEDY. You didn't work with him during the 1930's?

Mr. GIBBONS. No, I don't recall knowing of him being involved in that particular strike.

Mr. KENNEDY. Go ahead, please.

Mr. GIBBONS. I went over and worked with Frank Rosenblum at the Amalgamated Clothing Workers until 1938 when we had a recession and we had to cut staff in the Chicago area. I went out to act as a subregional director for the Textile Workers Organizing Committee in those days, I believe, at Louisville, Ky. That was in 1938.

I stayed there in 1938 and 1940. In 1940 I extended my operations into Kansas and St. Louis for the Textile Workers. Then in 1941, around June of 1941, I accepted an offer of the United Retail, Wholesale, and Department Store Workers Union to become their St. Louis director. I worked as director in St. Louis of the Retail, Wholesale and Department Store Employees Union, CIO, until the end of 1947.

Toward the end of 1947, I believe it was, and then in an intraunion dispute the St. Louis organization withdrew from the Retail, Wholesale, and for 1 year we were independent. I think that was mostly for the year 1948 and the beginning of 1949 we affiliated with the International Brotherhood of Teamsters. In that period from 1949 to the present time I have been the chief administrative officer in local 688.

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

Mr. KENNEDY. What was the date that you were president of the United—what was the union in 1948?

Mr. GIBBONS. When it was independent?

Mr. KENNEDY. Yes.

Mr. GIBBONS. United Distribution Workers Union.

Mr. KENNEDY. Did that have a local number?

Mr. GIBBONS. No local number. It was independent.

Mr. KENNEDY. Were you independent at the time?

Mr. GIBBONS. Yes. Until we merged with local 688 of the Teamsters.

Mr. KENNEDY. We have had testimony regarding the payments of some \$78,000 to Mr. Camie, Mr. Church, and Mr. Karsh.

Mr. GIBBONS. Yes.

Mr. KENNEDY. It appears that your merger amounted to what would appear to be, at least, a sale or purchase of the union by you. Would you like to make some comment on that?

Mr. GIBBONS. Well, I would say to you that there was no aspect of a sale or purchase involved in the merger of 688 and the United Distribution Workers. The merger—the initial talks took place in the city of Chicago, with Mr. Beck. We spent many an hour going over the constitution of the international union, and the constitution and operations of the United Distribution Workers, to see whether or not we were eligible to come and to function under his constitution and what changes would be necessary. That is No. 1. No. 2, we had some problems which we were concerned about whether or not we could live with the International Brotherhood of Teamsters. We did not know the Teamsters at that time. We were concerned, for instance, because we had a very strong position on the matter of no discrimination. And we were concerned about that. We were assured by Mr. Beck that there was no problem in terms of living under the international union.

The whole thing was worked on by Beck and some of his associates, myself, and then we adjourned the meetings and when we brought in Larry Camie in Chicago, then we were asked, when the basic, overall considerations were in order, we were asked to go ahead down to St. Louis and effect the merger.

We got into St. Louis and arrangements were made that the executive board of local 688 should resign, and I also should appoint the—or we appoint the new executive board of the local union on merger.

Secondly, all of the bank accounts were transferred over to my control. Larry, himself, agreed that he would be out of the picture entirely, he was going to retire from the labor movement, and he was going to become a businessman. It was at that stage—going back before we go any further on the details of the actual merger, on the part of my organization we had had a meeting of some 6,000 members. I can give you the exact date. It was 4,000 members at a citywide mass meeting held at Keihl Auditorium on January 16, 1948. By motion there, unanimously passed, that the officers be given a mandate to seek and arrange for an affiliation with the international union.

We were conscious of the fact that as an independent union we did not have the strength to cope with the national change we had to deal with, and the combination of employers we had to face in the city of St. Louis. Secondly, we were good union men and we wanted to be part of the main stream of the American labor movement. This is part of the background of our seeking it. Incidentally, I met to try to work out affiliations with the Textile Workers and several other unions in the CIO.

Secondly, in our union we have every 23 members having a shop steward, and they function every month in a shop stewards' council. They were authorized to approve any arrangements that we would make. At the time that we completed the arrangements with Camie, in which the executive board, by majority, became United Distribution Worker people, and the finances were turned over to the United Distribution Workers, the merged union, the new officers, I spoke to the entire executive board, the staff, and the office girls.

I recognized that this was a considerable change from their old operation, and in many instances some may feel they could not function or certainly did not want to function under the new setup, and I voluntarily proposed to them that those who were 3 years still to go, who did not want to work under the new setup, could resign with severance pay, and those who wanted to work or felt they could work under the new setup, could continue and have jobs.

It turned out that we took all of the office girls over, we took all of the staff, with the exception of Camie, and we paid the severance pay for the balance of the term for the members of the executive board, the rank and file members of the executive board.

Immediately upon completing this, including the payment of severance pay, I reported it back to a meeting of my steering committee, my executive board, and to my stewards' council. My stewards' committee has about 40 rank-and-filers on it. My executive board in those days had about 60 rank-and-filers on it.

And my stewards' council had about 250 to 300 rank-and-filers in it.

Every detail that I was authorized to make, every arrangement I was authorized to make, was made known to my entire membership and was approved by the proper and appropriate bodies within our local union.

I at no point had the feeling, the concept, or the intent of purchasing anything like a local union in this particular respect.

Mr. KENNEDY. Of course, they had no contract to receive that money, Mr. Gibbons. They had no legal right to receive the money that you paid to them.

Mr. GIBBONS. Mr. Kennedy, you are a lawyer. An election has the same standing in a court as a contract. There are cases decided on this. They actually had a legal right to it.

But that was not the basis on which I gave it to them. I have fought for severance pay for our membership and I have in every one of our contracts and I receive it every time a shop shuts down or moves away.

That is the basis on which I offered it, out of a sense of decency. We don't run a business. We run a movement. We are part of a movement.

Mr. KENNEDY. But you could have kept them on the payroll and used their services for another 2 or 3 years.

Mr. GIBBONS. We did offer that. But we also knew that our operation was so entirely different from the operation of the old 688 that it may have been an impossibility for those men to be able to function.

As it turned out, one of them, anyway, just could not take it, and said "I don't understand this operation. I want out."

At that point, we paid him.

The CHAIRMAN. Which one was that?

Mr. GIBBONS. That was Mr. Church.

The CHAIRMAN. Where is the provision in your international constitution that gives you the authority to pay severance pay for 3 years' time?

Mr. GIBBONS. There is nothing in our international constitution which prohibits it. That is No. 1. At that particular moment I was not necessarily operating under an international constitution when I made that arrangement. As I pointed out to Mr. Kennedy, they had a legal right to it, and I had a strong feeling that I had a moral responsibility to give it.

The CHAIRMAN. I know you say they had a legal right to it. Is there anything in the provisions of the union, the local, the independent union—

Mr. GIBBONS. The provisions in the independent union is the will of the membership, Mr. Senator.

The CHAIRMAN. You have no constitution or bylaws?

Mr. GIBBONS. Yes, sir, we had a constitution and bylaws.

The CHAIRMAN. Was there any provision in your constitution or bylaws of the independent local authorizing severance pay for a 3-year period of time?

Mr. GIBBONS. The entire constitution, Senator, is designed to facilitate the expression of the will of the people, and the will of the people in that instance was to grant this severance pay.

It was approved by them.

The CHAIRMAN. Must I take the answer to be no, that there was no provision in it?

Mr. GIBBONS. No, I would not testify to the fact that there is no provision in it, because there is more than just the written word in the constitution.

The CHAIRMAN. There is more than the written word?

Mr. GIBBONS. In the constitution. There is an intent and a purpose.

The CHAIRMAN. At least there was no specific provision that authorized such tremendous amount of severance pay?

Mr. GIBBONS. Certainly not in a constitution would you find any provision including the words \$78,000. This is a permanent kind of document. It is not transient. It does not apply for a day. It is a permanent deal for a long time. It was not in there. But, likewise, there is nothing in our constitution which prohibited it, and I was acting in full concert with the provisions of our constitution and by-laws when I made those arrangements.

The CHAIRMAN. Do you think there should be some provision in a constitution, either authorizing it and stipulating the amount, or should it remain without authority and leave it to the discretion of the officers at the time?

Mr. GIBBONS. Is that a question, Senator?

The CHAIRMAN. Yes.

Mr. GIBBONS. The answer to it, in my opinion, Senator, is that there should be in every constitution responsibility of officers for each and every one of their acts to report back to their membership and be subject to the approval of that membership each and every act of their conduct. This was in our constitution, and this was exactly what was followed in the case of my paying out \$78,000 for the purposes of severance pay in the case of the merger. And this, I think, is the only provision—

The CHAIRMAN. Do you have a copy of the constitution of that local?

Mr. GIBBONS. I don't have one with me, but I am pretty certain if there is one in existence, I will be able to find it. It goes back, as you know, now, some 10 years, but I am pretty certain that one would be in existence.

The CHAIRMAN. If you have a copy of it, will you file it for the committee's information?

Mr. GIBBONS. I will certainly see that it is here, probably in the next 24 hours.

The CHAIRMAN. Proceed, Mr. Kennedy.

Mr. KENNEDY. Who had selected you to head up the combined unions?

You say you were consulting the membership.

Mr. GIBBONS. Initially, for the purpose of the merger, the executive board designated that I should sit as the president. As soon as the combined operations could be integrated, then we had our elections. In those days, I was elected every year.

Mr. KENNEDY. When did you get elected?

Mr. GIBBONS. Well, within a year after that, because in those days I was elected each and every year.

Mr. KENNEDY. Who decided that you were going to stay on and they were going to leave?

Mr. GIBBONS. In this particular instance, it was agreed by their executive board that they would resign as part of the merger.

Mr. KENNEDY. That is reasonably good operation for them because they were going to resign and receive \$78,000 and turn the union over to you. If that is not a sale of the union, Mr. Gibbons, I don't know what it is.

Mr. GIBBONS. No, the decision to resign did not come after there was any discussion of \$78,000, necessarily, Mr. Kennedy. As I recollect it, it was no part of any discussion that, in return for \$78,000, "We will resign and turn the local over to you."

Mr. KENNEDY. There had to be a selection of a leader. You said they decided they would resign and you would head up the operation.

Mr. GIBBONS. That is correct, because I headed up the operation which had three times as many members as they had.

Mr. KENNEDY. What they did for \$78,000 was turn the operation over to you.

Mr. GIBBONS. No, they did not for any \$78,000 turn anything over. They said, decided and agreed, perfectly logical, that "This man that heads up an organization three times as big as ours is obviously the person who is entitled to become the president of it."

It had nothing to do with any consideration of \$78,000.

Mr. KENNEDY. I would think that would be up to the membership to make that decision, Mr. Gibbons, not the executive board that is going to receive the \$78,000.

Mr. GIBBONS. I agree with you 100 percent that conceivably the membership should have been consulted. But it was a temporary arrangement pending an opportunity for the first election. There was no question as to what the results would be because I was already elected by a vast majority of even the combined organization.

Mr. KENNEDY. Was the membership consulted about the payment of the \$78,000?

Mr. GIBBONS. The membership of the United Distribution Workers has authorized their representatives to make the arrangements. This was part of the arrangement. It was immediately reported back to the rank and file and each and every member of our organization knew about it and approved it, the reports which were submitted back to the shop meetings in those days by their shop stewards.

Mr. KENNEDY. Each and every member was told that \$78,000 had been paid out?

Mr. GIBBONS. I would not testify that each and every one of them did, but certainly it was widespread knowledge in our local union.

Mr. KENNEDY. Were they specifically told at a membership meeting that \$78,000 had been paid out?

Mr. GIBBONS. I suspect they were at the second membership meeting, the next membership meeting. But we never did hold in those days any single membership meeting as such, unless it was a special city-wide mass meeting.

Mr. KENNEDY. Can you give us some notes that show the fact that you paid out \$78,000 and that it was reported to the membership?

Mr. GIBBONS. I don't have any notes here that say—

Mr. KENNEDY. Have you any minutes there?

Mr. GIBBONS. I have no minutes here either.

Mr. KENNEDY. We have Mr. Camie testifying that the membership was never informed, at least of local 688.

Mr. GIBBONS. Which membership are you talking about?

Mr. KENNEDY. Local 688.

Mr. GIBBONS. I am not speaking for the membership of 688. I am speaking for the United Distribution Workers.

Mr. KENNEDY. As I understood your testimony, you were then going to be the head of both groups, both organizations. The money that was used, at least in part, came from the treasury of local 688. You certainly had an obligation to them to inform them that this money was being used for this purpose.

Mr. GIBBONS. I had no contact with the membership of 688. I had no responsibility in that organization. If I was an officer and had responsibility in that organization I am sure I would have done as I did in my own organization. I just had to assume that this organization was informed.

Mr. KENNEDY. What about when Mr. Karsh and Mr. Church were paid off a year later?

Did you inform the membership at that time?

Mr. GIBBONS. I certainly informed—I operated in that particular instance thoroughly within the framework of my responsibilities, my authority, and it was adequately reported back to the people.

Mr. KENNEDY. When you say adequately reported back to the people, we have had examples of that before, Mr. Gibbons. My question was, Did you inform the membership that you were paying this \$36,000 to Karsh and Church?

The fact is you did not.

(The witness conferred with his counsel.)

Mr. GIBBONS. Well, just a minute before you come to any fast conclusions, Mr. Kennedy.

Mr. KENNEDY. All right.

(The witness conferred with his counsel.)

Mr. GIBBONS. All I can tell you in terms of the authority in the case of Karsh and others is that it was reported to the proper bodies; namely, the executive board and the steward's council. The expenditures are in the financial reports. The financial reports were adequately approved by the rank and file members of our union.

Mr. KENNEDY. Could I see those financial reports?

Mr. GIBBONS. I don't have those financial reports, but if there are any expenditures made in our union, they are included in a financial report.

Mr. KENNEDY. Was it specifically shown that they were receiving this money and what it was for; that these people were receiving money and were doing no work for it?

(Witness consulted with his counsel.)

Mr. GIBBONS. Unfortunately, I am informed that we don't have financial reports that far back so I am not in a position to state how they showed up on the financial reports.

The CHAIRMAN. Did you say fortunately, no, unfortunately?

Mr. KENNEDY. You never made any announcement at any general membership meeting?

Mr. GIBBONS. We didn't hold general membership meetings, to my knowledge, in those days.

Mr. KENNEDY. You never took a vote or poll amongst the members as to whether they wished this money to be paid to these individuals?

Mr. GIBBONS. We followed whatever constitutional procedure was in effect at that time, the constitution which the membership approved. If they didn't call for polling the membership then we didn't.

Mr. KENNEDY. You stated about 5 minutes ago that all these things should be approved by the membership, that your operation of the union should be approved by the membership. Here was the payment of a great sum of money, and I am asking you whether the membership was informed specifically and whether they approved of it. That is all I am asking you.

What is the answer?

Mr. GIBBONS. The membership was informed through the regular channels of our organization and the entire transaction was approved by the proper bodies.

Mr. KENNEDY. In the Teamsters organization that could be Jimmy Hoffa?

Mr. GIBBONS. To inform each member of the union this was a physical impossibility. It was mentioned at the various units and division meetings of the union and in reports of the staff.

Mr. KENNEDY. How was it mentioned?

Mr. GIBBONS. It was a matter of great public notice in the St. Louis press.

Mr. KENNEDY. We have not found that either.

Mr. GIBBONS. It was published, I am sure, in both the two newspapers plus the labor paper.

Mr. KENNEDY. We have not found that either. The first time we hear any mention of it is when your union and yourself was under investigation by a grand jury some years later and at that time the only mention made is the money to Lawrence Camie for \$36,000. Then it says on page 6 of this booklet that you put out, "Defense of St. Louis Teamsters Local 688," but on the question of whether the new combined organization paid Lawrence Camie, the sum of \$36,000 as severance pay, the union is prepared to plead guilty.

This particular transaction has never been a deep hidden secret of the organization. It was the source of a great deal of discussion at the time. But the decision was made and approved by the membership in 1949?

Mr. GIBBONS. That is right.

Mr. KENNEDY. Was it? I am asking you that.

Mr. GIBBONS. Yes. When you speak of approved by the membership, when the membership say to an officer, "we are herewith and now delegating you to make a decision on a certain matter," whether it be any kind of organization position, a church, a businessman, and I suspect in the United States Senate, you find that this constitutes membership approval. I am not even certain that this was intended there.

As I say I don't have it. It has been brought to my attention here, a question. Maybe this will help. On Tuesday, January 25, the question of merger was presented to stewards council. The proposal was accepted with only 3 opposing votes out of approximately 300 cast. That was at 8 o'clock after 2 hours of debate at the Jefferson Hotel.

Mr. KENNEDY. Read in there where it says about the payment to these individuals.

Mr. GIBBONS. This is part of the details reported to our shop stewards.

Mr. KENNEDY. I want to find out if you ever informed the membership about the payment of the money. I am sure they knew there was going to be a merger. I am sure that was in the newspapers. I am talking about the payoff.

Mr. GIBBONS. Mr. Kennedy, I have, in anticipation of these hearings, recommended to our rank and file that they elect a person to come up here and hear the facts, every question asked me, so that the membership would get a firsthand report in addition to copies of the transcript. One of our members is sitting in the room. You can ask him whether or not he ever heard about the money that was being paid. This is as close as I can come to it.

There are no secrets. Every member of our union knew about it, to our knowledge, that was interested knowing about it. It was discussed before 300 shop stewards. Their only obligation is to go back and talk to the rank and file about what took place. They were advised that this would be a question of discussion before they came to the meeting. They discussed it with the membership as they always do on important issues.

They came and voted after 2 hours' debate with 3 people dissenting.

Mr. KENNEDY. Specifically can you say that they were all informed of the amount of money that was being paid and the fact that these individuals were receiving this money?

Mr. GIBBONS. I cannot specifically say that because it would be a little ridiculous for me to say that 5,000, 6,000, or 7,000 men were specifically told that the issue was 68,000 or 18,000 in the case of Church. I only know they were told at that time. The figures were no secret. They were published figures. Our rank and file knew about it. They know about it as of today.

Mr. KENNEDY. If you could give me some evidence that they knew that they were published, I would like to receive it. I have not seen anyplace where it was published.

Mr. GIBBONS. I cannot take responsibility for the inadequacies of your Staff.

Mr. KENNEDY. No; all I am asking you is for some evidence of it. That is all. You say it was published. Give me some evidence of it.

Mr. GIBBONS. When we handled this matter I had no anticipation in 1958 I would be here explaining this situation or I certainly would have made arrangements to see that I had adequate proof. I have all kinds of documents. I have a thesis that discusses it in great length. It is the case history of the labor union. It is a Doctor of Philosophy thesis at Washington University. It gives you in great detail the things that took place. He had access to all our records when he did this study on our union.

Mr. KENNEDY. Has he got the money in there?

Mr. GIBBONS. He hasn't got the money.

Mr. KENNEDY. That is all I am interested in.

Mr. GIBBONS. He has a lot of interesting information about what a decent, clean, and democratic union 688 is. It was a very objective treatment of the subject, too.

Senator IVES. If I may interrupt there, who was this student?

Mr. GIBBONS. This happened to be a Mr. Ball. He is now a teacher.

Senator IVES. Where?

Mr. GIBBONS. Pomona College. This is a dissertation presented to the department of sociology-anthropology of Washington University in partial fulfillment of a master's degree in the arts school by Harvey Ball, Jr. I understand he is now at Pomona College, California, teaching.

Senator IVES. He now has a master's degree?

Mr. GIBBONS. He may have gone on since this. This was published in 1950.

Senator IVES. Do you know whether he received the master's degree as a result of that work?

Mr. GIBBONS. This was in partial fulfillment, yes. This is from the library in question.

Senator IVES. That is supposed to be a thorough analysis of what occurred?

Mr. GIBBONS. It goes very thoroughly into the step-by-step details.

Senator IVES. How did he happen to omit this very question our counsel is asking?

Mr. GIBBONS. How did he happen to omit it?

Senator IVES. Yes. Usually when undertaking a thesis like that you really go into the general research of the whole business. You go after it. It is a funny thing he did not dig that out.

Mr. GIBBONS. I don't know why he missed it, Senator. I am not a bit surprised that he would happen to miss it. It may be of inconsequential moment.

Senator IVES. He received a master's degree.

Mr. GIBBONS. Washington University happens to be one of the finest schools in the country, and I am certain that their standards are the highest.

Senator IVES. There is one thing about it. Apparently the one who is doing this kind of work does not understand labor relations.

Mr. KENNEDY. Was Dave Beck with Washington University at that time?

Mr. GIBBONS. I don't know. I don't know whether Dave Beck was ever connected with Washington University. I think you are talking about the University of Washington. This is Washington University in the city of St. Louis. It is a different school.

Mr. KENNEDY. Yes. Was there anything in connection with the violence involving your union?

Mr. GIBBONS. No, it isn't. I have not read it, actually. So I am no authority. There may be stuff on the violence in connection with my union's activities. At the moment I have not read it.

Mr. KENNEDY. We had a good deal of testimony before the committee regarding your activities and the activities of some of the unions under your control in connection with violence. We had the testimony regarding, first from some police officers, that unions under your direction and control have been continuously involved in violence in St. Louis, and then we had some specific testimony from some witnesses, for instance, in connection with the strike in 1953, December.

Mr. GIBBONS. They just tell me this thesis does have some of the violence in there. It has the strike where some violence was reputed to have taken place.

Mr. KENNEDY. Did you set up a goon squad to operate in St. Louis in December 1953?

Mr. GIBBONS. Mr. Kennedy, at no time in all of my activities in the labor movement have I ever set up anything or any group which in any way could be construed as being a goon squad.

Mr. KENNEDY. What were these people that were meeting in December of 1953, Sparks, Mitchell, Ferrara, Bommarito, and Licavoli?

Mr. GIBBONS. These are rank-and-file members of our unions participating in the winning of a strike. They are grouped only because they were involved in the strike and they were handling it at that time. They either voluntarily grouped themselves or were assigned to certain groups.

Mr. KENNEDY. They met about every morning at the headquarters and they testified before the committee that you gave them instructions that they were to keep the cabs off the street.

Mr. GIBBONS. I probably gave them instructions to keep the cabs off the street at various times during the strike. That is my job, to get the cabs off the street when there is a strike against taxicabs, but to do it peacefully.

Mr. KENNEDY. How do you expect, for instance, Mr. Sparks, who at the age of 30 spent 19 years in prison, and Mr. Ferrara, who has a long criminal record, Mr. Mitchell, who spent a number of terms in the penitentiary, to do it peacefully?

Mr. GIBBONS. Well—

Mr. KENNEDY. There was not one of those people who did not have a criminal record. You told them to keep the cabs off the street.

Mr. GIBBONS. They were active in the strike. There were probably hundreds and hundreds of other rank and file who had no criminal records who were also active.

Mr. KENNEDY. I agree. How did you expect this group that was meeting at the headquarters to keep the cabs off the street without having violence in connection with it?

Mr. GIBBONS. Here is the testimony of Sparks. He says, "Talk to them." These are instructions from Mr. Gibbons. "Talk to them. Show them where they are wrong." This is the kind of conversation I give my people to keep the cabs off the street.

Mr. KENNEDY. He gave a little bit different impression in the affidavit. What about the testimony of Mr. Mitchell, and the fact that there was such a great deal of violence during December 1953. Mr. Mitchell and Mr. Sparks testified as to who was responsible for it and from whom they had received their instructions?

Mr. GIBBONS. Let me just preface to some extent by saying to you that I am opposed to any kind of violence in labor disputes. It is my conviction that if labor's cause can be brought to the public, it has enough merit in and of itself to win their support, and their support is vital to the success of any strike.

In addition to this, when violence occurs, the best you can do is to alienate that kind of support. Just from a very practical reason, aside from any moral considerations which are important in these things, I oppose any kind of violence in strike situations.

Senator IVES. May I interrupt there? Are you opposed to any kind of violence under any conditions?

Mr. GIBBONS. I wanted to add one qualification I have.

Senator IVES. Go ahead I want to hear that answer.

Mr. GIBBONS. However, I am 100 percent in support of workers' rights to defend their union and their picket lines. If violence happens there, I have no quarrel with it. I hate to see it. I am very sorry for it. But I would support those workers in that effort.

Senator IVES. Then you are not opposed to violence under ordinary conditions.

Mr. GIBBONS. No, I would not say I am opposed to violence under certain circumstances. For instance, the war.

Senator IVES. You knew very well that in the strike you were talking about, that taxicab strike, your instructions invited violence.

Mr. GIBBONS. No. My instructions did not invite, Mr. Senator. You cannot win a strike, you cannot win a strike with the cabs on the streets.

Senator IVES. No, but you told them to get the cabs off the street.

Mr. GIBBONS. That is right.

Senator IVES. How are you going to get them off the street by peaceful means if the drivers don't want to get off the street?

Mr. GIBBONS. Here is the sworn testimony of his witness, not mine.

Senator IVES. I do not care about that I want the facts.

Mr. GIBBONS. I will tell you how. By reasoning with those people, by talking to them, by pointing out the error of their ways.

Senator IVES. That did not work. You had violence.

Mr. GIBBONS. Yes, it did. We had violence.

Senator IVES. Certainly. You are bound to. You can't help it. I haven't anything further to ask you. I just wanted to clear that up. You are in favor of violence. You cannot avoid violence, you say.

Mr. GIBBONS. I did not say I am in favor of violence. I think the American people hate violence that takes place in war, for instance.

Senator IVES. I am not talking about the American people. I am talking about you.

Mr. GIBBONS. This is very comparable to my attitude, Senator. I am opposed to initiating any kind of violence in a strike situation. I don't think it serves our ends.

Senator IVES. The difference between what you are after and what happens in time of war when the United States is concerned are as different as night and day.

Mr. GIBBONS. In that you and I would have to tend to disagree, because I think there is a parallel there.

Senator IVES. I think we would definitely disagree.

Mr. GIBBONS. There is a parallel there inasmuch as it relates to my relation with my membership.

Senator IVES. It is awfully difficult to find it.

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

Mr. KENNEDY. Mr. Gibbons, for instance, in telling Harold Sparks to keep the cabs off the street, when he has a record that, at the age of 30, he had spent 19 years in prisons and reformatory. Has a reputation as a stickup man, a muscle man, a burglar, a gun carrier, and disposer of stolen furs. He was sentenced for 12 cases of burglary and larceny and 1 case of robbery. He was arrested for housebreaking and two cases of burglary and larceny. Numerous arrests for investigation and suspicion of robbery. He was transferred from the State penitentiary to the State hospital for the insane at one time.

You are telling Harold Sparks to keep the cabs off the street. What do you expect is going to happen?

Mr. GIBBONS. First, so there is no doubt in the exchange between Senator Ives and myself, I say unequivocally I am opposed to any initiation of any violence in any strike situation, and I regret on those occasions when it does occur.

This is just so that the record is clear and there is no confusion on that issue.

Senator IVES. Wait a minute. That is not according to the record. What you do is to invite violence.

Mr. GIBBONS. You have to quarrel with that, Senator.

You certainly have every right to make that point.

Senator IVES. I have every right to reason it out that way, and I cannot reason it out any other way.

Mr. GIBBONS. That is correct. But I want it clear, my own philosophy on this question. Now in regards to Mr. Sparks—

Mr. KENNEDY. Let me summarize some of these people that you were telling these things to. For instance, Joe Bommarito was an associate of known hoodlums in St. Louis, he threatened to kill Norman Fortner, drive over his wife, and kill his child. He has been arrested for assault to do great bodily harm, malicious destruction of property, and numerous other arrests for gambling. He runs a crap game continuously, even as a union official at the present time. Joseph Bona is a known associate of prostitutes, assaults, arrested for prostitution, assault to kill, and numerous arrests for investigation.

Do you want to give him a list of these people? I will give you a list of the people, and I will not read their names out.

I wouldn't read their names into the record. But I want you to look at some of the people who were working out of the union headquarters, and to whom you gave these instructions.

The CHAIRMAN. About the list, I want to know first how many of them were members of his union.

Mr. KENNEDY. They were all, of course, members of the union, but just some of them were officials.

Here is a copy.

(The document was handed to the witness.)

Mr. GIBBONS. Let's talk about Sparks and Bommarito, and who else did you mention?

You are not putting them in?

Mr. KENNEDY. They are all in there. The third man down there is for stabbing, drugstore holdup, arrested for assault to kill, robbery, placed on probation for robbery. The third one down on the first page, do you see it?

The fourth one down is known to be a procurer of women, fined for beating a news photographer; fined for prostitution, placed his wife in a bawdy house, arrested for rape and peace disturbance; two cases of carrying concealed weapons, plus numerous arrests for prostitution, sentenced to 2 years on one occasion and 90 days on another occasion for auto theft.

The next one is vagrancy, nonsupport, internal revenue, white slavery, grand larceny, armed robbery, and carrying concealed weapons.

The next one, on the second page, nonsupport, prostitution, peace disturbance, and bogus checks.

Another one was arrested for shooting his mother, peace disturbance, assault with intent to kill, and 2 years for burglary.

The next one, malicious destruction of property, assault to do great bodily harm, peace disturbance, and petit larceny.

Mr. PREVIAKT. Excuse me, counsel, is it the charge here that these people are officers of this union?

Mr. KENNEDY. No. But these are the people that meet at the union hall, been identified as meeting at the union hall, and were the ones that were told to go out and keep the cabs off the street.

My only point is that when you tell these people to keep the cabs off the street, that you have these acts of violence that we have had testimony to.

Mr. GIBBONS. Let's discuss it, Mr. Kennedy. You raised the question.

Mr. KENNEDY. I want an answer.

Mr. GIBBONS. Yes. I want to discuss it with you. I want to give whatever answer I am capable of giving. In the first place, if employers hire these people, I am stuck with them in the union. I have to have them in the union. So I initiated nothing toward bringing these people into the labor situation we are discussing.

Mr. KENNEDY. I have to raise a question about that.

Mr. GIBBONS. Go ahead and raise it.

Mr. KENNEDY. For instance, Joe Bommarito, do you have any evidence that Joe Bommarito ever drove a cab?

Mr. GIBBONS. I not only have evidence that he drove a cab; he probably drove one for 20 years.

Mr. KENNEDY. He is not doing very well on his income-tax returns, then.

Mr. GIBBONS. I am sure he has driven a cab in the city of St. Louis. I don't know Joe over a few years, but I am certain that he was a cabdriver.

Mr. KENNEDY. He doesn't state that, you know, when he lists his income.

Mr. GIBBONS. You are asking me if I have any evidence. I have a conviction that he has been a cabdriver for many years. I don't know whether or not I am in error on it, but I will bet that—

Mr. KENNEDY. What about Phil Reichardt?

Mr. GIBBONS. Phil Reichardt?

Mr. KENNEDY. Yes. Who heads his union?

Mr. GIBBONS. Phil Reichardt is acting secretary-treasurer by appointment under a trusteeship arrangement. It is perfectly legal. The only qualification is that he be a member in good standing from a local union and he was that, from 688.

Mr. KENNEDY. Had he ever driven a cab, for instance?

Mr. GIBBONS. No, because his job is not there because he happens to drive a cab. His job is there because he is a person of integrity. That is why he is there.

Mr. KENNEDY. He is the one that appeared before the committee?

Mr. GIBBONS. Yes.

Mr. KENNEDY. And took the fifth amendment?

Mr. GIBBONS. Yes.

Mr. KENNEDY. O. K.

Mr. GIBBONS. Now, getting back to these people that you raise that I am giving instructions to and why should I have these kind of people around? No. 1, I did not bring them around. The employers brought them around, Mr. Kennedy, and I am stuck with them. I have to give them membership.

No. 2, I don't have the facilities of this committee to investigate the background of each and every member of my local union. I think it would be stupid on my part to go and investigate the background of every member that I have in my union. I certainly did not do it in the case of the cabs. I had no knowledge that these men were with the background that you have been able to at this date show up. When the situation developed in which a strike had to take place, these men came out on strike. They came to meetings. We sat down and we organized them into crews. We did not know who was in the crew, who was not in the crew.

The crew is not all the same kind of crew. The crews got all the same kind of instructions. Get the cabs off the street, those few that would run. Whenever they stop, wherever you can discuss it with them, talk to them, try and convince them their place is back in the garage with the cabs and on the streets with our men showing their solidarity to win a decent contract.

Mr. KENNEDY. You were making payments to them for patrolling the streets, were you?

Mr. GIBBONS. No, I was not making any payments for them to patrol the streets. They were getting the same strike benefits anyone else was getting, to the best of my knowledge.

Mr. KENNEDY. But they were patrolling the streets, were they?

Mr. GIBBONS. They were like every other member of the union, either on a picket line, doing patrol duty, or both. Some of them were answering the phone in the office, some of them were working with the strike committee to dispense the moneys. But everybody had a job and a function during that strike.

Mr. KENNEDY. I have some documents here.

The CHAIRMAN. I hand you here a voucher for strike expenditures, Teamster Local 688, dated December 14, 1953, "Strike, Yellow Cab, expense committee, 5 men cruising patrol, 1 week, \$125."

I ask you to examine it and state if you identify it.

(The document was handed to the witness.)

The CHAIRMAN. I will also hand you two others, one dated December 8, 1953, and the other dated December 14, 1953. One is in the amount of \$15 for patrol, and the other is \$125 for lost time, patrol duty, week ending December 15, 1953. I ask you to examine these and state if you identify them as vouchers out of the files of the union.

(The documents were handed to the witness.)

(The witness conferred with his counsel.)

Mr. GIBBONS. Do you want me just to identify them, Senator?

The CHAIRMAN. First you may identify them.

Mr. GIBBONS. Yes; they appear to be regular strike expenditure forms used by our strike committee in that strike.

The CHAIRMAN. Those three may be made exhibit 105, A, B, and C.

(The documents referred to were marked "Exhibits 105, A, B, and C" for reference and will be found in the appendix on pp. 14895-14896.)

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

Mr. KENNEDY. That was the practice that you were discussing—

Mr. GIBBONS. No; it is not the practice I was discussing. This, I don't believe, could constitute pay for 5 men for a week, \$125. This, I believe, in addition to their strike benefits, which each of them received—the patrol cars were given certain expenses in connection with staying out all night—eating three meals a day, having gas and oil, maybe taking care of a tire, whatever the expense might be.

Mr. KENNEDY. But these were the patrols that were going out?

Mr. GIBBONS. I suspect these were the patrol cars.

Mr. KENNEDY. And they were getting their—

Mr. GIBBONS. That is right, in addition to the \$35-a-week strike expenses, which I believe was in effect. But you can't hold me to that.

Mr. KENNEDY. Of course, a number of these individuals whose records I mentioned here have been identified as the ones who were responsible for going out and beating the various cabdrivers and for the destruction or the damage that was done to the automobiles. Included, of course, was Mr. Bommarito. Does Mr. Bommarito have a position with the union at the present time?

Mr. GIBBONS. Yes; Mr. Bommarito is a staff member of our union.

Mr. KENNEDY. Specifically we had him identified as going out and beating one of the cab drivers. Then we also had the specific testimony that he was involved in the waylaying of the cab, and that he injured and hurt his back when he was trying to turn the cab over.

Were you familiar with that, Mr. Gibbons?

Mr. GIBBONS. I can only say this to you, that on the witness who identified Mr. Bommarito, did anyone have a chance to cross-examine or examine his testimony?

Mr. KENNEDY. I think you were here.

Mr. GIBBONS. Was his testimony ever submitted to the ordinary rules of evidence?

The CHAIRMAN. Mr. Gibbons—

Mr. GIBBONS. The point I am making—

The CHAIRMAN. This committee is not strictly bound by court rules of evidence. We are trying to get information. The witness testified and Mr. Bommarito was given an opportunity also to testify. My recollection is he took the fifth amendment. So this man who is charged by the witness certainly was given an opportunity to answer the charges against him and to comment upon them and to relate, if he cared to, the circumstances incident to the wrecking of the cab and his getting his back hurt.

Mr. GIBBONS. Yes, Senator.

Mr. KENNEDY. I believe in connection with that we had three witnesses that identified Mr. Bommarito. We had Miss Bledsoe, Mr. Sparks, and Mr. Mitchell, three different witnesses.

The CHAIRMAN. Whoever the witnesses were. On Mr. Bommarito, whatever charges were made against him, or whatever derogatory testimony the committee heard, he was given an opportunity to refute. Proceed.

Mr. GIBBONS. My only comment on the business of Mr. Bommarito being identified by three people, Mr. Kennedy, is that I have a responsibility to evaluate these individuals who work on my staff. I have had considerable association over the last few years, pretty intimate association, with Joe Bommarito. He strikes me as being a

pretty responsible person. He strikes me as being a person who is dedicated to the interest of our membership. I know of his work, day and night, on the streets, trying to see to it that contracts are enforced.

The people who have come here and testified against him, I think you characterized one of them with a 5-minute dissertation on his record, Mr. Sparks, is hardly a credible witness. This is the problem I face, trying to evaluate whether or not the testimony of those 3 people has merit against what I personally know about this man and his character.

Now, I have got a lot to say later on about your other witness, Miss Bledsoe.

Mr. KENNEDY. I will ask you in a moment about that.

The CHAIRMAN. Well, at this point, you recognize that if anything was testified falsely against Mr. Bommarito, whether by a person in disrepute or bad character or whether by people who were truthful, Mr. Bommarito was given the opportunity to refute it.

Mr. KENNEDY. Yes. I recognize that, Senator, and for his own reasons and in his own good conscience, he chooses to take the fifth.

I don't know if that has anything to do with the business of his being identified in that particular fracas that was discussed here before the committee.

The CHAIRMAN. All right.

Mr. KENNEDY. These other individuals testified and he refused to testify on the grounds that a truthful answer might tend to incriminate him. Then, according to the testimony we had before the committee, it was that while this cab was waylaid, and, while trying to turn the cab over, he hurt his back. You are familiar with that?

Mr. GIBBONS. You have testimony also there to the effect that that did not happen, from one of your witnesses, not ours, Mr. Cortor.

Mr. KENNEDY. Don Cortor?

Mr. GIBBONS. Yes. He testified before this committee that he did not believe Bommarito hurt his back turning over a taxicab.

Mr. KENNEDY. Because he did not think he had the guts to try.

Mr. GIBBONS. That is right. This throws grave doubts in my mind on Mr. Bommarito, Mr. Kennedy.

Mr. KENNEDY. He appeared before the committee and said he could not answer any questions about that because a truthful answer might tend to incriminate him. Afterward, he did go to the hospital, he did have trouble with his back, did he not, Mr. Gibbons?

Mr. GIBBONS. Yes; he did.

Mr. KENNEDY. Who paid the bills?

Mr. GIBBONS. The union paid for his back injuries as it does with every injury involving any person involved in a strike in our union or any person involved in any work involving our union that is related.

The CHAIRMAN. Did you ascertain whether he actually did hurt his back working in the strike or overturning a car?

Mr. GIBBONS. I can't recall specifically what it was, but if we approved his payment, Senator. I am sure it had to do with getting out of a car, or getting into a car, or some such thing as that. As you know, back injuries are very simple. They can get it by merely standing up, you can get a back injury, a slipped disk, and so on.

So at the time, I am certain if we O. K.'d it as a union payment, it was related to legitimate union activities.

The CHAIRMAN. Well, our testimony indicates a particular character of activity.

Mr. GIBBONS. Yes.

The CHAIRMAN. Did you ascertain at the time the particular character of activity that warranted you paying his hospital bills?

Mr. GIBBONS. I am sure I did, at the particular time, if I personally O. K.'d it.

The CHAIRMAN. Have you talked to Mr. Bommarito about this to refresh your memory?

Mr. GIBBONS. Since?

The CHAIRMAN. Yes.

Mr. GIBBONS. No; I have not. But I would be very happy to discuss it with Mr. Bommarito, because Mr. Bommarito also on my recommendation will appear before a committee of membership of my union of local 688, which is already set up, already elected by secret ballot, to inquire into the activities of every person who takes the fifth amendment before this committee, Senator.

Mr. KENNEDY. Under oath?

Mr. GIBBONS. Under oath. Well, I don't know under oath. I don't know about under oath.

I am sorry. My reaction was he would be telling the truth.

Mr. KENNEDY. Maybe he is a little bit like Barney Baker, another Teamster official. As long as you are not under oath, you don't have to tell the truth.

Mr. GIBBONS. You have some of your witnesses here, Mr. Kennedy, who are pretty bad in telling the truth, from the records we have on him, in addition to Mr. Baker, if this is true about Mr. Baker.

Mr. KENNEDY. The hospital reports show it is not just a slipped disk. It says a fracture of the 12th vertebra.

Mr. GIBBONS. I used slipped disk to show how simply a back can be hurt. It may be a fractured vertebra clowning around with someone.

Mr. KENNEDY. But you don't have any information that he did not hurt it, as the testimony indicates he hurt it, trying to turn the car over.

Mr. GIBBONS. I have two things. I have, one, the credibility of the witnesses that you bring here in this hearing in this particular instance, Mr. Kennedy, and secondly, I have the fact that if anything is O.K.'d in our union, generally it is strictly related to union activities. Joe Bommarito was treated no differently than anyone else, to my knowledge.

The CHAIRMAN. Let me ask you this question: If he in fact did hurt his back, trying to wreck a car in that strike, would the union have paid his hospital bills?

Mr. GIBBONS. I think we would have raised a serious question about it, Senator.

The CHAIRMAN. You reckon so?

Mr. GIBBONS. I think we would.

The CHAIRMAN. Proceed.

Mr. GIBBONS. I think we would.

Mr. KENNEDY. Miss Bledsoe testified that the arrangements, Mr. Gibbons—

MR. GIBBONS. Senator, you understood I meant it would raise serious questions about paying it, and it is very doubtful if then we would. I wanted to give you a complete answer.

THE CHAIRMAN. I don't know the history of it, but so far, on the people that commit crimes, you pay for all their defense and all their living expenses and so forth, while they are in the penitentiary. I don't know why you would make an exception in this case. Do you?

MR. GIBBONS. I know how I operate, Senator, and that is my basis for making the statement.

THE CHAIRMAN. Well, we are learning.

MR. GIBBONS. Yes, sir. And I hope to fill in a few gaps or straighten out the record in this hearing today, if I possibly can.

MR. KENNEDY. Miss Bledsoe testified, which would give some credence to the position that the other witnesses took, the fact that his injuries were paid for by the union, she testified that you were present at the time the instructions and the arrangements were made to waylay this cab.

MR. GIBBONS. This is, I think, about the fourth time or the fifth time—the fourth time under oath and possibly the fifth time—that Miss Bledsoe has been called upon to describe that particular meeting. I would like to advise you that in 1954, 1953, right after that meeting took place, in fact, the night that it took place, I was arrested in the city of St. Louis, and I was walked through a room, devoid of furniture, excepting 1 chair and 1 girl sitting on it. I did not recognize the girl. I was following a police officer through. I was taken through for the purpose of identification. This is a matter of hours after the meeting took place. Miss Bledsoe failed to identify me, and she told the police that “I never saw this man in my life before.”

This was hours afterward. Later on, on February 25, 1954, she gave a deposition, and I have the deposition here, and it is under oath, and it happens to be in terms of a suit against the police of the city of St. Louis, and she again described this particular meeting where she now says I was present.

Again she does not find Mr. Gibbons in there. She describes at great length who was there. But never mentioned the fact that Mr. Gibbons was present.

MR. KENNEDY. I asked her a question about that.

MR. GIBBONS. Right.

This is the second occasion now, where there seems to be a discrepancy in her ability to remember.

MR. KENNEDY. She did not state you were not there, did she?

MR. GIBBONS. She described every one that was there.

MR. KENNEDY. She gave the reason that she did not mention you.

MR. GIBBONS. She did not give any reasons in this particular deposition. Later on, I will come to her fears. On August 11, 1954, she gave another sworn statement. Here they kept asking her, “Was anybody else present at that meeting? Was anybody else present at that meeting?” And Miss Bledsoe could not recall seeing Mr. Gibbons present at that meeting.

Again on November 8, 1954—

THE CHAIRMAN. Mr. Gibbons, did she name Bommarito as one who was present?

MR. GIBBONS. I don't believe so, Senator.

The CHAIRMAN. Whom did she name of your lieutenants who were present?

(The witness conferred with his counsel.)

Mr. GIBBONS. John E. York was there, Joe Bommarito. She gives it.

Mr. KENNEDY. Anybody else?

Mr. GIBBONS. Sparks and Licavoli.

Mr. KENNEDY. What about Kavner?

Mr. GIBBONS. And Pasterick.

(The witness conferred with his counsel.)

Mr. GIBBONS. She states here, after having been reminded that she had lunch with Mr. Kavner, she had seen pictures of Mr. Kavner, they asked her "Was that man, Richard Kavner, was he present in the room that Saturday morning?" She said "Yes, I believe he was."

Going back, however, to her February deposition, it says:

On these previous occasions at the union hall, did you see Mr. Kavner there? She says:

No, sir.

Did you see Richard Kavner before all of this happened at the union hall?

Answer. No. At one time I mistakenly identified him as being there.

Mr. KENNEDY. I think she testified to all of this on the grounds that she had been threatened.

Mr. GIBBONS. Yes.

Mr. KENNEDY. Could I see those?

Mr. GIBBONS. A third name in a sworn deposition where she was again under oath describing again this very same meeting—before the grand jury, rather—

(Witness consulted with counsel.)

Mr. GIBBONS. This statement is unsworn but her signature is on it. She says she has read the above 2½ pages and they are true and correct to the best of my knowledge. "This statement is given by me without any promises or threats." Nobody was threatening her at all "on the part of anyone, and is made of my own free will." Again she fails to identify Mr. Gibbons there.

Mr. KENNEDY. What is the date of that? I understand it is November 8, 1954?

The CHAIRMAN. May I ask the witness or his counsel, do you wish to have these made exhibits, these depositions, or do you wish to retain them?

Mr. PREVIAANT. If the Chair please, they were put in merely to emphasize or verify Mr. Gibbons' statements with respect to prior testimony. If the Chair believes there is an issue we would be glad to submit them. If there is no issue we would as soon retain them.

The CHAIRMAN. I would ascertain your wishes about them. Ordinarily, unless the parties wish to retain the document, where they offer something that they feel is testimony the committee should receive, such as this, we make it an exhibit for reference, unless you prefer to retain it.

Mr. PREVIAANT. You understand that this is being offered for the limited purpose of prior testimony of this particular witness. There may be many other things in those statements that we would not want to offer on our part as it applies to other persons as part of the com-

mittee's records. For that reason we prefer not to do so except these specific parts that relate to prior testimony by the witness Bledsoe.

The CHAIRMAN. All right, you may testify to it. The staff may examine the document and interrogate you about it.

Mr. GIBBONS. In connection further with Miss Bledsoe, if I may proceed, she testified in the grand jury investigation of my activities in 1954 in the city of St. Louis. I do not know the nature of her testimony. One of the things she discussed was this meeting. My attorneys turned recently to the assistant prosecutor there, Assistant Thomas Goldsheim, and my attorney told me if she testified that Harold Gibbons was in that office at that meeting I am sure Max Goldshine would have indicted him in 30 minutes.

The reaction of this assistant was, "not 30 minutes, Mr. Rosenbloom, in 30 seconds." I don't know the testimony before the grand jury but I know I was not indicted and if Max Goldshine had an opportunity to indict me in those days he would have loved it. It is obvious in that case she had not. In your own committee record she gives this testimony to my being present in this meeting. She says:

Mr. KENNEDY. Who did you meet at the hall at that time?

Miss BLEDSOE. Who did I meet at the hall?

Mr. KENNEDY. Yes. Whom did you have the discussion with?

Miss BLEDSOE. I was not formally introduced to them but I did learn later that Mr. KAVNER was there and also Mr. Gibbons.

Apparently it is hearsay. It is not. Her direct testimony she saw me there. Later on under questioning again by Mr. Kennedy—

The CHAIRMAN. May I ask you at that point, did you have a personal acquaintance with the lady?

Mr. GIBBONS. I don't believe to the best of my recollection as of this day that I have ever had the honor except when she walked in here to take the oath, Senator. At the police station I saw her but I never recognized her and never gave her a second glance. To my knowledge I never talked to her or spoke to her.

The CHAIRMAN. All right, Mr. Kennedy.

Mr. GIBBONS. Further in Mr. Kennedy's discussion with her, he says, referring to her testimony before the police in giving the police report of the day that it happened, Mr. Kennedy asked her, "Did you include all of the facts to the police?" She said, "Yes, I did."

Then she adds as an afterthought, "I did not include the fact that Mr. Gibbons was there." A straight admission that all the facts does not include my presence at that meeting.

Mr. KENNEDY. What did she say was the reason?

Mr. GIBBONS. She doesn't say. I haven't got to that point. I have only grabbed the testimony to that point. When Miss Bledsoe testified about Joe Bommarito, when Sparks testifies about Bommarito, I think it is reasonable that I should have some questions in my mind as to the reliability of this type of testimony when I back it with what I know to be true about Joe Bommarito, his wife, and his family and his whole background.

Mr. KENNEDY. Mr. Gibbons, after this, did you inform any of these individuals who participated in these meetings, these daily meetings, that if they got into difficulty that they would have their legal fees paid by the Teamsters Union?

(Witness consulted with counsel.)

Mr. GIBBONS. In conducting any strike, Mr. Kennedy, I always assure the people that if they are arrested by the police we will be there to bond them out and if they have litigation as a result of it, we will pay the bills on it. This is a policy of our union.

Mr. KENNEDY. Did you tell them you would pay the legal bills if they got into difficulty?

Mr. GIBBONS. Yes.

Mr. KENNEDY. Did you tell them you would pay their bonds if they got into difficulty?

Mr. GIBBONS. Yes; I am sure I did because it is standard operating procedure in our organization.

Mr. KENNEDY. If they got sentenced to jail did you tell them that you would continue their salaries?

Mr. GIBBONS. I probably didn't put it in terms of continuing their salaries. I in all probability told them that I would see to it that their families did not want for anything. That their families would not be evicted. That they would have consideration.

Mr. KENNEDY. I would agree with you completely about the caliber of the witnesses, Mr. Gibbons. Certainly the people that testified before the committee on these acts of violence were not the most forthright witnesses or had the best backgrounds.

Mr. GIBBONS. Some had mental cases. One had a silver plate in his head.

Mr. KENNEDY. The only problem is that these were the ones that were selected, these are the ones that admitted they did these acts of violence and identified the other individuals. Those are the only people that are going to know. You say the employer selected them and you had to put up with them?

Mr. GIBBONS. I accepted them.

Mr. KENNEDY. You in turn selected them and we are stuck with them?

Mr. GIBBONS. Volunteered, Mr. Kennedy. When they are active in the union, and want to help win a strike, far be it for me to try to stop them, unless I happen to know they are dangerous persons and I would not want any part of them.

Mr. KENNEDY. They were dangerous. There were great acts of violence of 1953. The acts of violence were committed according to the testimony before the committee, by some of these individuals. You stated you did not personally tell them to go out and do it.

The facts are from your own admission is that you told them that their legal fees would be paid, their bonds would be paid, and if they went to jail their family would be taken care of. If that is not condoning this violence, I don't know what is.

Mr. GIBBONS. I didn't say I didn't send them out there. I encouraged them. I asked for volunteers. I asked for every single member to participate. When I have a strike I am out to win. The only way to win is with the mobilized strength of the rank and file.

Mr. KENNEDY. But you put them in the position where you were inviting them to commit these acts of violence?

Mr. GIBBONS. No. This is an interpretation which you will have to take responsibility for.

Mr. KENNEDY. You are not doing it yourself. But you are having somebody to do it for you, which is far worse.

Mr. GIBBONS. I had no knowledge that Sparks had this record which you dug up. I had no means of finding out about that. I don't live with the 1,000 or 1,200 men in that union.

Senator IVES. I want to ask Mr. Gibbons a question. Am I correct in gathering from what you are now saying that again you are emphasizing the fact that you believe in employing violence in order to win?

Mr. GIBBONS. Senator, I have tried to make clear that I am opposed to any kind of violence in any kind of a labor dispute, but that I will defend the right of the workers to protect themselves against police, strikebreakers and thugs employed by the employers.

Senator IVES. That is something else you are talking about now.

Mr. GIBBONS. Right.

Senator IVES. I gather from what you said when they are in the midst of a strike in order to win—

Mr. GIBBONS. No.

Senator IVES. In order to win, if necessary, violence is in order?

Mr. GIBBONS. I do not condone and subscribe to that kind of philosophy.

Senator IVES. I was going to ask you if you learned that philosophy in the school for workers in Wisconsin.

Mr. GIBBONS. No.

Senator IVES. I know you did not.

Mr. GIBBONS. No, I think this is self-defeating.

Mr. KENNEDY. Starting on December 4, 1953, and going all through December of 1953, we have these acts of violence, the cabdrivers being beaten. We have, for instance, on December 4, 1953, the automobile identified as having been driven by those who participated in the beating. It was traced to one of the Teamster locals, local 600, and one of those participating in the beating was identified as William Rudolph, acting secretary-treasurer of local 405.

Mr. GIBBONS. You know that Mr. Rudolph was arrested for that, that Mr. Rudolph went before a body of his peers, a jury.

(Witness consulted his counsel.)

Mr. GIBBONS. I am sorry. This is a different instance.

Mr. KENNEDY. I believe so.

Mr. GIBBONS. Yes.

Mr. KENNEDY. Another one on the same day where a car was identified. Perhaps it is not enough proof to convict these individuals, but again it is an accumulation.

December 4, 1953, Buford Barnes, a Yellow Cab driver, assaulted by men driving the same car, and William Rudolph admitted driving the car.

Mr. GIBBONS. This is a compilation of violence, Mr. Kennedy, that I certainly regret ever took place.

Mr. KENNEDY. What steps did you take to stop these acts of violence? Would you enumerate those for the committee?

Mr. GIBBONS. No. 1, I tried to assign staff people to watch the situation.

Mr. KENNEDY. Who were they?

Mr. GIBBONS. People like Dick—

Mr. KENNEDY. Dick Kavner?

Mr. GIBBONS. Yes.

Mr. KENNEDY. Every place he goes in the United States he is involved in violence.

Mr. GIBBONS. This is a statement you cannot substantiate, Mr. Kennedy.

Mr. KENNEDY. Wichita, Kans.

Mr. GIBBONS. Wichita, Kans., that is one situation and Dick Kaver goes all over this country.

Mr. KENNEDY. Des Moines, Iowa.

Mr. GIBBONS. I don't know of any violence in Des Moines, Iowa.

Mr. KENNEDY. There was a considerable amount.

Mr. GIBBONS. I don't know any that took place and that comes under the territory I am responsible for.

Mr. KENNEDY. Who else did you assign to keep peace?

Mr. GIBBONS. I assigned John Nabor. I have probably the largest staff of any union in the city of St. Louis, and when a strike takes place, they are on duty 24 hours a day. Their instructions are to keep down violence and to avoid any violence.

Mr. KENNEDY. Did you tell them that anybody found involved in violence would be punished?

Mr. GIBBONS. They would certainly be removed from activity in the strike if we could be convinced of this sort of thing.

Mr. KENNEDY. Did you announce that?

Mr. GIBBONS. I probably discussed it at great length at our staff meetings.

Mr. KENNEDY. Did you tell any of these people?

Mr. GIBBONS. I am certain I told these people. It is very difficult to go back and repeat word for word things that I said. I know my philosophy towards violence.

Mr. KENNEDY. Do you have any statement that you have written showing that you were against violence at that time?

Mr. GIBBONS. Yes. It is instructions to pickets. Where are the instructions to pickets? I did not write this. It happens that it was drafted at my request by our attorney.

Mr. KENNEDY. What is the date of this?

Mr. GIBBONS. This is undated. It is a series of strikes which we had.

Mr. KENNEDY. I want just the instructions you gave.

Mr. GIBBONS. These are the instructions we gave. Among all the others here is an example. One further word—this is addressed to the pickets—at no time will any improper pressure or unlawful restraint, coercion, or interference—no, this is not it. This may be the wrong one. Here. Remember, I am reading now from the document which is handed out to pickets. Remember, we want this line to be peaceful. We believe we can gain our purposes only—it is capitalized and underlined—only by winning public support and respect. Intimidation, threats, musclemen tactics, and disorder will not gain this public support and respect, but rather will cause us to lose it. Therefore, at all times conduct yourself quietly, orderly, and as a gentleman. I don't know how strong, how specific, how correct I can be beyond those words.

Senator IVES. May I ask a question there, Mr. Chairman?

The CHAIRMAN. Senator Ives.

Senator IVES. I would like to inquire what you do when they do not follow those instructions. Do you penalize them in any shape or manner?

Mr. GIBBONS. I will discuss this thing with you. It so happens in social conflict it seems that violence is an inevitable part of it all down through history. It is just as true today as it was 100 years ago. Despite the best efforts there is bound to be violence flaring now and again in areas of social conflict. There is no greater area of social conflict than a strike situation.

Senator IVES. Probably I know that as well as you do. I am asking what you do.

Mr. GIBBON. This is very important so you understand what I do about it.

Senator IVES. It is very important.

Mr. GIBBONS. To understand the area in which I have to operate. There are instances where violence flares and then I call persons inconceivably. I may have a discussion at the next strike meeting. I try to reason with the people that this is not going to help us. At the best this is going to alienate a lot of support and you will solidify the opposition of those who are at the moment working and things of that sort. Where I find a crackpot is just simply out there using violence without any sense of responsibility or without any defensive capacity, I completely isolate him from the strike and ask him to go home. If I find someone drunk, it is a standing order he cannot go near the picket lines.

Senator IVES. Do you kick any of them out of the union for violence?

Mr. GIBBONS. No, we do not.

Senator IVES. You should.

Mr. GIBBONS. This is a question, Senator, that one must approach very carefully when you kick people out of unions. To my knowledge in 15 years in local 688 as the top administrative person, I don't recall a single solitary member of my union who was ever kicked out, even under charges.

Senator IVES. What you do actually is the exact opposite. Actually you reward them.

Mr. GIBBONS No.

Senator IVES. Yes, you do. You take care of their families. You pay them sometimes when they are in jail.

Mr. GIBBONS. You cite me an example where I rewarded anyone for indulging in violence.

Senator IVES. I heard your testimony.

Mr. GIBBONS. I was referring to the men who were unjustly arrested by the police department who hate our particular organization.

Senator IVES. You are qualifying now. When you made that statement in the first instance, you did not make any such qualification as that.

Mr. GIBBONS. I am stating the actual facts of what I was talking about when I was telling our people. I just go on the assumption that they are not going to engage in offensive violence as such.

Senator IVES. As I recall, you cited only one instance where they did not get paid. In every other instance they are given to understand that they will be paid, protected, they will be given bond and

all those things. In other words, you are rewarding them for doing the very thing you claim right now you condemn. Reconcile that, will you?

Mr. GIBBONS. Yes, I will if you will give me a moment's time. I will be very happy to.

Senator IVES. Go ahead.

Mr. GIBBONS. No. 1, I sit in my office and a telephone call comes in. If one of the other officers is there, he takes it. It is a call from the police department. Somebody is in jail. The first thing is that we want him out of jail. We order him out of jail. We don't know whether he is justly or unjustly arrested.

Senator IVES. Your first impulse is to get him out of jail whether he is guilty or not.

Mr. GIBBONS. Not on the basis whether he is guilty or not. I am not in a position to find out whether he is guilty.

Senator IVES. What do you do?

Mr. GIBBONS. There is a court procedure which I have a thorough respect for.

Senator IVES. When I get through with you I want to find out whether you learned these things in the workers school in Wisconsin. You did not. That is a mighty fine institution for workers. There is nothing you are talking about now that is in their category or curriculum.

Mr. GIBBONS. The thing which I learned at that school and what I said is an expression of a solidarity of men in the struggle for decent working conditions and wages. I got a basic understanding of that at that school and this is the basic application.

Senator IVES. Not today. Not with the laws we have at the present time.

Mr. GIBBONS. There is nothing in the law.

Senator IVES. You have the National Labor Relations Act at the present time. You have all of the procedures in the world to protect you and help you get what you want if you deserve it. You should have no reason for such strikes today.

Mr. GIBBONS. You can find nothing in the Wagner Act or the Taft-Hartley Act which has to do with getting a pension program or a decent wage rate.

Senator IVES. No, but you have collective bargaining. You have nothing in that act that in any way, shape, or manner exonerates anybody from the violation of other laws or permits violence in any way, shape, or manner.

Mr. GIBBONS. This is what we strike for, Senator. It is not in terms of the Taft-Hartley law. There are no alternatives in the Taft-Hartley law against violence.

Senator IVES. Let me get this straight between you and me. I am not opposed to striking under certain conditions. The right to strike is inalienable in our whole setup in this country. But you claim you are opposed to violence under any circumstances except under certain strike conditions. The evidence you have given us here today indicates that you are in favor of violence under almost any conditions where strikes occur.

Mr. GIBBONS. I would like the record read back where I gave any evidence here that I approve of violence under any circumstances in strikes.

Senator Ives. You have to read the whole record to establish that. All you have said indicated that.

Mr. GIBBONS. I don't recall ever having entered any such evidence here.

Senator Ives. You read it over.

Mr. GIBBONS. During this day's testimony.

The CHAIRMAN. The committee will take a 5-minute recess.

(Members present at the time of taking the recess: Senators McClellan and Ives.)

(At the reconvening of the session after the brief recess the following members were present: Senators McClellan and Ives.)

The CHAIRMAN. The committee will come to order. Proceed.

Mr. KENNEDY. Mr. Gibbons, did you make any investigation to determine who was responsible for this violence that took place?

Mr. GIBBONS. Well, every morning we met with the people, and we questioned them about their activities of the night before. We received reports from them and we questioned them about it. In those sessions, which I did not necessarily attend, I am sure questions were raised about what exactly took place.

Mr. KENNEDY. And did you—

Mr. GIBBONS. Satisfactory answers were, in all events, given. Otherwise, it would have been brought to my attention.

Mr. KENNEDY. You did not look into it any further?

Mr. GIBBONS. No.

Mr. KENNEDY. Did you have any conferences with the police to try to stop the violence?

Mr. GIBBONS. No, because I am not a very popular figure with certain of the police in St. Louis, Mr. Kennedy.

Mr. KENNEDY. Of course, they testified before the committee that the reason for that was that ever since you came to St. Louis, you and your unions have been involved in violence.

Mr. GIBBONS. Let me discuss the role of violence as a total pattern out there in St. Louis in regard to my activity. You had Moran in here, who is head of the bombing squad and the chief police officer in St. Louis relating to the union activities. He told you of all of this pattern of violence on my activity. In his whole story, he was only able to mention 10.

It is bad that he could have mentioned one. The fact that he mentioned 10 does not make it any better. When I checked back on the record, and I have it here, every strike we conducted, you will find by checking this record close to 250 plants were shut down and strikes conducted against them in that same period in which he found violence only in 10. It would seem to me that it would hardly constitute a pattern when in less than 3 percent of the strikes which I was responsible for, actively involved in, any violence occurred.

Mr. KENNEDY. I think that is not entirely correct.

Mr. GIBBONS. Maybe it isn't. It is an opinion.

Mr. KENNEDY. It would depend on the facts surrounding the strikes.

Mr. GIBBONS. Right. That is what I want to discuss now.

Mr. KENNEDY. It would depend on a comparison with the other violence that took place in St. Louis, and his statement to the committee was that you, and the unions that you have been associated with, have been responsible for a pattern of violence since you came to St.

Louis. The police officers have testified to that. That is not Mr. Mitchell or Mr. Sparks or Mary Lou Bledsoe.

Mr. GIBBONS. All I am trying to do with Mr. Morau's testimony, on patterns of violence as relates to my activities, is to put it in its proper perspective. It is less than 3 percent of the strikes that I have been involved in. Right now, for instance, in the city of St. Louis, there is a cab strike on. About 200 cabs are involved. There has not been the slightest violence involved in the thing. But, in any event, aside from that, this is the picture. When you take some of the violence which was testified to here, it taxes one's imagination to really believe, one's credibility to really believe, these stories.

One guy testified here in a taxicab situation 15 bullets were shot into a taxicab with a woman and 2 children or 2 women and a child in it.

Suddenly, none of these people even got scared or hurt.

Secondly, there was no question about even finding the women after the thing occurred. One of the favorite devices in a taxicab strike, which is typical of employers trying to put the blame on trade unions for violence, is to take a taxicab in an alley, shoot it up with bullets, and call the police and say, "Look what they are doing."

That is the only way I can imagine a taxicab would ever get 15 bullets in it, with 3 people in it, and not kill anybody, especially if there are 3 people in it as he testified.

Mr. KENNEDY. We have a number of people, if you want to go into it, where they had to go to the hospital, that they were very badly beaten.

Mr. GIBBONS. Yes; secondly, because most of this violence occurred in terms of taxicabs—

Mr. KENNEDY. Do you want their names?

Mr. GIBBONS. I got it in the testimony, I believe, Mr. Kennedy, and I have read it pretty thoroughly.

Mr. KENNEDY. You have not the names of the people who were beaten?

Mr. GIBBONS. No. I say I have it in the testimony, and I have read it pretty thoroughly, and I am acquainted with each of the individual cases. In the taxicab disputes which took place in St. Louis, especially in the early days which he dealt with, an awful lot of it, there was severe resistance on the part of management, and whenever a strike would take place there were shootings on the street, and there were shootings both from those who were participating in the strike and those who were not.

How I can be responsible for that kind of violence, I will never know. I have tried to keep our people from engaging in any violence, but the people who refuse to come out, the people whom the companies put in the cabs to run the cabs in the face of a strike, those people carried guns and shot at our members who were on strike also.

The CHAIRMAN. May I ask you, Mr. Gibbons, at that point, is it your theory that if there is a strike and someone desires to work, that that should subject him to violence?

Mr. GIBBONS. No; it is not my theory.

The CHAIRMAN. Is it your theory that the man who wants to work, even though there is a strike, should have protection against violence?

Mr. GIBBONS. Well, it isn't a theory of mine that he should have protection. He has adequate protection in the police forces of the various communities. But I certainly am not going to—

The CHAIRMAN. Is that the only protection that you think he is entitled to; whatever they can give him?

Mr. GIBBONS. I am so fundamentally in disagreement with anyone working during a strike that I would not be the author of a proposal to protect him in his right to scab.

The CHAIRMAN. I understand you are. But the other citizens in this country, and many of them, do have the theory, and honestly believe, that they have just as much right to work as you do to go on strike.

Mr. GIBBONS. I can believe that.

The CHAIRMAN. Sir?

Mr. GIBBONS. I believe that.

The CHAIRMAN. You agree with that?

Mr. GIBBONS. I believe it, that this is true. I don't agree with it, necessarily, but I believe it.

The CHAIRMAN. But as a matter of equal protection of the law, if a man desires to work and his employer wants to employ him, then you say that he is entitled to protection?

Mr. GIBBONS. Senator, I would say to you that there is more—

The CHAIRMAN. I say, Is he entitled to protection from violence?

Mr. GIBBONS. Well, I assume that society would protect that individual.

The CHAIRMAN. You assume?

Mr. GIBBONS. Yes. And I would have no objection to protecting him against any kind of violence. But I would say to you there is more involved than a legalistic right of an individual to work during a strike. There is a tremendous moral question there, Senator, worthy of a long discussion, when it comes to people working during strikes.

The CHAIRMAN. I think I know the arguments on both sides.

The position I am taking is: If a man desires to work, do you take the position, if there is a strike on, that he is not entitled to work and not even entitled to protection from violence?

Mr. GIBBONS. No, sir. I say immoral as the conduct may be, I think the man is entitled to protection from violence. I certainly do.

The CHAIRMAN. All right. When you sent out men to keep the taxicabs off the street, you do not mean for them to engage in violence?

Mr. GIBBONS. I certainly do not. I always add the word "peacefully," when I discuss getting them off the street.

The CHAIRMAN. I know, the words you use depend sometimes upon the inflection you give them.

Mr. GIBBONS. Yes.

The CHAIRMAN. You can say peacefully and at the same time imply keep them off the street.

Mr. GIBBONS. The wink and the nod, as it were.

The CHAIRMAN. Yes.

Mr. GIBBONS. But this does not apply in my particular case. Let me add something in terms of the taxicab strikes that were testified to here. There are courts in this country, and there are things known as injunctions. In labor disputes in the State of Missouri, the city of St. Louis, they are very easy to get. One of the worst cases of violence occurred in the Allen Cab strike.

If it is true that we were the ones that were responsible for it, and some poor employer was defenseless in the face of our violence, one

would imagine that he would send his attorney down 5 minutes after it happened and get an injunction against violence.

I don't believe we have ever opposed an injunction in our union against restraint of violence. But in this case where we are supposed to be so bad, he never even came down and tried to make a case for violence and get an injunction.

The CHAIRMAN. In that strike, did you know of the violence that was taking place?

Mr. GIBBONS. No, I did not know specifically of it. It isn't printed.

The CHAIRMAN. Did they come in and make reports the following morning on the events that had transpired the night before?

Mr. GIBBONS. Yes, they did that, my pickets did.

The CHAIRMAN. In those reports, did they tell you about the violence?

Mr. GIBBONS. No. Many of the incidents I learned here from Mr. Foster's testimony. I was not aware of those instances of violence. They were not reported to me.

The CHAIRMAN. Did they report any instances of violence to you?

Mr. GIBBONS. Well, it is, again, going back 10 years, Senator, and I think I would be in error to attempt there to reconstruct that to the point where I could definitely testify about it. I am sure if any violence took place, which was brought to the attention of our pickets or our staff guys, they would have reported it in the regular reports the next day.

The CHAIRMAN. Was the report made to you that a taxicab, was run off into the river?

Mr. GIBBONS. No, sir.

The CHAIRMAN. Was it reported to you that a taxicab was turned over and Mr. Bommarito hurt his back?

Mr. GIBBONS. Incidentally, I was aware of the fact that a taxicab went into the river, as did a million other people in the city of St. Louis, because it was a published fact, and around the strike itself there was some—

The CHAIRMAN. It is your theory that it was done by the employer, that he would have someone drive his cab into the river?

Mr. GIBBONS. No. But in the light of what has already happened in the history of labor in this country, deliberate acts of violence on the part of employers to put a union in bad standing in the community, I would not be a bit surprised that an employer would go to that extent.

The CHAIRMAN. You would say that is your theory?

Mr. GIBBONS. But I would not say in this instance that I was under the impression that the employer put it in. But it certainly would be possible.

The CHAIRMAN. In the instance where the cab had several bullet holes in it, and I believe a picture of that has been made an exhibit, is it your theory in that instance that the owner or the employer had a cab shot up like that, simply to make an exhibit of it, and to cast upon the union the suspicion of guilt?

Mr. GIBBONS. No, but this is the only explanation I would have of that cab, in the light of the fact I can't conceivably believe the first story in which 15 bullet holes, including into the glass, could possibly be put into a taxicab with three people in it without someone being hurt.

The CHAIRMAN. There have been greater miracles than that.

Mr. GIBBONS. Right after a strike took place, let's read the testimony in a court case given by the attorney for the particular cab company we are discussing now, the Yellow Cab. Look what he says about the union. He says:

The evidence will be that there were some acts of violence, not condoned either by the cab company or by the union, never sanctioned.

He says:

And I think the evidence will be here that we are dealing with some hotheaded individuals. Let's put it that way, we are dealing with some of these cab drivers, and with some of these hotheaded individuals that performed this assault on Mr. Herzwurm, much to the dismay of the cab company and of the union as well.

This is not a union man. This is the attorney for the Yellow Cab Co. in one of the instances.

The CHAIRMAN. How bad was that man hurt?

Mr. GIBBONS. I don't know how bad that man was hurt, Senator. I read in the testimony as to what—

The CHAIRMAN. What was the nature of the case? You said it was a case in court. What was the nature of the case?

Mr. GIBBONS. This was a suit by Mr. Herzwurm against the cab company.

The CHAIRMAN. Against the cab company?

Mr. GIBBONS. Yes, and certain individual defendants, including Mr. Gibbons.

The CHAIRMAN. He was defending a suit?

Mr. GIBBONS. No, he was pursuing a suit or pushing a suit. Do you mean the attorney?

Yes, the attorney was.

The CHAIRMAN. The attorney was defending the case?

Mr. GIBBONS. The attorney was.

The CHAIRMAN. And he was trying to blame it on hotheads?

Mr. GIBBONS. Well, he is a member of the bar and I assume a responsible person. He was appearing before a court of which he was a member, and I assume he was telling the truth.

The CHAIRMAN. In presenting lawsuits, you present a theory, often in the face of facts, so if the jury wants to go on theory, they may have the opportunity to do so.

Proceed.

Senator Ives?

Senator IVES. I would like to ask the witness a question.

How long is it that you say you have been the head of that local in St. Louis?

Mr. GIBBONS. In various forms that the local took from one form to the other, I was the chief administrative officer since 1941.

Senator IVES. That is a period of 17 years, approximately?

Mr. GIBBONS. I believe so.

Senator IVES. During that period of time, how many strikes have there been?

Mr. GIBBONS. I have a complete list of each and every strike.

Senator IVES. I did not ask you what they are. I don't care anything about seeing what they are. I want to know how many you have had. Can you tell me that?

Mr. GIBBONS. My estimate on this is a total of close to 250.

Senator IVES. In which you were engaged?

Mr. GIBBONS. Shops were shut down in which I was engaged.

Senator IVES. 250?

Mr. GIBBONS. Right.

Senator IVES. That is considerable over 10 years; isn't it?

Mr. GIBBONS. Yes, 10 years, almost 1 a month.

Senator IVES. It is more than that. It is about one a month.

Mr. GIBBONS. That is right.

Senator IVES. Let me ask you a question in that connection. There is a period of 17 years. You are a gentleman with a considerable background in labor relations.

Mr. GIBBONS. Yes.

Senator IVES. I mean, I recognize that.

Mr. GIBBONS. Thank you.

Senator IVES. I don't quite understand how you have had this record of strikes. Do you mean to tell me you don't know how to get along with management, or there is something wrong with management?

Mr. GIBBONS. I think I do a fairly good job of renewing agreements.

Senator IVES. But your record of strikes does not show that.

Mr. GIBBONS. The record of strikes includes things like renewing of agreements.

Senator IVES. I understand.

Mr. GIBBONS. But it also includes a tremendous number of recognition strikes, strikes when you get a majority, you walk in and you talk to the company, and they refuse to recognize you. It even includes instances, Senator, where we struck for 6 solid months just to get an election under the NLRB. We ran full page ads in the Washington papers here to bring to the attention of Congress what was happening, and full page ads in the St. Louis press.

Senator IVES. Do you mean the management of St. Louis is so much opposed to recognizing unions that you have had a strike on the average of once a month for 17 years?

Mr. GIBBONS. That is correct. You have to understand also that we are operating in a very low-wage sweat industry, the warehousing field.

Senator IVES. I know that.

Mr. GIBBONS. And we had a long way to go to get up to decent conditions, which we have arrived at today.

Senator IVES. But here you are an individual, with above average intelligence, with this considerable background in labor relations and formal study in that field. I would think you ought to be able to avoid that. I have a little experience and theory on that myself, over a period of 25 years. I have never been where I could conduct a strike, but I think I have been where we know how to avoid them if possible.

Mr. GIBBONS. I would say to you that I have 300 companies under contract in the city of St. Louis. For 15 years we have renewed agreements, and if you put the record of strikes against the record of successful negotiations, you will come down with, again, a very, very small percentage of that. So while the record is bad that there should have to be any strikes, necessarily, I would have preferred to have avoided them, nevertheless, again putting into perspective, 688 does an excellent job, Senator, of renewing its agreements.

Senator IVES. Bear in mind, please, that I am bitterly opposed to sweetheart contracts, and it is a violation of our whole concept in that field. But are you on friendly terms with management in St. Louis, yourself?

Mr. GIBBONS. Am I on friendly terms?

Senator IVES. Yes; or do you occupy a position where you are trying to find differences and trying to stir up conflicts?

Mr. GIBBONS. Let me say this: With the management that I have to deal with, I think, basically, I am in pretty good terms with them. But in terms of the business community of St. Louis, I am not on good terms with them.

Senator IVES. By business community, you don't mean the taxicab business.

Mr. GIBBONS. I am talking about the total community, including what we call civic progress. Incidentally, my local union in 1942, probably, went on record for the adoption in the city of St. Louis for the Toledo plan, which is an effort to work out your problems in the field of labor relations without strife and conflict.

Senator IVES. I am acquainted with that plan.

Mr. GIBBONS. I have tried time and again, uninvited, with the top people in St. Louis, to try to build some bridges between the labor movement and the business community, in order that we can join together in building a better St. Louis and avoid these strikes, because they don't help the community, they don't help the business, and they don't help the workingman. A strike that is necessary is a shame, any strike.

Senator IVES. Most strikes, you recognize, can be avoided.

Mr. GIBBONS. Yes; but once in a while something happens.

Senator IVES. Once in a long while there is provocation for a strike, but most of them can be avoided. I am curious why you had so many. Is it because you could not get any response from management out there, or is it because you were trying to stir up trouble yourself?

Mr. GIBBONS. I would attribute it to two factors: One, a very low-paid industry, which had successfully resisted organization up to this time, and they did not want to change their way of life. No. 2, we had such a long way to go that perhaps our demands were a little bit stiffer than the next one. You can throw in another factor; during many of those years, I was in the CIO, and that automatically, in those days, at least, put two strikes on you, when you went into talk to management.

Senator IVES. You recognize, don't you, early in their days the CIO used to have a lot of Commies.

Mr. GIBBONS. Not associated with Harold Gibbons, because my record is clear on that.

Senator IVES. But you know that that may be one reason why there may have been prejudice against the CIO.

Mr. GIBBONS. Yes; that may be true. We were a pretty militant crowd.

Senator IVES. I think you have cleaned them out now. But I am curious to know why you, with your background, get involved with these things, because you, of all people, should be able to avoid them.

Mr. GIBBONS. There is another factor, or it is a factor in it, I don't

know excepting in terms of a low-paid industry, a fight to bring it up to decent standards. This is about the only explanation I can give you.

Senator IVES. You say the people of St. Louis, in business, generally are not in sympathy with you?

Mr. GIBBONS. That is right.

Senator IVES. Whose fault is that, yours or business?

Mr. GIBBONS. I will take the blame for it, let me put it that way, because I have been fighting for issues which are pioneering in many respects. We have in our operation the finest medical care program in existence in the United States. It is not cheap.

No good medical care is cheap. It is expensive.

Senator IVES. I know something about that.

Mr. GIBBONS. The rest of the business community does not want this thing to sit there. To them it is a time bomb. Their own employees or their own unions might get the idea they want a labor health institute. We have a pension program. We have a big camp for our people, with a baseball diamond, swimming pool, everything else. These things are a little unique, and the business community does not want it to spread too far. Maybe this is why I am a little too unpopular.

Senator IVES. Are you too oppressive for the business community?

Mr. GIBBONS. There may be an element of that, too.

Senator IVES. I am not talking now about what the committee is investigating, but I am talking about Mr. Gibbons. I am talking about you. Can't you, yourself, be a little more reasonable?

Mr. GIBBONS. My aggressiveness is related to the needs and welfare of my rank and file members.

Senator IVES. I understand that, but you have to bear in mind the community in which you live. You can't travel faster than the traffic will allow you to go.

Mr. GIBBONS. I agree with you that the temper of the business community and the times are important factors which a labor organizer should give consideration to. Otherwise, he is going to involve himself in conflict 100 percent of the time. I think the point you make is very well.

Senator IVES. I take it you agree, then, that perhaps you have tried to go too fast.

Mr. GIBBONS. There is perhaps that possibility. I wouldn't necessarily agree.

Senator IVES. And you would also agree that you possibly have not made the friends among the people in St. Louis that you should have?

Mr. GIBBONS. In these days, it is a little dangerous to make friends among the business people, with sweetheart contracts.

Senator IVES. I am not advocating anything like that. I am bitterly opposed to that. But that does not mean that labor and management should not be in agreement.

Mr. GIBBONS. Yes, sir, I can say that.

Senator IVES. You can get together and work together without having sweetheart contracts.

Mr. GIBBONS. Yes, sir. And I think that the very business of collective bargaining is the very essence of democracy, in that men with divergent ideas and interests can sit around the table and settle those. I think it epitomizes the idea of democracy.

Senator IVES. You have the ability and you have to bear that in mind. You have to be a missionary in this business in St. Louis. If management is what you say it is in St. Louis, you have a job on your hands, without stirring up a lot of trouble. Keep the peace. You can do it.

Mr. GIBBONS. I have a few very good friends out there in the business world, too, that I am proud of.

Senator IVES. Excuse me, Mr. Chairman, for taking the time, but I wanted to find out what it was all about.

Mr. KENNEDY. Just a question I asked you originally. Did you have any conferences with the police in order to attempt to find out who was responsible for the violence or stop the violence in 1953?

Mr. GIBBONS. The police in the city of St. Louis, especially the ones related to the labor problem, would be the last ones I would ever approach with relation to the problem of our union, so I did not.

Mr. KENNEDY. You did not discuss it with them at all?

Mr. GIBBONS. No, sir.

Mr. KENNEDY. Did you offer any kind of rewards to try to find out who was responsible for the violence?

Mr. GIBBONS. No, we never offered any rewards for finding out who was the perpetrator of any violence. We offered a reward to get the Greenlease money, the kidnappers.

Mr. KENNEDY. When did you learn of the cab going into the river?

Mr. GIBBONS. I wouldn't know.

Mr. KENNEDY. You said you read it in the newspapers shortly after.

Mr. GIBBONS. I am not sure it was in the newspapers shortly after but I suspected it was.

Mr. KENNEDY. That is what interested me. It was not in the newspapers shortly after it went into the river.

Mr. GIBBONS. I was mistaken about it.

Mr. KENNEDY. How did you find out about it?

Mr. GIBBONS. Among other things I read it in the newspapers when your committee pulled it out of the river, and I had no knowledge of my own that there was a cab in the river.

Mr. KENNEDY. You had not known before then?

Mr. GIBBONS. No.

Mr. KENNEDY. I thought you indicated to Senator Ives that you learned immediately after that?

Mr. GIBBONS. No, I don't believe I did.

Mr. KENNEDY. Mr. Mitchell testified regarding the conversation with you in which you told him to go on his own.

Mr. GIBBONS. May I consult with my attorney for a moment?

(Witness consulted with his counsel.)

Mr. GIBBONS. The question, Mr. Kennedy, will you repeat it so I will be absolutely certain of it?

Mr. KENNEDY. I am talking about Mr. Mitchell's testimony regarding the conversation that he had with you prior to the time that he testified he drove the taxicab into the river. Did you have any conversation with him wherein he told you that he was going to go off and do things on his own?

Mr. GIBBONS. I never had any conversation with him to my recollection in which he said he was going to go off on his own and do things on his own.

Mr. KENNEDY. Did he make any arrangements with you that you would send someone to the Missouri Athletic Club and that he would pick up the taxi there?

Mr. GIBBONS. I have absolutely no recollection of the meeting he spoke of being on the street one day.

Mr. KENNEDY. Did you send anyone to the Missouri Athletic Club? (Witness consulted with his counsel.)

Mr. GIBBONS. I have no recollection of ever having sent anyone to the Missouri Athletic Club for purposes of meeting Mitchell and having him destroy a cab and if I did I am pretty certain I would recall it.

Mr. KENNEDY. That would be the point. I would think that would be one thing you could remember, if you had done something like that?

Mr. GIBBONS. Yes, I think I should be able to remember that.

Mr. KENNEDY. Do you deny that you did?

Mr. GIBBONS. I don't deny it because I am fearful of my memory letting me down. I am very conscious the tricks the mind can play on you. The things you are most certain of you oftentimes are all wrong on. This is one of the instances where I don't want to fly in the face of testimony even though the testimony was pretty bad because I cannot recollect any such conversation.

Mr. KENNEDY. Do you think it is possible that you did do this thing?

Mr. GIBBONS. Not on the basis of how I know myself to be I am certain it could not be possible.

Mr. KENNEDY. But you are not prepared to deny it?

Mr. GIBBONS. No, again I say to you it is only because I am fearful that I can't remember it and I am fearful to go and say it. I would like to be able to say that I didn't.

Mr. KENNEDY. Yes, I think it would be helpful if you could.

Mr. GIBBONS. I am very conscious how helpful it would be, also. But I don't propose to say something which I am not certain about, Mr. Kennedy.

Mr. KENNEDY. We will let the record rest like that.

On this exhibit that you were discussing, before, I thought we would clear that up, too. This is the individual who was beaten versus the cab company, isn't that right?

Mr. GIBBONS. This Hertzworm's testimony. I was the defendant in that suit.

Mr. KENNEDY. This is versus the cab company?

Mr. GIBBONS. That is right. Including Harold Gibbons.

Mr. KENNEDY. The cab company and the union. It says just versus the cab company?

Mr. GIBBONS. That is right.

Mr. KENNEDY. So the attorney that you quoted from, was defending the cab company in this matter?

Mr. GIBBONS. That is right.

Mr. KENNEDY. Against the man who was beaten?

Mr. GIBBONS. In that legal proceeding because I was a defendant in it, in that legal proceeding the court found I had no place in there and they dismissed my end of it. It would seem logical that if Mr. Herzworm was suing me for money he would try to establish to the satisfaction of the court that somewhere I was involved. Apparently

he did not say I was at that meeting because under those circumstances I question whether the court would dismiss me as a defendant.

MR. KENNEDY. I think he didn't sue the union. The cab company joined the union. That is what happened. My only point was on the question that the lawyer at that time was—

MR. GIBBONS. That is right. That is what I was quoting from. I think I pointed that out to Senator McClellan. I think he recognized that, too.

MR. KENNEDY. Mr. Gibbons, we also had the testimony on the incident where a man by the name of Ford was beaten attempting to go into a union hall and the testimony from Mr. Walla that he called you and you sent over certain individuals to act as doormen.

MR. GIBBONS. This brings me back to that same realm that we were previously discussing as to my approach to violence. I happen to have attended the meeting at which Ford along with about 15 others, headed by Pete Higgins, the guy who formerly headed that local, was at, and where a worker got up and tried to approve the minutes of the previous meeting he was threatened and when the meeting adjourned there simply was no business of any kind transacted.

We were told at that time at that meeting that this would be the procedure in future meetings.

On the second meeting, the following week, and Gene had some calls that this same crowd was mobilizing, he called me for some help. I had already had the experience of a group of guys strong-arming their way or trying to strong-arm their way back into power in that local union and so I did the only thing I could do, was try to see to it that that meeting operated. I was the trustee of the local and that was my responsibility. I immediately called for membership support to defend the rights of that local union to function against the strong-arm tactics of those who would seek to regain power.

I called in, not just cabdrivers, I called in workers from a series of local unions to be there, members of a series of local unions to be at the meeting hall to see to it that peace was maintained and that the orderly functioning of that union was not interfered with.

MR. KENNEDY. Why was it that once again, Mr. Gibbons, for somebody who doesn't condone violence, you would send over individuals who have these long criminal records, records involved in extensive violence? Tony and Joe Cotterero?

MR. GIBBONS. I don't know about the once again? This is the first time.

MR. KENNEDY. Again arrested for stabbing, drugstore holdup, attempted murder, and you got a fellow here, the other man is a pimp, who put his wife in a bawdy house. These are the people you sent over there to keep order.

MR. GIBBONS. Mr. Kennedy, again I remind you of my previous testimony here, that these men were members of the union, employed by the employers, and they were active in the union. When I called for volunteers, these people volunteered.

MR. KENNEDY. Mr. Gibbons, you can't keep dismissing this. You were the one that sent them over there.

MR. GIBBONS. Let us not dismiss anything. I am not trying to dismiss anything. I am prepared to stand by every single act I

have ever performed in my life. I authorized their going over there. I don't recall that I specifically sent out the invitation to anyone of them. But I will take responsibility as trustee for their having been there.

But I point out to you, No. 1, I knew nothing about any record that anyone of them had. To me they were just a bunch of active trade unionists in their union, and when they were asked to go to the defense of their union against the strong-arm tactics of the ex-officers, they volunteered, and that was good enough for me, and it was on that basis they were sent over there. They were not sent over there with instruction to slug anybody.

Mr. KENNEDY. We have at least eight people that are listed here. Each one has a criminal record, that ranges from putting their wives in houses of prostitution, to stabbing, to attempted murder, to armed robbery, burglary, white slavery, carrying concealed weapons, every conceivable crime. You happened just by chance to send them over to guard over the union meeting.

Mr. GIBBONS. Mr. Kennedy, this you have knowledge of in 1958. I did not have knowledge of this at the time that any of those instances took place. If you have a quarrel with people in the cab union with criminal records, you should take it up with employers.

Mr. KENNEDY. I am taking it up now. I say they got in there first. You used them, Mr. Gibbons.

Mr. GIBBONS. No.

Mr. KENNEDY. You used them on the streets to keep the cabs off the street. They were involved in violence. You used them when you wanted somebody to keep people out of union headquarters.

Mr. GIBBONS. Not as men with criminal records. I used them as members in good standing in my union who were active in a strike and volunteering to preserve order.

The CHAIRMAN. How many men did you send?

Mr. GIBBONS. I don't recall the exact number, Senator. I suggest there must have been 15 to 30 people over there. It was not to take care of any Mr. Ford.

Mr. KENNEDY. We have a list of 10 and every one of them has a criminal record—an extensive criminal record.

Mr. GIBBONS. Is this the complete record of the people there?

Mr. KENNEDY. These are the men we know of.

Mr. GIBBONS. There were more there.

Mr. KENNEDY. You give us the names of those and we will check their criminal records.

The CHAIRMAN. Let us say there were 30. At least one third were people of that character.

Mr. GIBBONS. I am not denying that these people have criminal records. I am quite conscious of it. I was not aware of it at the time they were sent over. I sent them not as men with criminal records. I sent them as active workers in a strike situation.

The CHAIRMAN. Here is the implication. When you anticipate violence, or when you want violence committed, you use this character of people to do it. You cannot escape that.

Mr. GIBBONS. I don't accept the responsibility, Senator.

The CHAIRMAN. You are the one that directed them to go and you take no responsibility for the kind of characters they are? That is what you say.

Mr. GIBBONS. I take responsibility for sending them over as trade unionists. I had no access to their records. I had no means to get their police records. I had no occasion to even suspect them of having police records.

Mr. KENNEDY. Let me ask you about another situation, then. I think all of these incidents add up in my estimation to a pattern. Let me ask you about your relationship with Mr. Joe Costello.

Mr. GIBBONS. Right.

Mr. KENNEDY. Of the Ace Cab Co. We had some testimony here that in 1956, at the time of the wildcat strike, you made certain arrangements with the Ace Cab Co. to get people to patrol the streets. Is that correct?

Mr. GIBBONS. No, it is not correct.

Mr. KENNEDY. Did you have any arrangement with the Ace Cab Co. at all?

Mr. GIBBONS. Now let me tell you about the arrangements with the Ace Cab Co. at the time of the strike.

Mr. KENNEDY. Do you know Mr. Joe Costello?

Mr. GIBBONS. Yes. He is under contract with our union. He is an employer.

Mr. KENNEDY. How long have you known Joe Costello?

Mr. GIBBONS. Only since the time I had occasion to take over the taxicab local as trustee, to the best of my knowledge.

Mr. KENNEDY. Did you discuss with him the situation involving the wildcat strike in 1956?

Mr. GIBBONS. Let me tell you about the wildcat strike.

Mr. KENNEDY. Could you just answer the question?

Mr. GIBBONS. Did I discuss with him the wildcat strike?

Mr. KENNEDY. Yes.

Mr. KENNEDY. I certainly did because he was one of the employers who was on strike.

Mr. KENNEDY. Did he make arrangements for you to have any assistance of his drivers?

Mr. GIBBONS. He never made any arrangements for me to have assistance and he certainly never made any arrangements with me to give me any assistance.

Mr. KENNEDY. Did you make any payments subsequent to the Ace Cab Co.?

Mr. GIBBONS. I would like to develop why.

Mr. KENNEDY. Go ahead.

Mr. GIBBONS. I was in New York City when that strike took place. The background is that the employers could not not operate their cabs because they could not hire white drivers. They turned to the union and asked if the union had any objection to their employment of Negro drivers. My only question raised at that time was that we had absolutely no objection, but I would like to see all of the cab companies do it because if one did it, there would be discrimination against that cab company, through rumors and appeals to prejudice. We had a meeting with the four cab company heads including from the Mayor's Commission on Human Relations, a representative of the Urban League, NAACP, and a professor from Washington University. We discussed the thing and we set a date for it. I was in New

York the night that the thing was to take place, the integration was to take place, and the next day I got telephone calls that the entire industry was shut down. I proceeded to come back to the city of St. Louis and tried to effect a resumption of service and get our workers back to work. I sent out a letter to every one of our workers instructing them to go back to work because we had a responsibility to perform under a collective bargaining agreement we had with those four companies. This was not successful, and then I went on the basis of putting on some crews to protect the people. It did not work.

Mr. KENNEDY. Where did you get the crews from?

Mr. GIBBONS. From my rank-and-file membership. Let me go to the heart of your question now. In the first few days in which the strike took place, the union was incapable of supplying men to operate the taxicabs. Mr. Costello saw fit to place a series of his drivers who were not driving or he took them off driving and put them in cars and they patrolled the streets to protect his drivers who were functioning. It was the only way to get them off the streets by putting them in the hospital. Three of our people were injured severely. When I got my crews operating—and incidentally from the minute my crews hit the street there was no violence of any kind, and less than 10 days later, that about the fourth day and about 6 days the industry was back to normal operation. When it was over, Joe Costello pointed out he had spent a lot of money—or during the strike—bringing about something which the union had total responsibility for, namely, the operation of his cabs. He explained what he did. He put men in cars in order to protect the drivers so that they could function without fear of being injured. He told me that. I said fine. If you put men on the streets, if you have expended money on a responsibility which is clearly our union's, and which we are subject to suit for, I says I will reimburse your company. This I did. I was not consulted when they were put on the street. I had no knowledge of who was in the cabs when they were put on the street. It was only after the thing was going that Joe Costello asked me to reimburse him for the money. I talked even to my attorneys, do they have a legal claim on our union for not performing under the contracts.

Mr. KENNEDY. How much did you reimburse him?

Mr. GIBBONS. I think something like 25 or 23 hundred dollars, if I am not mistaken. You have the records.

Mr. KENNEDY. We will put them in.

Mr. GIBBONS. \$2,900, I believe it was. My attorney tells me.

The CHAIRMAN. Come around, Mr. Eickmeyer.

TESTIMONY OF THOMAS EICKMEYER

Mr. KENNEDY. What do the records show the payments by the union were to the Ace Cab Co., Joe Costello's cab company?

The CHAIRMAN. Let the record show this witness has been previously sworn.

Mr. KENNEDY. For these individuals.

Mr. EICKMEYER. Ace Cab Co. billed Teamster Local 405 for taxicab service, \$2,925. This was paid to Ace Cab Co. on the same date with a check from local 405.

The CHAIRMAN. The statement and the check may be made exhibit 106, A and B.

(The documents referred to were marked "Exhibit 106 A and B, for reference and will be found in the appendix on pp. 14897-14898.)

Mr. KENNEDY. How many individuals were there that were involved; that received payments?

Mr. EICKMEYER. Thirteen individuals.

Mr. KENNEDY. How many of the 13 have criminal records?

Mr. EICKMEYER. We checked and found all 13 had criminal records.

Mr. KENNEDY. All the 13 who received money in connection with this matter have criminal records?

Mr. EICKMEYER. Yes, sir.

Mr. KENNEDY. Mr. Chairman, once again these criminal records are extensive criminal records. These are not those who just got arrested for going through a stop sign.

The CHAIRMAN. Do you have a list of them and their records?

Mr. KENNEDY. Yes, we do.

The CHAIRMAN. Perhaps someone can verify it.

Mr. KENNEDY. Mr. Langenbacher can do it.

The CHAIRMAN. You have been previously sworn?

Mr. LANGENBACHER. Yes, sir.

The CHAIRMAN. Do you have the record of the 13 men referred to?

Mr. LANGENBACHER. Yes, we have a record of the hoodlum squad. They do not have all the convictions, but the hoodlum squad saw fit to keep records on all of them. I have those records before me now.

The CHAIRMAN. That is the hoodlum squad of St. Louis?

Mr. LANGENBACHER. Of the St. Louis police; yes, sir.

Mr. KENNEDY. Two of them, the two we had here before the committee, were under indictment for murder at the time they were performing this service?

Mr. LANGENBACHER. That is correct. Lou Shoulders, Jr., and one of the Harvill brothers were under indictment for murder of one Bobby Carr in East St. Louis, and, I am informed by the police, it was a murder over jurisdiction in prostitution matters.

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

The CHAIRMAN. Do you have the list there of the 13?

Mr. LANGENBACHER. Yes, sir; I do.

The CHAIRMAN. Have you checked it? Did you say you took that from the police records in St. Louis?

Mr. LANGENBACHER. Yes, sir. In fact, these are copies of the police records themselves, furnished by the police of St. Louis in response to my request.

The CHAIRMAN. That record may be made exhibit No. 107.

(The document referred to was marked "Exhibit No. 107" for reference and may be found in the files of the select committee.)

Mr. PREVIAINT. Mr. Chairman, might we have the record clear at this point that these were persons who were hired by the cab company and not hired by the union in any capacity?

The CHAIRMAN. Hired by the cab company for which the cab company was reimbursed by the union.

Mr. PREVIAINT. Not hired by the union or with the knowledge of the union.

The CHAIRMAN. But reimbursed.

Mr. GIBBONS. Subsequently reimbursed, but in no sense a responsibility of mine in connection with putting them on the streets.

Mr. KENNEDY. Certainly the responsibility comes back to you when you pay for them.

Mr. GIBBONS. No; it does not.

Mr. KENNEDY. Joe Costello has the contacts.

Mr. GIBBONS. No; I did not go to Mr. Costello at any point asking for any assistance in that strike situation, Mr. Kennedy.

Mr. KENNEDY. Why did you pay him this money?

Mr. GIBBONS. I paid him because he legitimately showed what he had expended on the problem of doing the things which the union was responsible for, namely the performing.

Mr. KENNEDY. You condoned the hiring of these gangsters and hoodlums to patrol the streets of St. Louis?

Mr. GIBBONS. I did not condone any such things, Mr. Kennedy. If I had been putting them on the streets, I would have been very much more careful who it was.

The CHAIRMAN. Did you just use the same care in sending them down to the union hall?

Mr. GIBBONS. I did not send any Harvills down to the union hall. I don't believe they are even members, the Harvill boys.

Mr. KENNEDY. What about Lou Shoulders?

Mr. GIBBONS. A union man, again hired by an employer.

Mr. KENNEDY. You used Lou Shoulders, have you not?

Mr. GIBBONS. In what respect?

Mr. KENNEDY. Have you used Lou Shoulders at all?

Mr. GIBBONS. Again, as an active member of the union, when we called for volunteers, he may have shown up on one of the picket lines.

Mr. KENNEDY. In the Granite City strike?

Mr. GIBBONS. He could have been over on the Granite City picket line.

Mr. KENNEDY. Why did you send a man like Lou Shoulders?

Mr. GIBBONS. I did not send him.

Mr. KENNEDY. Who sent him?

Mr. GIBBONS. It is a question of any time we have an opportunity or need to mobilize our membership, the best I do is O. K. it, and as I did in the Granite City situation, which was the occasion for a strike taking place, I asked that some of our people be sent over there to assist. What probably happened out of that was the staff called some shop stewards.

Mr. KENNEDY. Have you ever sent anybody that has not an extensive criminal record?

Mr. GIBBONS. Just a minute. Here, talking about people, here is a whole slew of people that were in my cars. Look at the list. There are four pages of them. You can check them. I question whether you will find any of them with a police record. They are all rank and filers, right off the trucks, garages, and warehouses.

They were on my 50 automobiles that we had on the street. They were people, again, that were picked through the process of the staff calling shop stewards from the various unions and officers, asking for volunteers to help.

Mr. KENNEDY. Let's have the background of some of these people that were placed on during the wildcat strike of 1956.

Mr. GIBBONS. By Mr. Costello, do you mean?

Mr. KENNEDY. Paid by the union.

Mr. GIBBONS. Yes.

Mr. LANGENBACHER. This is a summary of the men, according to the hoodlum squad records of the city police of St. Louis.

Joseph John Cannella: Strike breaker; muscle man; took active part in assault on cab driver; associate of Barney Baker and Lou Shoulders, Jr.; arrested for selling firearms, nonsupport, disposing of mortgaged property; suspicion of seduction and peace disturbance; fined \$50 for bootlegging and sentenced to 18 months for interstate transportation of firearms.

Max Feldman: Arrested for alcohol tax violation; suspicion of affray on two occasions; as a fugitive for investigation; suspicion of robbery on three occasions; disturbing the peace on two occasions; investigation on four occasions.

Sam Salvator Guccione: Hired bodyguard for Joseph Costello; associate of John Vitale, Isadore Londe, Anthony Lapipero, Anthony Giardano, Ralph Calico, and Louis Shoulders, Jr.; arrested for assault with deadly weapon, assault with intent to kill, suspicion of murder, burglary, receiving stolen property, suspicion of homicide.

George "Stormy" Harvill: Associate of hoodlums; acquitted of murder in 1952; indicted with Lou Shoulders, Jr., for murder of Bobby Carr in 1955; numerous other arrests for investigation.

Wilbourne "Babe" Harvill: Known associate of many hoodlums; arrested for carrying weapons; larceny of auto; fugitive; peace disturbance; carrying concealed weapon; suspicion of larceny on two occasions; suspicion of murder on two occasions.

Charles Jefferson Hollis: Known associate of hoodlums; arrested for petty larceny, forgery, passing stolen checks, suspicion of burglary, suspected prostitution.

Robert James: Arrested for peace disturbance and for receiving stolen property.

William Laird: Arrested for destruction of property, suspected homicide, suspected robbery and suspected larceny.

Rolland Lehman: Arrested for destruction of city property.

William Manley: Arrested for suspicion of stealing, suspicion of gambling, worthless check, two cases of suspected burglary, three cases of suspected prostitution and suspected gambling.

William Harold Sanders: Associate of most known local hoodlums; reputation as a strikebreaker and slugger; numerous arrests of assault to do great bodily harm; arrested with Teamster muscle man "Barney" Baker; arrested for carrying concealed weapons; acquitted of murder.

Louis Shoulders, Jr.: Reputation as burglar and muscle man; associate of hoodlums; under indictment with "Stormy" Harvill for murder; fined \$100 and placed on probation for burglary; arrested for peace disturbance, carrying concealed weapon, fugitive; arrested for common assault, suspicion of disposing of stolen property.

Joe Troup: Arrested as fugitive; on 8 occasions for suspicion of robbery and on 3 occasions for destruction of property.

The CHAIRMAN. This witness may be excused for the present. Mr. Fitzgerald, we are going to recess until 10:30 in the morning.

Mr. PREVIAINT. Is this witness to return tomorrow morning?

The CHAIRMAN. Yes, at 10:30 in the morning.

Mr. Fitzgerald, did you bring your records?

Mr. FITZGERALD. I have my 1957 records. Tomorrow I will have them over here when I get them back to the building. Then I will have a report on these different files that you want. I will have it in here by tomorrow morning.

The CHAIRMAN. All right, in the morning at 10:30.

The committee will stand in recess until 10:30 in the morning.

(Whereupon, at 4:50 p. m. the hearing was recessed to reconvene at 10:30 a. m. Wednesday, September 3, 1958, with the following members present: Senators McClellan and Ives.)

INVESTIGATION OF IMPROPER ACTIVITIES IN THE LABOR OR MANAGEMENT FIELD

WEDNESDAY, SEPTEMBER 3, 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. Also present: Robert F. Kennedy, chief counsel; Jerome S. Adelman, assistant 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; Walter J. Sheridan, investigator; James Mundie, investigator, Treasury Department; John Flanagan, investigator, GAO; Alfred Vitarelli, investigator, GAO; Ruth Young Watt, chief clerk.

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. May I suggest to the photographers that the witnesses requested that no flashes be made while he is testifying. Gentlemen, you will observe the orders of the Chair.

Mr. Kennedy, proceed.

TESTIMONY OF HAROLD J. GIBBONS, ACCOMPANIED BY COUNSEL, DAVID PREVIANT AND STANLEY ROSENBLUM—Resumed

Mr. KENNEDY. Mr. Gibbons, I was interested yesterday in your statement as to your lack of knowledge about who was responsible for these acts of violence, and your further statement that you were against violence yourself and deplored it when it was used by others or that it was used in connection with a strike. I would like you to look at some of the testimony, in volume 12, page 2298.

Mr. GIBBONS. What page is that?

Mr. KENNEDY. Page 2298.

Mr. GIBBONS. I am sorry, I don't have that.

Mr. KENNEDY. August 26, 1958.

Mr. GIBBONS. I am sorry, I don't have that.

Mr. KENNEDY. I will read it to you. The question on the bottom of page 2298.

Question. Did you know a cabdriver by the name of Leon Smith?

Mr. MITCHELL. Yes, sir.

Question. He was a Yellow Cab driver?

Mr. MITCHELL. Yes, sir.

Question. Are you aware of the fact that his cab was smashed?

Mr. MITCHELL. Yes, sir.

Question. That was while he was carrying the passenger's bags into the house?

Mr. MITCHELL. Yes, sir.

Question. The cab was smashed and the windshield was broken; is that right?

Mr. MITCHELL. That is right, sir.

Question. Did you ever know who was responsible for that?

Mr. MITCHELL. Bommarito and Joe Ferrara.

Question. How did you know that?

Mr. MITCHELL. Through them telling us after a patrol.

Question. How about Alvin Mercer, who was also a Yellow Cab driver? Did you hear about him?

Mr. MITCHELL. Yes, sir; more or less, hearsay.

Question. What happened to him?

Mr. MITCHELL. His cab was wrecked and he was beat up.

Question. Did you hear who was responsible for that?

Mr. MITCHELL. The business agent at that time and another one or two.

Question. Do you remember who that was?

Mr. MITCHELL. Ben Saltzman I believe was the business agent at that time. This was more or less discussed after a patrol.

Question. What about Paul Herzwarin, who was a Yellow Cab driver, was he beaten?

Mr. MITCHELL. Yes, sir.

Question. Who were you told was responsible for that?

Mr. MITCHELL. Mr. Saltzman was responsible for that. He was talking about it, expecting to be arrested.

Now, when there acts of violence took place, evidently according to Mr. Mitchell's testimony, it was discussed as to who was responsible for them. Did you try to determine yourself who was responsible, and take action against those individuals?

Mr. GIBBONS. It is kind of regrettable, Mr. Kennedy, that you seem to place so much faith in a person like Mitchell. If your staff had done the most elementary kind of investigation you would have found for instance that he lied in terms of the placing of Saffo in the meeting, and at the time Pete Saffo had just come through three major operations.

Mr. KENNEDY. Would you answer the question, please? Did you make a study to try to find out who was responsible for this violence?

Mr. GIBBONS. I had reports every morning from crews, and not I personally, but we, let me put it that way, had reports every morning from crews on the streets at night.

Mr. KENNEDY. When these acts of violence took place, did you go to the members of this group that met at your headquarters, and ask them if they were responsible?

Mr. GIBBONS. I got the reports every morning or our people got the reports, those directly responsible for the strike and there was no publicity upon those and many of those acts, which are related there, as far as I am concerned right now, may never even have happened.

Mr. KENNEDY. You have a lot of people that were beaten up, Mr. Gibbons, whether you recognize it or not, or whether you care about it or not.

Mr. GIBBONS. I care. I am deeply concerned about it.

Mr. KENNEDY. So therefore I am asking you. That is your statement. I am asking you what evidence you have. I am asking you whether you asked any of these individuals what they knew or whether they had any information as to who was responsible.

Mr. GIBBONS. Every morning after the evening's work, the night's work, people were questioned in discussions at the union headquarters as they gave their reports. This is the degree to which we have investigated these particular acts of violence, but I will refer you again——

The CHAIRMAN. Mr. Gibbons, the question is, did you yourself ask them?

Mr. GIBBONS. This is one of the particular strikes, Senator, that I was not directly involved in.

The CHAIRMAN. You can answer the question "Yes" or "No." Did you yourself ask them about it?

Mr. GIBBONS. The answer at this time that I can give is that I have no recollection of actually investigating personally any specific acts of violence in that particular strike.

Mr. KENNEDY. Now, going back to Mr. Bommarito, I was particularly interested as far as he was concerned. We had the testimony again, of Mr. Mitchell, regarding that event, and he testified. This is page 2303.

Mr. MITCHELL. I pulled in front of the cab, and Farrera and the girl got out. They started to cross a lot. There was three carloads of us. There was three carloads of men around, with the exception of the drivers, around the car, and they were trying to turn it over. I tried to get my car out before they turned it over. In the meantime, we heard the police sirens. So when we heard the police sirens, they wasn't making very much success at turning the car over so Joseph Bommarito he said he hurt his back or something.

Question. Trying to turn the car over?

Mr. MITCHELL. So after he said that, some of the boys grabbed the snow chains out of my car and beat out the windows and then a few of them jumped in my car.

Did you make an investigation of that at all, Mr. Gibbons?

Mr. GIBBONS. In the answer to your last question, I pointed out to the Senator, to my knowledge at this time I did not make an independent investigation of any of the acts of violence which took place in that particular strike.

The CHAIRMAN. I have one question here, to clear this up: Did you at those meetings in the morning, or the patrols who had come in off the street when they had their meeting, did you personally appear there and interrogate them about the incidents of the night before?

Mr. GIBBONS. I don't believe I did, Senator. I have no recollection of actually sitting in on those sessions.

Mr. KENNEDY. Now, on page 2304, Mr. Mitchell goes on and he says about coming back to the headquarters:

Mr. MITCHELL. I was given instructions to keep my automobile away from there due to the fact that my car was seen at the scene of the crime.

Question: Who told you that?

Mr. MITCHELL. Mr. Gibbons, for one, and most all of them around the office told me to keep away from there.

Did you tell him that?

Mr. GIBBONS. Again, I have no independent recollection.

Mr. KENNEDY. Do you deny that you told him to keep his car away from the headquarters?

Mr. GIBBONS. I haven't any recollection of discussing that matter with Mr. Mitchell and having given him any instructions about keeping his car away.

Mr. KENNEDY. Do you deny that you told him to keep his car away from the headquarters, Mr. Gibbons?

Mr. GIBBONS. I have no independent recollection of having done so.

Mr. KENNEDY. Do you deny it?

Mr. GIBBONS. Do I deny it? I don't have any independent recollection and I can't necessarily deny or affirm it.

Mr. KENNEDY. That is, of course, the problem here, Mr. Gibbons. You can make general statements that, "I am against violence," and "I am against sin" and "I love my mother," but when it comes down to the particular event, you haven't any of the answers.

Mr. GIBBONS. I have answers for everything, Mr. Kennedy, that I am in any position, reasonable position, to give answers to. No one is dodging any answers, and the thing that I would go back to again is the character of the witnesses that you are interrogating me on now. I would like an opportunity to discuss Mr. Mitchell.

Mr. KENNEDY. I would like to say I don't think that you are going to get a minister, or a priest, or a rabbi going out and turning over cars and beating people up. These are the people that testified before the committee that they, personally, went out and beat people up and wrecked automobiles. They told who was responsible and who gave them instructions, and you were one of them.

Mr. GIBBONS. The question is not whether they are priests or ministers, and the question is whether they are competent and whether they are credible.

The CHAIRMAN. Who was Mitchell? What was he doing at that time?

Mr. GIBBONS. Mitchell was a cabdriver. I am sure Mr. Kennedy checked his police record.

The CHAIRMAN. A cabdriver?

Mr. GIBBONS. Yes, sir.

The CHAIRMAN. All right; proceed.

Mr. KENNEDY. He was one of these individuals who was meeting at the union headquarters?

Mr. GIBBONS. He was a person who, on the stand under oath, deliberately lied.

The CHAIRMAN. Was he one of your patrol then?

Mr. GIBBONS. He was a member of the union active in that strike, and as such he did, as I understand it.

The CHAIRMAN. He was active out patrolling?

Mr. GIBBONS. He did participate in the patrolling.

Mr. KENNEDY. Now, we had the testimony on page 2303 about Mr. Bommarito hurting his back. Then, by Mr. Sparks, on page 2362 we had some testimony regarding a group that went out to wreck a cab where Mr. Bommarito hurt his back.

Question. Were you present at that?

Mr. SPARKS. Yes, sir.

The CHAIRMAN. Didn't Bommarito take the fifth amendment on the question whether he had hurt his back turning over a car?

Mr. KENNEDY. That is correct.

The CHAIRMAN. Does he still work for you; Bommarito?

Mr. GIBBONS. Bommarito is employed by 405, and as a trustee of that local I am responsible for it, and I expect that the answer to that could be interpreted as "Yes."

The CHAIRMAN. I don't know how otherwise to interpret it. If he is in your employ, or in the employ of the union, the union over which have control, you have the right to hire or discharge him, do you not?

Mr. GIBBONS. Yes, because his is not an elected position.

The CHAIRMAN. Proceed.

Mr. KENNEDY. On page 2368, the question was asked by the chairman:

How did that fellow get his back hurt out there; Bommarito?

Mr. SPARKS. I guess he was trying to turn the cab over.

The CHAIRMAN. Did you see him trying to turn it over?

Mr. SPARKS. I was there. I was helping him.

Now, Mr. Gibbons, are you taking any action against Mr. Bommarito to remove him from his job?

Mr. GIBBONS. You already gave us the record on Mr. Sparks, who was at one time confined to an insane asylum, according to you. Do you think I am going to fire a responsible staff member on the evidence or on the basis of a man from an insane asylum?

Mr. KENNEDY. These individuals, obviously, the people that you got to commit these acts of violence, as I said, are not going to be the foremost citizens of St. Louis. These are people who have been involved in violence. I read their police records, and there is no question about that. They come in here and they say that they did it.

There is no reason to lie and they are not being paid to say they did it. They come in and they confess that they took part in it. They tell who else was responsible for it.

Mr. Bommarito was one of those that was identified as being responsible for it. They said he hurt his back. We go to the police or to the records in the hospital, and he goes to the hospital immediately—he has wrecked his back. Could you tell us how he hurt his back?

Mr. GIBBONS. Mr. Kennedy, it is not a question whether they are priests or ministers, and the issue is not whether or not they were there and saw these things. The issue is whether or not these are credible witnesses whose testimony can be believed. You have destroyed every one of them by your own compilation of their police records.

The CHAIRMAN. And Mr. Bommarito can be believed?

Mr. GIBBONS. Yes, sir; Mr. Bommarito, I believe, could be believed.

The CHAIRMAN. Will you have him come here and testify?

Mr. GIBBONS. Mr. Chairman, the right of a member of my staff or a member of the union or any American citizen to take the fifth in the light of his own conscience is one which I would protect and not attempt to interfere with.

The CHAIRMAN. I understand.

Mr. GIBBONS. This is a constitutional right of every American citizen.

The CHAIRMAN. The theory about the right to take the fifth has its proper place, but it also has its proper implication. If a man were working for you, personally, and embezzled your personal funds, and you asked him about it and he took the fifth, I don't think that you would keep him in your employ much longer.

Mr. GIBBONS. If he embezzled my funds and to my knowledge, I can assure you I wouldn't, but it would have nothing to do with his taking the fifth before a governmental body.

The CHAIRMAN. I understand. A governmental body today in some areas has lost the respect that it deserves, and instead it is treated with utter contempt.

Mr. GIBBONS. Let me assure you, Senator, that I have the utmost and deepest respect for this body, and every other section of our American Government, and what your comments are do not apply in my particular instance. I shall deal with Mr. Bommarito.

The CHAIRMAN. Proceed. It will be about the first instance that there has been anybody dealt with in the Teamsters Union.

Mr. KENNEDY. The reason you are reluctant to deal with him is because you knew this was going on?

Mr. GIBBONS. I thought maybe you were going to tell me I was afraid to deal with him.

Mr. KENNEDY. That is Mr. Hoffa.

Mr. GIBBONS. But I am not reluctant at all to deal with Mr. Bommarito.

Mr. KENNEDY. Tell me again about the hospital bills. What explanation did he give to you about hurting his back? If Mr. Sparks' testimony was wrong, and if Mr. Mitchell's testimony is wrong, and Mr. Bommarito takes the fifth amendment, what explanation did he give to you about the back?

Mr. GIBBONS. I believe I testified to that yesterday, Mr. Kennedy.

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

Mr. KENNEDY. I want to hear it again.

Mr. GIBBONS. My testimony was to the effect that if I paid or if our union paid for the hospital bills, it had to be related—it was investigated at the time, it was inquired into at the time, and it must have been related to legitimate trade-union activity. And in doing so, we treated Bommarito no different than we treat any other striker or member of our union who was working on behalf of the organization when he got injured.

The CHAIRMAN. If the facts are that he was out there undertaking to wreck a car or turn it over, and you knew it at the time and paid his hospital bill, would you regard that as legitimate labor-union activity?

Mr. GIBBONS. No, I would not.

Mr. KENNEDY. But you say that it had something to do with trade-union activity?

Mr. GIBBONS. I assume as much, on the basis that we paid for it, Mr. Kennedy.

Mr. KENNEDY. That makes it even more interesting, Mr. Gibbons, because when he reported to the hospital, he said he received this injury from lifting a trunk.

Mr. GIBBONS. Who did he report this to, Mr. Kennedy?

Mr. KENNEDY. We have the hospital report. I will show it to you.

This patient stated that he tried to lift a heavy trunk and got sudden pain in the lower back and could not be expected to walk as usual.

He came to the hospital for—

The CHAIRMAN. Has that already been made an exhibit?

Mr. KENNEDY. Yes.

Mr. GIBBONS. Do you believe the report that is given there, Mr. Kennedy?

Mr. KENNEDY. This is what the patient said.

Mr. GIBBONS. What am I to believe, the testimony you gave me of the witnesses or this one?

Mr. KENNEDY. That is what I am trying to find out. You said the union paid his bills, the union paid his bills because it was tied up to trade activity. This man comes in and says it was from lifting a trunk. This is what Bommarito says.

Mr. GIBBONS. I did not testify directly to the fact that it was positively tied in with trade-union activity, Mr. Kennedy. I stated to you that if this bill had been cleared and paid by our union, some one of our officials had evidently investigated it, was satisfied that it was related to the union work, and thus paid it.

Mr. KENNEDY. We have the testimony that it was not; that it was involved in trying to turn a car over. Mr. Bommarito takes the fifth amendment. Certainly when he went to the hospital he was not going to say "I was trying to wreck an automobile, turn a cab over."

He gave that excuse. Are you going to take action to try to get that money restored?

Mr. GIBBONS. No. You characterize this yourself as an excuse. Why should I act on an excuse?

Mr. KENNEDY. But this is Mr. Bommarito——

Mr. GIBBONS. I told you it had been inquired into, if one of our representatives or officers had agreed to pay the bill, and I was satisfied that it was related, if this had occurred, it was related to legitimate trade-union activity.

Mr. KENNEDY. What did they report to you as the trade-union activity?

Mr. GIBBONS. They didn't report to me. I said that someone must have checked it, and I am satisfied that if one of my officers O. K.'d it——

Mr. KENNEDY. Who O. K.'d it, then?

Mr. GIBBONS. I don't know at those dates who was the one who was O. K.'ing the strike expenditures. Probably it was Lou Berra. No, it wasn't Lou Berra. It was probably Phil Reichardt, or one of the other people who was active in that particular strike.

Maybe Lou Berra was active in that strike.

(The witness conferred with his counsel.)

Mr. GIBBONS. Yes, Lou Berra was active in it. It could have been Lou Berra, it could have been Phil Reichardt, 1 of the 2. Or it may have been someone else, in fact.

Mr. KENNEDY. Based on this, you will not take action against him?

Mr. GIBBONS. Based on what?

Mr. KENNEDY. Based on the testimony before the committee, based on the record at the hospital, where he evidently did not give the correct facts, because you said it must have been related to union activity or his bill would not have been paid.

Mr. GIBBONS. He must have given the straight facts either, Mr. Kennedy, or your witnesses are not to be believed. Your witnesses are in direct conflict with this, their testimony under oath. If I am going to take this, I must make up my mind which to take.

Mr. KENNEDY. This is the patient's, Mr. Bommarito's, report to the hospital. He does not say anything about union activity.

Mr. GIBBONS. Is this a true and accurate picture of what the actual situation was?

Mr. KENNEDY. This is Mr. Bommarito. You say you paid the hospital bill, Mr. Gibbons. You paid the hospital bill because it was involved in trade-union activity.

According to Mr. Bommarito's statement it was not involved in trade-union activity. How can you explain paying the hospital bills, then?

Mr. GIBBONS. I am going to check on the basis of the paying of the bills, now that you are making a big issue out of the payment of the bill.

Mr. KENNEDY. Making a big issue?

Mr. GIBBONS. It is a little bit confusing when you bring this to me and say that this proves it was not related to trade-union activity, that he actually got hurt lifting a trunk, and then you bring forth a bunch of witnesses who claim he got it by tipping a cab.

Mr. KENNEDY. You know you can understand it better than that, Mr. Gibbons.

Mr. GIBBONS. Mr. Kennedy, I cannot understand it the way you are presenting it here.

Mr. KENNEDY. You can't?

Mr. GIBBONS. You have to determine whether you are going to submit 1 of the 2 in evidence and go on that basis.

The CHAIRMAN. On the basis of either, do you find any union activity connected with it?

Mr. GIBBONS. No, neither of those two items I did not, Senator, but I shall certainly check on it and find out to the best of my ability to check on it, just exactly what was the basis for it.

Mr. KENNEDY. Did you notify these men that you would protect them? According to Mr. Mitchell, on page 2308:

The union said that they would protect any man who got in trouble. Senator Curtis asked "Who for the union said that?"

Mr. MITCHELL. Mr. Gibbons. All of those business agents said that.

Did you tell them that?

Mr. GIBBONS. Anyone who gets in trouble in our union pursuant to work on behalf of our union, is going to be protected. His bills are going to be paid, and his family is not going to suffer if he has to wind up in prison. I would like to cite you an excellent case in that regard which proves the validity of my position.

Mr. KENNEDY. I want to ask a question. When these individuals were arrested, for instance, Mr. Sparks, who was arrested for trying to turn this automobile over, for wrecking the automobile, did you inquire to find out if he had in fact participated in this violence, or did you just pay the union money to get him out?

Mr. GIBBONS. When he was arrested, we immediately bonded him and everyone else out.

Mr. KENNEDY. Then did you try to find out whether he had committed these acts of violence?

Mr. GIBBONS. I personally do not recall having done so, Mr. Kennedy. As I told you, I was not too closely identified with the actual operation of that particular strike. This was at a period when my

duties had increased tremendously, and I was quite a busy person in and out of the city of St. Louis at that particular time.

Mr. KENNEDY. You made the statement, as I said, yesterday, that you were against violence, that you wanted to stamp the violence out. Now, when these people were arrested for violence, you paid their bonds immediately. I am trying to find out whether you ever inquired of them if they were responsible for these acts of violence, whether they were actually guilty of these acts of violence.

Mr. GIBBONS. Mr. Kennedy, I have a perfectly good staff. I have every confidence in that staff. They know the policy of the union and I just assumed they inquired into it.

Mr. KENNEDY. For instance, Mr. Sparks was arrested for wrecking this automobile, wrecking this Yellow cab. He said he ran away when he heard the police sirens, he ran through a field. The police arrested him and picked him up.

Mr. GIBBONS. He was arrested, that is right? Was he ever found guilty?

Mr. KENNEDY. He was arrested, but he said he was guilty.

Mr. GIBBONS. Was he ever found guilty in a court? I think this is adequate proof that this man was never convicted, unless we are going to cast reflection on the courts that we have in this country, and the police system that you praised so highly when Mr. Dougherty was in here.

Mr. KENNEDY. This man came in and said he was arrested, and they were immediately bonded.

Mr. GIBBONS. I can assure you furthermore, Mr. Kennedy—

Mr. KENNEDY. Wait a minute. Nobody to your knowledge ever inquired of them?

Mr. GIBBONS. I didn't say that, now. Don't put words in my mouth with regards to my testimony.

Mr. KENNEDY. Did they inquire, sir?

Mr. GIBBONS. I said to you I feel certain that my staff did and I am sure that my attorneys did.

Mr. KENNEDY. Who inquired?

Mr. GIBBONS. Whoever happened to be the staff person in charge of the particular strike.

Mr. KENNEDY. Who inquired of Mr. Sparks as to whether he actually had committed this act?

Mr. GIBBONS. The active staff members who were in charge of that strike, if they O. K.'d his defenses and everything else, certainly must have inquired into it.

And my attorneys, I am certain, also, who were leading his defense, inquired into it.

Mr. KENNEDY. All right, now. Who?

Mr. GIBBONS. Well, there are court records back there, Mr. Kennedy. As I told you, I was not too closely identified with this strike. It is a little bit difficult to go back and pick out these individual names as you expect me to.

Mr. KENNEDY. Let me ask you this, Mr. Gibbons. Did you tell these people when they were arrested to give their names, addresses, and no further information?

Mr. Gibbons. Exactly.

Mr. KENNEDY. You did?

Mr. GIBBONS. Yes, sir.

Mr. KENNEDY. Do you mean if the police came along and wanted to know if they were responsible for an act of violence, your instructions were they were not to tell them?

Mr. GIBBONS. Mr. Kennedy, I have some experiences with certain of the police in the city of St. Louis, and I have some very excellent material here on the nature of the police in St. Louis, by some very fine and reputable people in the city of St. Louis, and I don't trust the police of St. Louis, in a labor dispute. It is just too bad that you have such confidence in them. I don't have that kind of confidence in a police officer because they are not above framing individuals in the city of St. Louis.

Mr. KENNEDY. We are glad to have your attitude on record, Mr. Gibbons. It shows the kind of official you are.

With the other union officials in the city of St. Louis, there have not been the same complaints about them, nor have they made the complaints like that to this committee about the police in St. Louis.

Mr. GIBBONS. They have not had the background and experience with the police in St. Louis, Mr. Kennedy, that Mr. Gibbons has. I would like to cite you a few examples so that the whole story can be told.

Mr. KENNEDY. The facts are that Mr. Sparks and Mr. Mitchell went out and wrecked this automobile, that they were arrested immediately afterward, that they were told by Mr. Gibbons, to give only their names and addresses, no further information, that they were bonded then by the union, that the union put up their bond and the union paid their legal bills. Didn't they ultimately appear before the grand jury?

Mr. GIBBONS. You are a lawyer, aren't you, Mr. Kennedy?

Mr. KENNEDY. Yes. Would you answer the question, Mr. Gibbons? Would you answer the question?

Mr. GIBBONS. Repeat the question, Mr. Kennedy.

Mr. KENNEDY. Isn't it correct that after these individuals were arrested, that the union then put up their bond and put up their legal fees, paid for their bond and for their legal fees?

Mr. GIBBONS. I already testified to the fact we do that in every instance in which the men are out fighting on behalf of the organization that I happen to represent.

Mr. KENNEDY. Did you or did you not then put up the bond and the legal fees for these individuals?

Mr. GIBBONS. Don't expect me to say yes or no in this instance. I was not there. I am not certain. I can't testify to a certainty on that, Mr. Kennedy. You know the record. But as a general policy, this is the policy of our organization.

Mr. KENNEDY. And also the——

Mr. GIBBONS. It seems to me to be very much in keeping with the best elements of American justice in which a lawyer is available to a prisoner as soon as he is taken into a police station.

Mr. KENNEDY. Also, Mr. Gibbons, the individuals were instructed to give only their names, addresses, and no further information; is that correct?

Mr. GIBBONS. Until such time as they had an opportunity to talk to their lawyers.

Mr. KENNEDY. Then, when they appeared before the grand jury, were they not also instructed at that time that they should take the fifth amendment?

Mr. GIBBONS. No, Mr. Kennedy; no one instructs anyone to take the fifth amendment.

Mr. KENNEDY. Was it suggested to them at that time?

Mr. GIBBONS. No; it was not even suggested to them, to my knowledge. Certainly to my knowledge not by me or anyone else in my employ.

Mr. KENNEDY. You did not instruct them?

Mr. GIBBONS. Not to my knowledge.

Mr. KENNEDY. You would know. I am asking if you told any of these people that they better take the fifth amendment.

(The witness conferred with his counsel.)

The CHAIRMAN. The question is did you, yourself, tell them, or advise them, or suggest to them that they take the fifth amendment; you, personally?

Mr. GIBBONS. Senator, I have no recollection of ever telling anyone to take the fifth. As I understand the fifth, there is only one basis on which you can take the fifth, not on instructions from anyone, not on anyone's suggestion, but strictly on the basis of fear in your own mind of possible incrimination.

The CHAIRMAN. That would probably be the correct legal interpretation. But as a matter of practice, it can be done the other way, too.

Mr. GIBBONS. But in my instance, this is the way I try to operate in connection with the fifth amendment, Senator.

Mr. KENNEDY. Did you ever suggest to any of these people that they take the fifth?

Mr. GIBBONS. Never to my knowledge did I suggest by word or deed that they take the fifth.

Mr. KENNEDY. Do you deny?

The CHAIRMAN. Just a moment. You say never to your knowledge.

Mr. GIBBONS. "To the best of my remembrance," I better phrase it.

The CHAIRMAN. Let's pursue that a moment. You say it is against your policy; you wouldn't ordinarily do a thing like that.

I think if you did it, it would be such an exception to your general policy, you would remember it.

Mr. GIBBONS. I would agree with you that I should remember it if I made that, because it would be a very unique exception to my basic approach to it.

The CHAIRMAN. All right, now. Did you or didn't you?

Mr. GIBBONS. As I stated before, Senator, to the best of my remembrance at this moment, I have no recollection of ever having advised or instructed anyone to take the fifth.

Mr. KENNEDY. That is the best answer you can give on that one, too?

Mr. GIBBONS. It is the correct answer, Mr. Kennedy.

Mr. KENNEDY. You can't remember whether you did it; is that right?

Mr. GIBBONS. No, and I don't propose to testify unless my memory is clear on everything that I testify on.

MR. KENNEDY. That is fine, Mr. Gibbons.

MR. GIBBONS. I am certainly not interested in giving the committee wrong information.

THE CHAIRMAN. The Chair hands you a photostatic copy of a document containing several pages, and it concludes "Respectfully submitted, Rosenblum, Goldenhersh & Merle L. Silverstein."

Who are they? Do you know them?

MR. GIBBONS. Yes, sir.

THE CHAIRMAN. All right, who are they?

MR. GIBBONS. They are a firm of attorneys in the city of St. Louis, a member which today is representing me, and which for sometime past has been retained and has done work for our union in St. Louis.

THE CHAIRMAN. I present to you this document and ask if you can identify it please, sir.

(The document was handed to the witness.)

(The witness conferred with his counsel.)

MR. GIBBONS. Mr. Chairman, this can be identified as a document out of the offices of the legal firm listed, Rosenblum, Goldenhersh—

THE CHAIRMAN. It may be made exhibit 108.

(The document referred to was marked "Exhibit No. 108" for reference, and may be found in the files of the select committee.)

MR. PREVIAINT. Might I inquire of the chairman with respect to the pertinency of this exhibit?

THE CHAIRMAN. What is the title of it?

MR. PREVIAINT. "Memorandum—Grand Jury Testimony."

THE CHAIRMAN. It may have some pertinency. What does it purport to do?

MR. PREVIAINT. I can tell you what the final bit of advice is. It says "Do not answer any question untruthfully. The penalty for perjury is a severe one. If you cannot answer the question truthfully without incriminating yourself, then you should consider invoking your constitutional privilege against self-incrimination," which is sound advice, as the Chairman knows.

MR. GIBBONS. Secondly, it is the advice of our attorneys, and I don't see how it has any pertinency in terms of my testimony.

THE CHAIRMAN. We will determine the pertinency of it.

MR. KENNEDY. What happened to this memorandum? Who requested it be prepared?

MR. GIBBONS. I just told our attorneys I am not sure I ever saw it before. I thought it was another document, gotten out on a similar subject or on the same subject.

MR. KENNEDY. This is on testifying before a grand jury and how to plead the fifth amendment, Mr. Gibbons?

MR. GIBBONS. What is that?

MR. KENNEDY. This is about testifying before the grand jury and how to plead the fifth amendment?

MR. GIBBONS. I don't believe it has anything on how to plead the fifth amendment. I did not read it. I have no recollection of ever having read it.

MR. KENNEDY. Did you request that it be prepared?

(The witness conferred with his counsel.)

MR. GIBBONS. I don't believe I did, Mr. Kennedy. I believe it would probably be simply a service rendered by the firm then in a

period in which the grand jury had been convened in the city of St. Louis.

Mr. KENNEDY. Starting on page 2, in the middle of page 2, to the end of the memorandum, it is all on how to plead and when you can plead the fifth amendment.

Mr. GIBBONS. You are not opposed to citizens of this country knowing their legal rights, are you, Mr. Kennedy?

Mr. KENNEDY. No, Mr. Gibbons; I am not. What did you do with this memorandum after you got it?

Mr. GIBBONS. I don't believe I ever received it.

Mr. KENNEDY. Was it distributed?

Mr. GIBBONS. I don't believe I ever received it.

Mr. KENNEDY. Was it ever distributed amongst the union officials in St. Louis?

Mr. GIBBONS. To the best of my knowledge, it was not.

Mr. KENNEDY. Can you find out what happened to it, then?

Mr. GIBBONS. I will inquire into it.

(The witness conferred with his counsel.)

Mr. GIBBONS. In a very fast check on the subject, he tells me it was prepared for me—my attorney does—and that it was distributed to Teamster lawyers.

Mr. KENNEDY. It wasn't distributed generally amongst Teamster officials?

Mr. GIBBONS. Again, I have to say to you that I have no knowledge of it having been distributed. At least, I can recollect no knowledge of it ever having been distributed to anyone, including even the lawyers.

Mr. KENNEDY. But it was felt that such a memorandum should be prepared during this period of time—

Mr. GIBBONS. This is a decision for lawyers to make.

Mr. KENNEDY. When the police were making investigations of your activities?

Is that correct?

Mr. GIBBONS. I would not say it was correct. I certainly could not testify to the correctness of that statement.

Mr. KENNEDY. Well, why would the group of lawyers for the Teamsters prepare a 16-page memorandum on pleading the fifth amendment?

Mr. GIBBONS. Our Teamster lawyers, some 100 of them, have an association. They discuss questions like this, because they face this problem in representing their clients.

Mr. KENNEDY. You said they prepared it for you.

Mr. GIBBONS. He tells me that it was prepared for me. Maybe it was prepared at my request for them. Somebody has to authorize it. The Teamsters Lawyers' Association does not have any money to spend, so maybe they asked me to supply them with it. As a result, maybe I went and ordered it done. The Teamsters Lawyers' Association has no money. If they have, they don't spend it. I know that. But in any event—

Mr. KENNEDY. We understand from the records that they get paid pretty well.

Mr. GIBBONS. Some of those who aren't Teamster lawyers get paid pretty good, too.

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

The CHAIRMAN. Senator Ives.

Senator IVES. I would like to ask the witness if this is called the Teamsters Lawyers' Association, is that the title of it?

Mr. GIBBONS. That is correct, I believe.

Senator IVES. Are these attorneys members of the Teamsters?

Mr. GIBBONS. Not members of the union, no. I don't believe any of them hold cards in the Teamsters Union.

Senator IVES. Some of them may?

Mr. GIBBONS. I don't believe a single one, to my knowledge, certainly.

(The witness conferred with his counsel.)

Mr. GIBBONS. Unless some local awarded one of them an honorary card. But I don't believe any of them would be eligible to join a union.

Senator IVES. I was curious.

Mr. KENNEDY. When was this memorandum prepared?

Mr. GIBBONS. I have not any idea. I had in mind another memorandum that I was sure had been prepared, and which was such a legal document that a layman would not even be able to understand it. It was nothing but a research job, citing all the cases in the field.

Mr. KENNEDY. Could you inquire and find out?

(The witness conferred with his counsel.)

Mr. GIBBONS. My attorney tells me it was probably prepared in early 1954 at the time of the convening of the grand jury in St. Louis.

Mr. KENNEDY. Do you know Mr. Ferrara, who did some work for you?

Mr. GIBBONS. Yes; I know Mr. Ferrara.

Mr. KENNEDY. How long have you known Mr. Ferrara?

Mr. GIBBONS. I probably met him at the time of the cab strike. He was a cabdriver, to my knowledge.

Mr. KENNEDY. Did you use him for any purposes?

Mr. GIBBONS. I don't use anyone, Mr. Kennedy. If he is a member of the union, if he is active in the strike, there is opportunity for him to function.

Mr. KENNEDY. What sort of things did you use him for?

Mr. GIBBONS. Looking back now, it would be difficult for me to determine. But judging from the testimony that was here, if the testimony is correct, he likewise was part of the patrolling of the streets.

Mr. KENNEDY. Do you send any of these people to other areas? For instance, you talked about sending Lou Shoulders, who, as I understand it, was not active in that particular industry, you sent him to an area. Did you send these individuals out to various—

Mr. GIBBONS. Again I have to correct your statements, Mr. Kennedy, and I don't like to do this.

Mr. KENNEDY. Do it, please, if it is wrong.

Mr. GIBBONS. Yes, because I have no knowledge of ever having sent Lou Shoulders anywhere.

Mr. KENNEDY. Wasn't Mr. Lou Shoulders sent out?

Mr. GIBBONS. This is quite a different statement than identifying me with sending him.

Mr. KENNEDY. Then how was he sent out?

Mr. GIBBONS. I told you yesterday the usual procedure, when we need membership support—

Mr. KENNEDY. Who sent him out? We will get that person.

Mr. GIBBONS. Let me tell you the procedure.

Mr. KENNEDY. Don't tell me the procedure. I want to know who sent Mr. Shoulders.

Mr. GIBBONS. This is the only way I can arrive at who sent him out.

Mr. PREVIAINT. Mr. Chairman, I submit the witness can answer in the way he can best answer and best serve the committee.

The CHAIRMAN. Tell us how you proceeded, and how you got him sent out.

Mr. GIBBONS. Yes, sir. The usual procedure when we need to mobilize membership in any situation is that, when it is properly authorized, various staff members call various shops, and they get a few people from each of the various shops in order not to interfere too much with the operation of the particular business out of which they come. We have in our contracts the right of taking people off the job during the day and during working hours for union activities.

What happens is that when the staff guys call, they get a shop steward on the phone, and the shop steward checks his crew and finds out whether or not any of them want to volunteer to go out and help the union in a particular situation. I would assume that this procedure was followed in the case of Mr. Lou Shoulders, and thus some staff member called the Ace Cab Co., where he was employed as a driver, to talk with a steward there, and as a result Mr. Shoulders was one of the people who happened to be handy and was available to talk to by the shop steward and volunteered to participate.

The CHAIRMAN. Do you keep a bunch of thugs around you simply for volunteer purposes to send them out on rough jobs?

Mr. GIBBONS. Mr. Chairman, if there are any thugs in my union, it is because some employer saw fit to hire those thugs. I don't think there are any thugs.

The CHAIRMAN. I am talking about in your official family.

Mr. GIBBONS. In my official family I don't have any thugs in my operations.

Mr. KENNEDY. You just go out and get them when you need them?

Mr. GIBBONS. No; I don't go out and get them.

Mr. KENNEDY. What about Mr. Lou Shoulders?

Mr. GIBBONS. I again bring to your attention the fact that you are distorting any testimony that I have given, because I have never directed Mr. Lou Shoulders to do anything.

Mr. KENNEDY. Then who sent Mr. Lou Shoulders over to Granite City, Ill.?

Mr. GIBBONS. I explained. I just told you it was probably a shop steward as a result of a call from a staff member.

Mr. KENNEDY. Why would they be calling the Ace Cab Co.

Mr. GIBBONS. They were calling the Ace Cab Co. as they probably called and got people from other cab companies and other employers. It depends on who the man was that the staff member called at that moment.

Mr. KENNEDY. You can hand these things down to some ghost of a third party that we can't see and say they must have done it.

Mr. GIBBONS. Mr. Kennedy, you should try running a union of 10,000 members and do it as a 1-man job. The only way I can operate that union is through an organization, through a staff, and through a set of stewards.

Mr. KENNEDY. You assume responsibility, sir?

Mr. GIBBONS. Of course, I do.

Mr. KENNEDY. Then Mr. Lou Shoulders was sent over by you or your union to participate in the Granite City strike?

Mr. GIBBONS. Not by "you."

Mr. KENNEDY. You are assuming responsibility, aren't you?

Mr. GIBBONS. Yes, but I am not saying that I sent him over.

Mr. KENNEDY. Tell us who sent him over.

Mr. GIBBONS. No, I did not. I assume the responsibility for the acts of my subordinates.

Mr. KENNEDY. Tell me who sent him over.

Mr. GIBBONS. I have explained to you, and you cannot expect me to recall exactly who was a shop steward at that particular moment at the Ace Cab Co. and what particular staff member was talked to, and so on. This is just impossible.

Mr. KENNEDY. Did you send Mr. Ferrara to any place?

Mr. GIBBONS. Again I would have to give you the same answer. I have no recollection of ever having sent Mr. Ferrara, and as a matter of fact, I don't have any knowledge of Mr. Ferrara ever going any place. If you have some knowledge on it, I would be very happy to have you bring it forth, and I will discuss it with you.

Senator IVES. While they are hunting that up, may I ask a question? I would like to ask the witness a question or two.

What kind of an arrangement do you have by which you could pull employees off the job for union activity?

Mr. GIBBONS. We have a clause in our contract.

Senator IVES. What does it say? Do you have the contract here? I would like to see that clause.

Mr. GIBBONS. No; but I will get you a copy of it.

Senator IVES. I would like to see it, because it is a new approach to me. I did not know there was such an arrangement.

Mr. GIBBONS. We have had it for 15 years, and that is how we built our union, by mobilizing our membership. I will call today for a copy.

Senator IVES. What is the idea of having it?

Mr. GIBBONS. What is the idea?

Senator IVES. Yes.

Mr. GIBBONS. Because I don't know how you win strikes unless you can mobilize the membership.

Senator IVES. In other words, that clause is in there for the purpose of pulling people off the job in connection with strikes?

Mr. GIBBONS. Or maybe in politics, or maybe in connection with politics.

Senator IVES. Do you mean to tell me you indulge in politics?

Mr. GIBBONS. Yes, sir; we indulge in politics very heavily in local 688, Mr. Ives. Senator Ives, I am sorry.

Senator IVES. "Mister" is all right. I am not fussy.

Mr. GIBBONS. There is no significance to it, I want to assure you. We also pull them off the job to go to the University of Wisconsin summer school for workers.

Senator IVES. That is something that I think you can find in other contracts, and I don't think that that is anything unusual.

Mr. GIBBONS. I don't know of any other contracts that have that.

Senator IVES. I don't know about the contracts, but that is understood, because I know about institutes of one kind or another that have been held at Cornell, where workers attend. That is agreed to by the employers themselves. Now, whether it is in the contract or not, I don't know, but I can't understand how you would have an arrangement in a contract by which you would pull employees off the job for the purpose of conducting a strike.

Mr. GIBBONS. It is with the approval of the employers.

Senator IVES. Apparently it is, and I don't quite understand that.

Mr. KENNEDY. How long had you known Mr. Ferrara?

Mr. GIBBONS. I believe I met him during the course of the strike.

Mr. KENNEDY. Were you present during any conversation where it was decided or planned that he and Mary Lou Bledsoe would pick up this automobile at Union Station?

Mr. GIBBONS. I think I have testified on that meeting.

Mr. KENNEDY. You testified about her, and I wanted to get it.

Mr. GIBBONS. I testified about the meeting. I am not sure if I did. If I did not, I would be happy to tell you, but I have no recollection.

Mr. KENNEDY. You have no recollection?

Mr. GIBBONS. Of ever sitting in such a meeting.

Mr. KENNEDY. Do you deny that you were there?

Mr. GIBBONS. Again I say to you that I have no recollection of having sat in that meeting.

Mr. KENNEDY. You don't deny it?

Mr. GIBBONS. No; because my memory is not such that I can recall. I sit in an average, when I am in St. Louis, of maybe 15 or 20 or 30 meetings a day, and especially this is true in terms of a strike, I am in and out of meetings constantly.

Mr. KENNEDY. I thought after your long speech about Mary Lou Bledsoe yesterday that you probably would be able to deny that you had anything to do with it. That is why I wanted to give you the opportunity today.

Mr. GIBBONS. On her testimony, I would not say that I was in there. That is for certain.

Mr. KENNEDY. But you don't deny that you were there or present at the meeting?

Mr. GIBBONS. No; I don't deny it. But I raise a serious question as to whether I was there.

Mr. KENNEDY. I see. Now, did you use Mr. Ferrara or send him to any other State to do anything or perform any jobs for you?

Mr. GIBBONS. I have no recollection of having sent him to any other State.

Mr. KENNEDY. Was he sent over to Wichita, Kans., for instance?

Mr. GIBBONS. Well I certainly never sent him over to Wichita, Kans., No. 1, to my knowledge, and No. 2, I don't even know that he was in Wichita, Kans.

Mr. KENNEDY. Do you know what reason he would be over there, if he was there, during June 8, 1954?

Mr. GIBBONS. Not being at all close to sending him over there, I hardly know why he was sent there. I could make guesses.

Mr. KENNEDY. He was over there with Richard Kayner, and his bill was paid for by the Missouri-Kansas Conference of Teamsters, which I believe you stated you were president of?

Mr. GIBBONS. I am president of that.

Mr. KENNEDY. What was Mr. Ferrara doing over there?

Mr. GIBBONS. Not having sent him over, and not having any knowledge of sending him over there, and not having any knowledge of his even being there, I am hardly in a position to testify as to what his function was. He may have driven the car that took Dick over there, and he may have used him for a chauffeur, and he is an expert chauffeur in the sense of being a cabdriver.

Mr. KENNEDY. Well, he has a considerable record, a police record, and a former professional fighter, and there was a good deal of violence in Wichita, Kans., at the same time he was over there.

Mr. GIBBONS. How long was he there, Mr. Kennedy?

Mr. KENNEDY. Well, I think just a day or so.

Mr. GIBBONS. What violence took place on that day?

Mr. KENNEDY. There were some cabs wrecked.

Mr. GIBBONS. That day?

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

Mr. GIBBONS. You believe so, but are you prepared to testify it was that day?

Mr. KENNEDY. I am not prepared to testify at all. I am asking you the questions.

Mr. GIBBONS. I don't think that you should be so free to tie a person up with violence.

Mr. KENNEDY. All I am saying is that he has a police record, and he went over to Wichita, Kans., and the Missouri-Kansas Conference paid his bill over there. You were president of the Missouri-Kansas Conference. I am asking you about his activities.

Mr. GIBBONS. In the entire résumé there is no identification of Mr. Ferrara with violence.

Mr. KENNEDY. There was violence in Wichita, Kans.

Mr. GIBBONS. There is violence maybe in Washington today and you sit here but it does not mean you are involved.

Mr. KENNEDY. I am trying to find out from you about his activities over there. That is why I am asking you. You paid his hotel bill, and nobody should know better than you.

Mr. GIBBONS. Oh, yes; there could be people who would know better than me.

Mr. KENNEDY. That is why I am asking you, Mr. Gibbons, then we will try to get somebody who does know if you can suggest someone. Go ahead.

Mr. GIBBONS. I have advised you, No. 1, as of now I don't even remember the fact that he had been there, and certainly I have no recollection of having sent him there, and therefore I can hardly testify as to what his purpose of being there was.

The CHAIRMAN. Do you know what his purpose was?

Mr. GIBBONS. No, I don't, Senator.

The CHAIRMAN. Do you know what activity he engaged in while he was there?

Mr. GIBBONS. No, I can hazard a guess. He drove Dick Kavner over there.

The CHAIRMAN. Do you know why you paid his bill, your union?

Mr. GIBBONS. No, but it was approved by one of my subordinates, and I assume it was again for legitimate trade-union activities, Senator.

Mr. KENNEDY. You have a number of individuals, Mr. Gibbons, who are union officials—for instance, Herman Hendricks. He is a business agent for your local?

Mr. GIBBONS. That is right.

Mr. KENNEDY. How long has he worked for you?

Mr. GIBBONS. Well, offhand I would not give you anything definite, but I imagine around 4 years, 4 or 5 years.

Mr. KENNEDY. Were you aware of the fact of his conviction for violation of the Narcotics Act?

Mr. GIBBONS. I learned that within the last 10 days, Mr. Kennedy, and I immediately wired, and I was in Washington, and I immediately wired my attorneys to conduct an investigation and find out the situations surrounding Mr. Hendricks' conviction and violation of the Narcotics Act. As I pointed out earlier, there is a committee which has been set up to investigate anyone in the 688 setup who takes the fifth. That committee will have the task of investigating the question of his conviction for narcotics, and will take appropriate action.

Mr. KENNEDY. Now, what about Mr. Ben Saltzman? I understand he is no longer with the union, but he was on the union payroll and was identified as responsible for a considerable amount of the violence. He was a business agent of local 405.

Mr. GIBBONS. Who was he identified by, Mr. Kennedy?

Mr. KENNEDY. I believe he has been identified before the committee.

Mr. GIBBONS. By one of your witnesses?

Mr. KENNEDY. That is correct. Some of the people who participated in the violence themselves. He has been identified as participating in the violence, and he was a business agent of local 405.

Mr. GIBBONS. That is correct.

Mr. KENNEDY. Was he doing work during this whole period of time for local 405, while he was on the payroll?

Mr. GIBBONS. Yes, I assume he was, if he was on the payroll, with the possible exception of one period when he was indicted for violation of the Hobbs Act, which consisted of extortion in the form of demanding a wage increase for the workers on strike. That is the kind of an indictment which workers are subject to by prejudicial governmental bodies in this case, a Federal United States Assistant Attorney General. When we went in to defend the suit and throw it out, they were not even there to defend it. But he was prosecuted and he was indicted for extortion and plainly set forth in the indictment that the extortion consisted of demanding a wage increase from an employer. During that period in which he was under indictment, I believe, we kept him on a payroll because the man wanted to go to California and in any event for some reason he was around town and we maintained him and supported him during that period.

Mr. KENNEDY. Was he doing any work for the union?

Mr. GIBBONS. I think he was, and I think we gave him a series of odd jobs around the place.

Mr. KENNEDY. And he was being paid out of local 405?

Mr. GIBBONS. That is correct.

Mr. KENNEDY. How long did that last?

Mr. GIBBONS. I haven't any idea of the time, and I imagine it may have lasted 6 or 8 months.

Mr. KENNEDY. Why was he treated so favorably, that he was deserving money for doing no job?

Mr. GIBBONS. Because he was a worker active in a strike for improvement of conditions and he was illegally indicted.

Mr. KENNEDY. He was also indicted, or arrested in connection with certain—

Mr. GIBBONS. What arrests?

Mr. KENNEDY. In connection with some of the violence.

Mr. GIBBONS. What violence was he arrested in connection with, Mr. Kennedy?

Mr. KENNEDY. Hartzman and Rosa.

Mr. GIBBONS. Now, you know the story on the Kurtz worm incident. He was arrested and he was brought before a jury, and the jury found him not guilty, which emphasizes the importance of the policy we have in defending workers when they are involved in strike violence and strike activities.

Mr. KENNEDY. But he was also identified before the committee as one of those who was the leader and giving the instructions for the violence that took place.

Mr. GIBBONS. Again I have to refer you back to the kind of witnesses that you bring before this committee, Mr. Kennedy.

Mr. KENNEDY. These are the kind again, and I will refer back to you, these are the kind of people that participate in violence.

Mr. GIBBONS. Which does not make them good witnesses necessarily.

Mr. KENNEDY. The point is, why was he on the payroll for 6 or 8 months or whatever the period of time was, without doing any work?

Mr. GIBBONS. He worked I believe you have testimony to the fact or you have affidavits to the fact that he worked for one place in a hiring hall down at Produce Road.

Mr. KENNEDY. He received \$12,000 charged to staff expense, and staff salary, from February 1954 through March of 1956, and he received his severance pay at the beginning of that, in December of 1953. We had Mr. Hartzman who testified he was on the board and tried to get information about what work he was doing, and he was never given any information.

Mr. GIBBONS. Where did he make his inquiries?

Mr. KENNEDY. He said he made inquiry of the local office, and the local officials.

Mr. GIBBONS. Did you question him and find out who he spoke to, Mr. Kennedy?

Mr. KENNEDY. He said he made an inquiry at the local office.

Mr. GIBBONS. He may have asked the janitor, and obviously he would not know what work Mr. Saltzman was doing, and had he asked me, and there was no secret about it, and it was public knowledge, we just don't have people sitting around our office not doing any work.

Mr. KENNEDY. Can you tell us exactly what Mr. Saltzman was working on?

Mr. GIBBONS. I think you have testimony either in affidavit form or from witnesses here, that he did work in Produce Road among other things, and he may have answered the telephone in the headquarters or run errands or may have done any of a thousand jobs, or he may have walked picket lines or done political work.

Mr. KENNEDY. What was he doing in Indianapolis in December of 1954?

Mr. GIBBONS. You will have to ask him.

Mr. KENNEDY. I have asked him, Mr. Gibbons, and he takes the fifth amendment.

Mr. GIBBONS. You can ask anybody in the room and they will be able to tell you just as much as I know about his being there. He did not consult with me, and I did not send him.

Mr. KENNEDY. You did not have anything to do with it?

Mr. GIBBONS. I did not even know he was there.

Mr. KENNEDY. Did you go to Indianapolis in connection with the State Cab matter yourself?

Mr. GIBBONS. No, Mr. Kennedy.

Mr. KENNEDY. Did you have anything to do with the State Cab?

Mr. GIBBONS. Never to my knowledge have I ever had anything to do with the State Cab Co.

Mr. KENNEDY. Never to your knowledge?

Mr. GIBBONS. No.

Mr. KENNEDY. You would know, would you not?

Mr. GIBBONS. I think that I would.

Mr. KENNEDY. Well, did you ever have anything?

Mr. GIBBONS. I never knew there was such a thing as a State Cab Co.

Mr. KENNEDY. Did you know of any interest Mr. Hoffa had in the State Cab Co.?

Mr. GIBBONS. No, I don't believe Mr. Hoffa ever consulted with me on any interest he might have had.

Mr. KENNEDY. Did you know?

Mr. GIBBONS. I don't know of any interest he had, to my knowledge, to my specific knowledge, firsthand knowledge; no. Somewhere along the line maybe somebody or I sat in the room where some conversation took place, and this could conceivably have happened, but I had no knowledge of Mr. Hoffa having any interest in any cab company in the State of Indiana.

Mr. KENNEDY. And you were not responsible for Mr. Saltzman going up there in December of 1954?

Mr. GIBBONS. No.

Mr. KENNEDY. What about Mr. George Reinhart?

Mr. GIBBONS. Who is Mr. George Reinhart?

Mr. KENNEDY. He is in local 405? Isn't he trustee of local 405?

Mr. GIBBONS. Mr. Kennedy, I am afraid I don't recognize the name. I may even have appointed the gentleman, but I don't know his name.

Mr. KENNEDY. Aren't you the trustee?

Mr. GIBBONS. I am the trustee, but I am trustee of a lot of things.

Mr. KENNEDY. He is working under you?

Mr. GIBBONS. He isn't working directly under me.

Mr. KENNEDY. You are the trustees.

Mr. GIBBONS. I am responsible for him, and he does not work directly under me, and I have a subordinate in there.

Mr. KENNEDY. What is his name?

Mr. GIBBONS. Mr. Reickert, who is the acting secretary-treasurer of that setup, and by appointment of me, and he is the one who would

be acquainted with the activities of Mr. Hartman, or whatever his name is, Reinhart.

Mr. KENNEDY. He is a trustee and a member of the executive board, and once again he has a considerable criminal record.

Mr. GIBBONS. Well, what is your position on the matter of a person with a criminal record?

Mr. KENNEDY. This man was sentenced to 4 months on plea of guilty to first degree robbery, and he is a trustee.

Mr. GIBBONS. That is the only thing on his record?

Mr. KENNEDY. Well, he has been arrested a number of different times. He has been found guilty and pleaded guilty to first degree robbery.

Mr. GIBBONS. I would join you in your sentiments, and it happens in this particular case, Mr. Kennedy, that as I pointed out to you earlier, I don't have the facilities and the staff to run any checks on police records of members of our union. I know them only on their trade-union activities, their interest and their devotion, and their activities on behalf of the union, and their loyalties to the union. This is the base on which I appointed Hartman, if he was appointed, and it was on the recommendation from somebody else.

Senator IVES. I would like to ask the witness one question which is rather far reaching. How does it happen that in the Teamsters you seem to have so many members who either have had criminal records or who have skirted on the edge of it or fallen under the gangster class or racketeer class or something of that nature? I do not understand it. I am not through with my question. I just want to point this out. I know of no union, or any other union where anything like that is true. Do you?

Mr. GIBBONS. Well, I have not investigated any other unions.

Senator IVES. We have investigated a few of them.

Mr. GIBBONS. You could probably determine if you investigated them whether there are or are not, and if you made this a point of your investigation you would probably find proportionately there is just as many in any other union with the exception of the higher skilled unions. There is no mystery about why we happen to have a lot of people among our members who in some time during their life made a mistake and went to jail for it, and are now out trying to rehabilitate themselves and earn a living. For instance, in the city of St. Louis, there is a little priest named Father Clark, and he is easily available, and he can be checked by a telephone call, and this priest constantly works at the city jail trying to rehabilitate young offenders and old offenders, and people who have made mistakes, and tries to get them jobs. He is in our office almost invariably once a week, at least. I get papers up here, and sign them for Father Clark in order to get someone out of jail to assure him a job in order that he can get out of jail. Now we happen to be in a heavily or largely unskilled area. One does not have to have too many talents to drive a truck, necessarily. It is a responsible job, but most of us in our lifetime have learned to drive an automobile, and we can drive a truck.

Senator IVES. There are some other kinds of work, where that is true too, you know?

Mr. GIBBONS. I am saying to you in terms of our union, and the only one I can speak about, warehouse workers have unskilled work, and gasoline attendant and station attendants is a very unskilled work. So it is easy to place them, and we have probably an undue amount of calls, not only in St. Louis, but all over the country from parole agents, from priests, from ministers, who are working with people trying to rehabilitate them. Maybe this is the explanation of why there are so many of them among the rank and file in our union.

Now, I am sure if you checked any other unskilled grouping, in any union with unskilled jurisdiction, you will find exactly the same thing to be true. I am very happy that unions are cooperating in this kind of work, Senator, and otherwise we would be turning loose on society an awful lot of people who could only make their living by a gun.

This would not be beneficial to America, and I think this is constructive activity on the part of the unions who cooperate in this kind of work.

Senator IVES. May I ask a question there?

Mr. GIBBONS. You certainly may.

Senator IVES. Are these persons that you find jobs for, people who have had their citizenship restored?

Mr. GIBBONS. I don't believe so. We take them right out of the jail cell.

Senator IVES. I don't know about that. Of course, I can't criticize your desire to rehabilitate people, and that is a very natural desire, to help people, but on the other hand I am intrigued by the preponderance of criminals in your outfit.

Mr. GIBBONS. I would like to see the facts and figures on the preponderance of criminals in our organization as compared with any other organization which has an unskilled jurisdiction.

Senator IVES. All I can tell you is that I can only judge your situation by the record of those unions that appeared before us. Now wait a minute, and the records of those unions that have come before us, would indicate that you are far above the others in the number of criminals or gangsters or racketeers or whatever you want to call them in your midst.

Mr. GIBBONS. You are a member of this select committee, is that right?

Senator IVES. I am.

Mr. GIBBONS. You have access to the records of the Senate committee, is that correct?

Senator IVES. Yes.

Mr. GIBBONS. If you will examine the records of man-hours of work that has been put in on the Teamsters Union by this committee, you will find it far in excess not of any other union in America, but probably of any three unions in America. I don't want to say that this is a vendetta that your chief counsel is conducting, and maybe there are legitimate reasons, and I have no quarrel with legitimate investigations, but nevertheless it is true that we happen to be the one union in this country which seemingly the select committee is devoting the bulk of their efforts to investigate.

Senator IVES. That is not accurate at all, because we have investigated a number of other unions.

Mr. GIBBONS. You check your records, Senator, and I believe you will find it is true.

Senator IVES. We may have spent time on the Teamsters because we found a good deal more at fault with the Teamsters than we have with any others.

Mr. GIBBONS. I don't know the reason, and I have my own ideas.

Senator IVES. I have no vendetta, and I don't have anything against you personally, and I haven't anything against Mr. Hoffa over there.

Mr. GIBBONS. I don't believe any Senator on this committee necessarily has.

Senator IVES. You can bet your life on that. We are trying to find out the facts and the truth.

Mr. GIBBONS. That is why I am here.

Senator IVES. That is what I am pointing out, we found out that this condition exists, and I am trying to find out why, and you say it is because you try to take in these people. Now let me ask you another question in that connection: Are you responsible for these employers hiring these people, or are the employers? You are always talking about being the goats, you are always the ones who get stuck with these criminals, because some employer gets them.

Mr. GIBBONS. I am sure you are familiar with the provisions of the Taft-Hartley law, Senator?

Senator IVES. I am somewhat acquainted with them.

Mr. GIBBONS. And it strictly outlaws any forced hiring on any employer.

Senator IVES. All right.

Mr. GIBBONS. The hiring hall, and the closed shop, and they are all outlawed.

Senator IVES. Then what happens? You say that these criminals or these gangsters get to you. How do they get there? Does someone persuade the employers to take them on?

Mr. GIBBONS. I think that they get there in large measure and it is to the credit of the employers, and they too are cooperating with the rehabilitation program which I think is fine, good, and in the interests of America.

They are cooperating with those same priests that I am cooperating with, and they are cooperating with the same Government officials that we are cooperating with.

Senator IVES. I am not criticizing anybody that cooperates with a priest. But it just doesn't make sense, that your setup above all others is that way.

Mr. GIBBONS. I have no feeling that our union is any worse in this respect.

Senator IVES. Well, I can't argue with you, of course, with respect to rehabilitating them, and I am all in favor of that myself. But now here is another question that I would like to ask you, and then I will be through with this questioning: Why is it that you put these persons of ill-repute, with bad and unsavory backgrounds, in positions of responsibility as officials in your organization and as business agents and positions of that kind?

Mr. GIBBONS. I have been studying the record on the testimony on St. Louis, Senator, and I have been listening to the questions that have been asked me.

Senator IVES. I am not just confining my questions to St. Louis. I think that you yourself are acquainted with the Teamsters generally, and I just don't understand this.

Mr. GIBBONS. If you will check with me——

Senator IVES. You seem to go out of your way to get these gangsters and racketeers into these official positions.

Why do you do it?

Mr. GIBBONS. No. 1, we don't go out of our way.

Senator IVES. You seem to. Why do you have such preponderance of them, in those positions?

Mr. GIBBONS. No. 2, we run a very democratic organization.

Senator IVES. That doesn't sound democratic to me.

Mr. GIBBONS. And when men are elected to positions, it is through no acts on the part of myself or anyone else in the Teamsters, except the membership. If they have paid their penalty, and if they are in the process of rehabilitation, and if they have become a loyal and devoted member of the union, and they rise to the position of officer, I think this is right and proper also.

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

Senator IVES. I do, if their citizenship has been restored. I think that is all right. But you want to make sure they are citizens again before you put them in any position of responsibility and authority like that.

Mr. GIBBONS. We are talking largely in terms of rank and file members of the union, No. 1.

Senator IVES. I am talking about your business agents and your officials.

Mr. GIBBONS. Yes.

Senator IVES. That is what I am referring to now. I can't understand why the Teamsters has such a preponderance of people in the gangster class occupying those roles.

Mr. GIBBONS. I would quarrel with your statement, because I don't think we have a preponderance of them.

Senator IVES. Perhaps you do not have a preponderance with respect to the rest of your officials, but as far as other unions are concerned, you certainly have a larger percentage. Can you cite one union, aside from yourself, that has the number of ex-criminals or criminals, or gangsters or racketeers, occupying positions of authority as officials such as you have in yours?

I am not talking about your St. Louis situation. I am talking about the Teamsters generally. That is what is causing so much unrest and disturbance where you are concerned in the country, because of the people you have guiding you.

You seem to go out of your way after that kind of person.

Mr. GIBBONS. All I can again repeat to you, Senator Ives, is that to my knowledge, there is no preponderance. To my knowledge, no one has ever brought to my attention where we have more or less than any other union. I say to you again that if the same application of investigation is applied to any other union in America, as has been applied to the Teamsters, then maybe we can arrive at those figures objectively and not on the basis of supposition.

Senator IVES. I will cite one union that may have a bigger percentage than you have. That is the operating engineers.

Mr. GIBBONS. That is Mr. Meaney's union, I believe.

Senator IVES. Well, never mind, you can leave Mr. Meaney out of this. The thing is disturbing to me. I don't care whose union it is. You belonged to Mr. Meaney's union at one time, didn't you?

Weren't you part of Mr. Meaney's setup at one time?

Mr. GIBBONS. No; I was referring to the Plumbers' Union. I have never been a member of the Plumbers' Union.

Senator IVES. I know you have never been a plumber. But I was referring to the overall setup. You were a member of that at one time, weren't you?

Mr. GIBBONS. Yes.

Senator IVES. Why did you get kicked out? One of the reasons you people got kicked out is the reason I am stating right now. You absolutely refused to get rid of this element I am talking about.

Why? Why?

Mr. GIBBONS. I have here a document which deals with the establishment of an antiracketeering committee.

Senator IVES. Is that the one that we just heard about?

Mr. GIBBONS. This is the one which has been set up by our organization.

Senator IVES. Yes, and you are paying for it, aren't you?

Mr. GIBBONS. Yes, sir.

Senator IVES. You expect that to be objective in its approach?

Mr. GIBBONS. We are paying for the monitors also, and I assume that they are objective.

Senator IVES. You assume, yes.

Mr. GIBBONS. Yes.

Senator IVES. They are appointed by the court, as a matter of fact, not by you.

Mr. GIBBONS. But we pay for them. We pay for them. They are very expensive people, too.

Senator IVES. You may pay for them, but the court appoints them.

Mr. GIBBONS. In this case, we appointed them. We appointed to the best of our knowledge, three men of integrity.

Senator IVES. I am not reflecting upon the members that you appointed in any way, shape or manner. But I do point this out: How are people appointed and paid by you going to do the objective job when they may have to turn on you and prosecute you, one way or another, when in doing so, in doing their jobs, they are subservient to you, dependent upon you for pay, indebted to you for everything that they have as a result of your selecting them?

How are they going to do it?

That just doesn't make sense.

Mr. GIBBONS. I have no doubts in my mind, Senator, that if there be racketeers, practicing racketeers, full time lawbreakers in any echelon of our union, that the racketeering committee will put those people out, the antiracketeering commission.

Senator IVES. You have the confidence?

Mr. GIBBONS. I have that confidence.

Senator IVES. I don't say that I don't have that confidence, but I can tell you right now it would be most amazing if anything like that happened in a wholesale manner.

Mr. GIBBONS. When you are speaking about the Teamsters Union, I want to assure you of one thing. We know that we run a good union because a Federal court gives us a blue ribbon every 6 months. I am not sure of the other unions, when you want to compare unions. We are certain. We have three monitors appointed by the Federal court who look over our shoulder and examine each and every act that we perform. This gives us, at least, an absolute gilt-edge assurance that we are running a good, clean, decent union.

Senator IVES. Did you see the report that came from that setup?

Mr. GIBBONS. The monitors?

Senator IVES. Yes.

Mr. GIBBONS. A very fine report.

Senator IVES. The monitors are all right. I'm talking about the court.

Mr. GIBBONS. There was no report issued by the court to my knowledge.

Senator IVES. There is a great deal of question about what is being done there. Furthermore, there is a great question in the minds of the public as to what is being done. If you and Mr. Hoffa—and you are a very able citizen, too—would take it upon yourselves to clean house of these people about whom I am talking you could do a job that would really put the Teamsters where they should be, and the Teamsters should be, because of your size, the leading union in the United States.

Mr. GIBBONS. We happen to be the leading union, and this—

Senator IVES. No; you are not, not in the eyes of the public. You may be the largest.

Mr. GIBBONS. The last month we had the greatest growth we ever had.

Senator IVES. I know, I understand all of that. But you are not the leading union in the minds of the public. You are under suspicion.

Mr. GIBBONS. I am no authority on exactly what the mind of the public is. I am concerned about it.

Senator IVES. I get mail from the public. I know what the public is thinking, too.

Mr. GIBBONS. I get reports from the field.

Senator IVES. I don't see any point in going into a dissertation, but I think you can see what I am driving at. I am not in any way criticizing you personally or anyone else personally, except this gang of gangsters and racketeers and so forth I have talked about.

Mr. GIBBONS. I can appreciate your concern. I just wish it had a more factual basis, Senator.

Senator IVES. It has a factual basis. We have had them one right after another before us.

We have had the evidence here.

Mr. GIBBONS. Well, I have read your evidence.

Senator IVES. I have been here and heard it, too.

The CHAIRMAN. Let's proceed. The record speaks louder than any of us here can shout. We all know what it reflects. Proceed.

Mr. KENNEDY. What about Mr. Barney Baker, Mr. Gibbons? Do you know Barney Baker?

Mr. GIBBONS. Yes; I know Barney Baker.

Mr. KENNEDY. He came to St. Louis, did he?

Mr. GIBBONS. Yes; he did.

Mr. KENNEDY. Were you responsible for bringing him to St. Louis?

Mr. GIBBONS. Yes; I am.

Mr. KENNEDY. Why did you bring him to St. Louis? How did you have to bring him to St. Louis?

Mr. GIBBONS. The story of Barney Baker is a relatively simple one in terms of his being brought to St. Louis. Barney Baker, when I met him, was an officer of a local union in this city.

He had come up through the ranks as a rank and filer, a volunteer organizer, a part-time organizer, and he was elected by his associates as president of the local.

He is today, and he was at that time, one of the great speakers in the American labor movement. Everything I could learn about his activities in the city of Washington was that of a dedicated person, concerned and interested in the union.

He knew all about my union, which evidenced the fact that he was interested in a good union. He checked on the St. Louis operation, and said he admired it greatly. At the point where he was unemployed because his local union could not afford to have two fulltime officers, I invited him to come to the city of St. Louis.

Mr. KENNEDY. Did you know of his background, his criminal record at that time?

Mr. GIBBONS. At the time I don't believe I knew about his background, but immediately right after Mr. Baker came to St. Louis, he sat down with me. He told me about his police record, he told me about his associations, and I had a full knowledge of it. I don't believe the guy ever held back anything in connection with that. As a result of that conversation with Mr. Baker, I immediately conferred with our general president. I told him everything I knew about Baker, and I asked him whether or not, in his opinion, I should keep Baker or whether I should release him.

President Beck has a background of parole work. He sat on the parole board of the State of Washington. He was concerned about this person, if he was trying to rehabilitate himself. He came into Washington here unemployed, slept in a Negro church, got himself a job and came up and became quite a citizen here. At the time I hired him, he came directly from the National Democratic Committee's employment. When I appointed the man, he came to me with nothing but the finest in the way of a background, Mr. Kennedy.

Mr. KENNEDY. And were you pleased with the way he operated out there?

Mr. GIBBONS. In the city of St. Louis, I was pleased with his work and his activities.

Mr. KENNEDY. And you approved of his relationships with Mr. Costello, for instance?

Mr. GIBBONS. Mr. Costello? He had, of a necessity, had a relationship with Mr. Costello.

Mr. KENNEDY. What about your relationship with Mr. Costello?

Mr. GIBBONS. My relationship with Costello is a little bit less than my relationship—it is a little bit more than my relationship with you, as an example, because he happens to be an employer, and I do business with him. But this is the extent of it.

Mr. KENNEDY. Did you ever go out socially?

Mr. GIBBONS. Never went out socially with him.

Mr. KENNEDY. You never did?

Mr. GIBBONS. No, sir.

Mr. KENNEDY. You didn't go to the fights with him this year?

Mr. GIBBONS. No, sir; I never did go to the fights with him.

Mr. KENNEDY. In March 1958?

(The witness conferred with his counsel.)

Mr. GIBBONS. Well, he was, I understand, at a charity fight which I promoted in the city of St. Louis. He attended the dinner as one of our employers to whom I sold tickets.

Mr. KENNEDY. But you did not go directly with him?

Mr. GIBBONS. No; I don't believe I did. I am pretty positive.

Mr. KENNEDY. Did you sit with him?

Mr. GIBBONS. No; I did not. I sat with some Hollywood people.

Mr. KENNEDY. You did not sit with him?

Mr. GIBBONS. If we are talking about the same fights, I did not.

Mr. KENNEDY. March 1958.

Mr. GIBBONS. Secondly, if I happened at any fight to sit with Joe Costello, it was only because at the box office they sold me a ticket which designated a certain seat, and I had no choice.

Mr. KENNEDY. What about Mr. Baker's relationship with Mr. Vitale? Do you know Mr. Vitale yourself?

Mr. GIBBONS. Yes; I know Mr. Vitale. My relationship again is nothing but a speaking relationship. There is no socializing, no discussions about the union, no business relationships, or no other conceivable relationships, excepting the question of when I see him at a fight or something, he will say hello to me, and I will say hello to him.

Mr. KENNEDY. What about Mr. Baker's relationship?

Mr. GIBBONS. Well, now, judging from the testimony that was received here, he or his wife invested some money in a concern that Vitale was interested in. I had no knowledge of that until just now. I had no knowledge of Mr. Baker ever having any kind of a relationship with Mr. Vitale, excepting the matter of a speaking acquaintance.

Mr. KENNEDY. And Piggy Mack Marchesi?

Mr. GIBBONS. Piggy Mack Marchesi is a businessman who operates a bar.

Mr. KENNEDY. Do you know of Mr. Baker's relationship with him?

Mr. GIBBONS. No; I know nothing about his relationship, excepting that he frequented his bar occasionally, entertained in the bar, and so on.

Mr. KENNEDY. Do you know Mr. Marchesi?

Mr. GIBBONS. Yes; I know Mr. Marchesi.

Mr. KENNEDY. What about Jack Joseph?

Mr. GIBBONS. Jack Joseph I happen to know also. I happen to know him because he was an employee in a restaurant on the East Side, Busch's Steak House. I knew him very well there.

Mr. KENNEDY. Does it concern you at all about Mr. Baker having this relationship with these people who are notorious gangsters in the St. Louis area?

Mr. GIBBONS. Yes; it concerns me. I don't think he should have a relationship with gangsters, if they be gangsters.

Senator Ives. May I interrupt there to tell you that he testified to the effect that nowadays there is no such thing as a gangster, or words to that effect.

Mr. GIBBONS. I read that testimony, Senator.

Senator Ives. What did you think of that?

Mr. GIBBONS. Well, when you come to terms like "gangsters" and "racketeers," they are hard of definition. But I am not saying that they don't exist. I am not joining Mr. Baker in his sentiments at all.

Senator Ives. It would seem to me that was a rather novel sentiment for anybody to express, when we know that that is one of the chief troubles with the labor situation today.

Mr. GIBBONS. I would not say this was the chief trouble.

Senator Ives. I say it is one of the chief troubles. I did not say it was chief.

Mr. GIBBONS. I would join you in your sentiments that it is a novel theory.

Senator Ives. It certainly is.

Mr. KENNEDY. We have here another individual I wanted to ask you about, on whom we have no derogatory information, but who has a criminal record. I would like to ask you about him. I don't have any additional information about him.

(The document was handed to the witness.)

Mr. KENNEDY. I would not make his name public at this time.

(The witness conferred with his counsel.)

Mr. GIBBONS. Is this a correct record?

Mr. KENNEDY. We understand it is. Did you know about that?

Mr. GIBBONS. No; and I just checked his attorney here, and it comes to him with a tremendous surprise.

Mr. KENNEDY. Then let's not make it public.

Mr. GIBBONS. All right. He is currently in my employ, by the way.

Mr. KENNEDY. You did not know about that?

Mr. GIBBONS. I certainly did not know about it.

He rose through the ranks after about 15 years as a member, a very active, dedicated member of the union.

Mr. KENNEDY. As I say, we have no derogatory information. All we know is that criminal record.

Mr. GIBBONS. No. I know his family and I know his activities of the last 10 years. They are very good.

The CHAIRMAN. This slip, with the name which was submitted to the witness, will be placed in an envelope and sealed and retained as exhibit 109.

(The document referred to was marked "Exhibit 109" and is in the custody of the select committee.)

The CHAIRMAN. That will not be made public at this time.

Mr. GIBBONS. Senator, I wonder if I may—I did not record the information. I wonder if I may, in order to check it when I get back to St. Louis. Do you mind?

The CHAIRMAN. Yes. I just didn't want to make it public.

Mr. GIBBONS. Yes. I think that is correct, proper, and fine.

The CHAIRMAN. Whatever we do here, there should be a record of it. Therefore, I made it an exhibit.

Mr. GIBBONS. This comes as a complete surprise.

The CHAIRMAN. I made it a sealed exhibit. You may have the information for your guidance.

Mr. KENNEDY. Do you plan to look into the other individual we mentioned, Mr. Reinhart?

Mr. GIBBONS. I didn't—did I say I was going to look into Reinhart?

Mr. KENNEDY. I am asking you now. Are you going to?

Mr. GIBBONS. Yes, I will, at your request.

Mr. KENNEDY. Well, do you think it is worthwhile looking into?

Mr. GIBBONS. What is it—

Mr. KENNEDY. The conviction for armed robbery. I want to find out whether you think that is worthwhile looking into.

Mr. GIBBONS. I will certainly check. Incidentally, when it comes to a person with a police record, whose conduct is exemplary at the moment, Mr. Kennedy, I would join you in your sentiments on this which you gave under testimony, the mere fact that an applicant for a job has a criminal record or such would not disqualify him for work on your committee. You state openly "No, I would not."

Mr. KENNEDY. That is why I did not put the name of the other individual into the record.

Mr. GIBBONS. I will check with Mr. Reinhart and I will be guided largely by that. I don't want to condemn people because they made a mistake, paid their debt to society, and then became good citizens.

Mr. KENNEDY. We have never condemned someone who has a police record, on who we also have derogatory information, without allowing him to testify.

We have had testimony from the witness, Mr. Chairman, on payment of the legal bills, payment of the bonds on some of these individuals. I would like to get those figures into the record, if I may.

The CHAIRMAN. Call your witness.

Mr. KENNEDY. Mr. Eickmeyer.

TESTIMONY OF THOMAS EICKMEYER—Resumed

The CHAIRMAN. This witness has been previously sworn.

Mr. KENNEDY. What do the records show? Have you got the bonds there?

Mr. EICKMEYER. These are the bonds.

Mr. KENNEDY. Can you tell the committee what the records show?

Mr. EICKMEYER. There are several bonds here. The first one was 4-20-53, for Robert Baker. The next one is 8-15-53, \$22. 10-31-53—

The CHAIRMAN. For whom?

Mr. EICKMEYER. The \$22 one? It is for several people.

Ursul Winston, Joe Bommarito, Herbert Smith, Leroy Eldridge.

The CHAIRMAN. What was the charge?

Mr. EICKMEYER. It was charged to—

The CHAIRMAN. No, what was the charge against them? Do you know?

Mr. EICKMEYER. No, sir, I don't. Two of them were appeal bonds.

The CHAIRMAN. Proceed.

Mr. EICKMEYER. Then on 10-31-53, \$20. This one was for Larry Heinbach, common-law bond. Then on 11-30-53, there was a bill for

8 bonds released 15, "spent entire night on a job," of Joseph Webbe. That was for \$300.

Then on 6-3-54, Joseph Webbe also sent a bill for \$2,250, and that is for a total of 9 bonds, \$2,000 of this was 405 and \$250 was local 688.

Then on July 6, 1954, a total of \$140 for 4 police court bonds and 4 common-law bonds for Alfred Giodona, Tony Coprara, Lou Shoulders, Jr., and Frank Stern.

Mr. KENNEDY. What was that for? Do you have any information?

Mr. EICKMEYER. Four police court bonds and four common bonds.

Then on September 17, 1954, a bill for \$10, police court bond for Barney Dandridge.

This is a total of \$2,792.

Mr. KENNEDY. What about the legal bills?

Mr. EICKMEYER. Legal fees charged to the 1953 cab strike?

There were several of them. Do you want me to give you each one or just the total?

Mr. KENNEDY. The total would be all right.

Mr. EICKMEYER. The total legal fees in connection with the cab strike was \$3,936.68.

Mr. KENNEDY. Is that in connection with these cases?

Mr. EICKMEYER. Several of them were, such as Morris Shenker. He had some.

Mr. GIBBONS. Are those for traffic offenses of cab drivers, may I ask? We pay some of those, too.

Mr. EICKMEYER. Some of them were.

Mr. GIBBONS. It might be well that you break them down, if you are going to put them into the record. If you can't break them down, I don't think they belong into the record.

Mr. KENNEDY. Do you mean legal bills for traffic offenses of cab drivers?

Mr. GIBBONS. Yes.

Mr. KENNEDY. You pay those?

Mr. GIBBONS. Yes.

Mr. KENNEDY. These were court of criminal correction bills. I don't think those are—

Mr. GIBBONS. You don't know the charges, but you know the court they appeared in.

Mr. KENNEDY. Mr. Gibbons, you can supply it, if you have the information. Do you have it?

The CHAIRMAN. Just a moment. Proceed with the witness. These documents, if you have documents, will be made exhibits. Then they will show on their face whatever they reflect.

Mr. KENNEDY. What is the total?

Mr. EICKMEYER. \$3,936.63.

The CHAIRMAN. Those documents from which the witness has testified, will be made exhibit 110.

(The document referred to was marked "Exhibit 110" for reference and may be found in the files of the select committee.)

TESTIMONY OF HAROLD GIBBONS—Resumed

The CHAIRMAN. All right. Proceed.

Mr. KENNEDY. Let me ask you this, Mr. Gibbons.

Your local participated in the payment of the bills for Mr. Lou Berra?

Mr. GIBBONS. We certainly did.

It was on instructions of that particular mass meeting of our rank and file membership meeting, Mr. Kennedy. You can count close to 9,000 members present.

Mr. KENNEDY. It was suggested by you or suggested by whom?

Mr. GIBBONS. It was suggested by a rank and file committee known as our steering committee, indorsed by our executive board, recommended to our membership and unanimously indorsed by our membership. It came in the form of an instruction to the officers.

Mr. KENNEDY. Did they have the full information about the fact that he was receiving kickbacks in connection with the construction of the building, the construction of the labor health—

Mr. GIBBONS. There are grave doubts about the facts in that case, Mr. Kennedy. That is why we had a court case.

Mr. KENNEDY. Well, he was found guilty.

Mr. GIBBONS. And we have to live with that decision, yes.

Mr. KENNEDY. Then it was appealed to the Supreme Court, was it not?

Mr. GIBBONS. That is right.

Mr. KENNEDY. The appeal to the Supreme Court was on the basis that the receipt of money in this fashion does not constitute income?

Mr. GIBBONS. You are a lawyer, and you know that this is not the right interpretation of that appeal to the Supreme Court.

Mr. KENNEDY. I beg to differ with you.

Mr. GIBBONS. I am a layman, and I am not in any position to discuss the intricacies of that particular law.

Mr. KENNEDY. Then don't make that statement. I have examined it carefully.

Mr. GIBBONS. I have discussed it with very competent lawyers who have appeared in similar tax cases. I have one of them here. He would be very happy to discuss with you the nature of that appeal, Mr. Kennedy, and it will result in removing the distortions which you have placed on that appeal.

Mr. KENNEDY. We have the appeal here and the brief. We have also consulted with Mr. Goldshine.

Mr. GIBBONS. Max Goldshine.

Mr. KENNEDY. He carried the appeal; did he not?

Mr. GIBBONS. I don't know whether he handled the appeal or not, but the person who took the appeal up is right here with us. I would like to have him have an opportunity to discuss that appeal and the nature of that appeal.

The CHAIRMAN. Do you have the brief, Mr. Kennedy?

Mr. KENNEDY. Yes.

Mr. GIBBONS. He can put the true interpretation on it.

Mr. KENNEDY. I don't think there is any question from an examination of the brief. Have you got a copy of the brief?

Mr. GIBBONS. Yes.

Mr. ROSENBLUM. The point was never made.

Mr. GIBBONS. The point was never made that you keep repeating here, repeating for the benefit of the American people.

Mr. KENNEDY. I disagree with you completely. I have studied it completely.

Mr. GIBBONS. Here is the brief, here is the person who wrote the brief, who handled the case. He says you are in error on it.

Mr. KENNEDY. I say I have read the brief.

The CHAIRMAN. There may be a difference of opinion. File the brief and make it exhibit No. 111.

(The document referred to was marked "Exhibit No. 111" for reference and may be found in the files of the select committee.)

The CHAIRMAN. My understanding is that the issue was raised and the court passed on it. Is that correct?

Mr. KENNEDY. That is correct.

The CHAIRMAN. The court decision and the brief—have you got a copy of the court decision?

Mr. GIBBONS. In answer to your question—

The CHAIRMAN. We can take judicial notice of the court decision. That is a matter of record.

Mr. GIBBONS. To answer your question, Mr. Kennedy, our membership has a feeling, and I think it is shared with by most members of the bar, the judiciary, and the American people, that no man is guilty until such time as his appeal rights have been exhausted. Money was spent on behalf of Lou Berra all the way up to the Supreme Court.

Senator IVES. I would like to ask the witness a question.

I seem to be doing a lot of philosophizing with you here this morning. I am now off in another area of philosophy. I would like to ask the witness why he feels that unskilled workers are the criminal type, whereas skilled workers are not.

Mr. GIBBONS. No, I did not—

Senator IVES. That is what you said, or words to that effect.

Mr. GIBBONS. No, you check the record, Senator Ives, and you will find that I never said that. It is the farthest thought from my mind. I merely said that in an area where unskilled jobs are available, you will probably find priests and penal authorities obtaining jobs for people they want to rehabilitate. It is much easier to place a person in an unskilled category or capacity than it is to try to get him a job as a machinist, as an example. Obviously, you can't take a person with no training out of a jail cell and put him on as a machinist. But I do it every day, literally, putting him on warehouse jobs.

Senator IVES. You don't have the feeling, then, that there is more crime among the unskilled than there is among the skilled, proportionately speaking?

Mr. GIBBONS. No, sir, I certainly have no idea.

Senator IVES. I am glad to get that straightened out. I was laboring under a delusion. I thought you were looking down on the unskilled.

Mr. GIBBONS. Well, it was a little problem of communications. As a matter of fact, Senator, I believe one of our officers in St. Louis has a very fine letter of commendation from the United States Prison Administration, I think, for his cooperation in working with them very closely to place them on trucks and give them opportunities to rehabilitate themselves.

Senator IVES. It has been my observation over a period of quite some time that crime is found in all categories.

Mr. GIBBONS. Yes. I don't think anyone has a monopoly.

Senator IVES. I don't know about the percentage, but I certainly don't feel there is a preponderance among the unskilled.

Mr. GIBBONS. That is correct. I would join you in that statement, though I have no facts on it.

Mr. KENNEDY. Do you have the appeal to the Supreme Court?

Mr. ROSENBLUM. The petition for certiorari I have.

Mr. KENNEDY. This one to the Supreme Court of the United States, do you have that?

That is the one we are talking about.

Mr. ROSENBLUM. That was a reply brief filed after the decision of the *Commissioner v. Dix*, which opened up the docket of *Commissioner v. Wilcox*, illicit funds. The argument was never made that money illicitly received was not income.

Mr. KENNEDY. What was the argument?

Mr. ROSENBLUM. It was simply this. At the trial——

Mr. KENNEDY. What was the argument made to the Supreme Court?

Mr. ROSENBLUM. The argument was made that if you give due credence to every possible favorable inference from the prosecution case, that, if anything, this was embezzled funds, not loan funds, as Berra said, and it was, therefore, not properly income under the Supreme Court decision of *Commissioner v. Wilcox*.

Mr. KENNEDY. I would consider embezzled funds illegal income. You were arguing that embezzled funds do not constitute income. If you want me to trace it in that manner from here on, I will be glad to do that.

Mr. ROSENBLUM. Let's understand this. This was not a novel argument.

Mr. KENNEDY. I say that union funds were used for the purpose of the Teamsters arguing that embezzled funds do not constitute income.

Mr. ROSENBLUM. The Teamsters did not argue anything.

Counsel for Mr. Berra argued.

Mr. KENNEDY. And the Teamsters paid the bill.

Well, that is all.

Mr. ROSENBLUM. And the obligation of attorney to client was owed to Mr. Berra, not the Teamsters.

The CHAIRMAN. The court actually passed on the question. This is out of 221st Federal Reporter, 2d series. On page 594 the court passed upon this question as to whether these moneys were taxable. I will quote from the court decision.

From the record as a whole, we are convinced that the moneys received by appellant from Smith constituted taxable income under the test laid down in the Rutkin case, and followed by this court in *Marinfield v. United States*, (8th circuit, 214 F. 2d 632, 636): "An unlawful gain as well as a lawful one constitute taxable income when its recipient has such control over it that, as a practical matter, he derives readily realizable economic value from it."

That appellant had such control over the funds received from Smith cannot be doubted on this record. The trial court was not in error, therefore, in overruling appellant's motion for judgment of acquittal or in refusing to give his requested instructions pertaining to the embezzlement theory.

So the issue was before the court and decided. All right. It is a question of using illegal money or using the term money that was embezzled.

Proceed.

Mr. KENNEDY. You also used union funds, Mr. Gibbons, in connection with the defense of Mr. Gerald Connelly up in Minneapolis?

Mr. GIBBONS. I believe the record will show that we did.

Mr. KENNEDY. Would you explain to the committee why the Teamsters Union funds were used to defend an individual such as Mr. Gerald Connelly?

Mr. GIBBONS. On exactly the same theory, Mr. Kennedy, that we believe people to be innocent until such time as they have exhausted their appeal rights.

Mr. KENNEDY. And particularly with somebody who had such a bad record as Mr. Connelly had?

Mr. GIBBONS. I am not one to rush in and pass quick judgments on people, Mr. Kennedy. They have enough burdens if they have erred, if they have sinned, without me heaping on top of it. I want to do the opposite, if I can, and help them. I have spent a whole life doing it, and I am not going to change now.

Mr. KENNEDY. Mr. Connelly had been involved in a very questionable affair in Florida. He came up to the Minneapolis local. He was involved in two extortions. You helped pay some of the bills for the two extortions. Then the third case involved the dynamiting case. By the time you were paying the legal fees for that, Mr. Gibbons, he had already been convicted of the extortions. And the appeal had been sustained.

Mr. GIBBONS. Assuming he had been convicted of the extortion, and was about to be sentenced or under sentence, there is no reason automatically to feel that he was then guilty of another charge. I have seen too many of our members hit with charges which had no content, no merit, and were later released.

When it came to the second charge, there was a grave doubt in anyones mind that he had done this, and he was entitled to the fullest possible support as a union officer, or as a union member would be.

Mr. KENNEDY. Then your philosophy and Mr. Hoffa's are the same?

Mr. GIBBONS. My philosophy is the philosophy which I think I am joined in by the vast majority of the people in this country that no man is guilty until such time as he has exhausted his appeal rights, Mr. Kennedy. I think that is fundamental.

The CHAIRMAN. The real question is taking union dues, money that you take from people who work, and defending crooks and criminals without their consent.

Mr. GIBBONS. This is a job for the court to determine whether they are crooks and criminals.

The CHAIRMAN. It is not a job for the court to determine whether you take that money and spend it.

Mr. GIBBONS. But it is a job to determine whether they are crooks and criminals.

The CHAIRMAN. But you take the money to defend them, money you collect as dues from working people. I dont think working people want their money used that way. Maybe you do. But I think there ought to be a law against it, if you are going to persist in it. Somebody ought to protect these people who work.

Mr. GIBBONS. It seems to me, and here is an example of it, where the working people instruct us to go ahead and spend their money in this respect.

If you want to pass a law which would deny to them the right to determine their own or make their own decision, this is something else.

The CHAIRMAN. That picture does not prove that they voted that way.

Mr. GIBBONS. What?

The CHAIRMAN. That picture does not necessarily prove they voted that way.

Mr. GIBBONS. I have the resolution here.

The CHAIRMAN. You may have a resolution in this particular case. But the fundamental principle of it is wrong. In my judgment it is wrong, and I think it ought to be prohibited. I don't think such money should be spent for that purpose.

Mr. GIBBONS. Not even when the workers authorize it?

The CHAIRMAN. Well, there is a question about that, too.

Mr. GIBBONS. Yes.

The CHAIRMAN. Proceed.

Mr. GIBBONS. I think this is part of the rights of a voluntary association of people.

The CHAIRMAN. Where are your minutes showing they authorized it?

Mr. GIBBONS. I have a resolution here.

The CHAIRMAN. That isn't minutes.

Mr. GIBBONS. It constitutes the minutes of that particular meeting. It was the only piece of business transacted.

Mr. KENNEDY. For Gerald Connelly?

Mr. GIBBONS. No. I was talking about the mass meeting.

The CHAIRMAN. Where are the ones for Gerald Connelly?

Mr. GIBBONS. For Gerald Connelly we were authorized to make the expenditures by the proper bodies in the Central Conference of Teamsters and having made the expenditure it was approved by the proper bodies in the Central Conference of Teamsters.

Mr. KENNEDY. What about the membership?

Mr. GIBBONS. Well, Mr. Kennedy, when you are dealing in terms of a half million members spread out over 12 States, you don't discuss with each of these members specific acts that you perform as an officer, no more than the United States Senate consults with me when they spend money for purposes which I don't necessarily agree with. I have authorized certain representatives to speak on my behalf in the United States Senate, and this is adequate authority for them to move.

Mr. KENNEDY. Could we have the minutes?

Mr. GIBBONS. The same thing applies in the Central Conference of Teamsters. I would be glad to give you this resolution.

Mr. KENNEDY. Give it to me for the Central Conference of Teamsters for Mr. Connelly.

Mr. GIBBONS. I will be very glad to attempt to supply you with the necessary minutes in which the Central Conference of Teamsters authorizes the officers to proceed to defend representatives, members, in case of legal difficulties.

Mr. KENNEDY. I want the minutes where it shows that you were authorized to spend from the Central Conference of Teamsters alone, \$44,881.55.

Mr. GIBBONS. I will read it to you.

Motion was passed giving the chairman and secretary-treasurer authority which is hereby confirmed, verified, and extended, to make such expenditures and the use of the conference's funds and facilities to whatever extent they

believe proper, for whatever purpose they believe related to the interest and benefit of the conference without prior approval.

This is one. Do you want another one? I have a whole slew of the authorizations here.

The CHAIRMAN. Let that be filed.

Mr. GIBBONS. They are similar to resolutions passed in the Senate.

The CHAIRMAN. Are those the character of resolutions you are referring to?

Do you have any one resolution there that refers to Mr. Connelly?

Mr. GIBBONS. These are the resolutions under which moneys was expended on behalf of Mr. Connelly.

The CHAIRMAN. They are all in general terms like that?

Mr. GIBBONS. No. I have some that are even more specific. Take this one—

The CHAIRMAN. When was this other one adopted?

Mr. GIBBONS. They go all the way back.

Mr. KENNEDY. What was the one you just read?

Mr. GIBBONS. 1954.

The CHAIRMAN. At what meeting? A meeting of what?

Mr. GIBBONS. Central Conference of Teamsters, a general meeting. That is the annual meeting where some 500 delegates representing the rank-and-file members of our union participated.

The CHAIRMAN. They gave you blanket authority there?

Mr. GIBBONS. That is correct. They extended a previous blanket authority which they had given us.

The CHAIRMAN. All right. Proceed.

(The witness conferred with his counsel.)

Mr. GIBBONS. Are there any other questions on this line, Senator?

The CHAIRMAN. Are they all general? Do you have one that mentions Mr. Connelly?

Mr. GIBBONS. No. Under these resolutions, cases such as Mr. Connelly's was acted upon, and I am sure in the discussion Mr. Connelly's case was one of those mentioned.

The CHAIRMAN. All right. You say, then, you derive your authority from these resolutions to make that expenditure?

Mr. GIBBONS. That is correct.

The CHAIRMAN. That is the substance of it.

Mr. KENNEDY. Are you in the Central States Drivers Council also? Are you an officer of that?

Mr. GIBBONS. No, I am not.

Mr. KENNEDY. Well, \$44,881.55 came out of the Central Conference of Teamsters; \$15,000 came out of the Central States Drivers Council; \$3,000 out of Joint Council 43, which you don't have anything to do with?

Mr. GIBBONS. I don't have anything to do with that one either.

Mr. KENNEDY. That is a total of \$62,881.55.

The CHAIRMAN. May I inquire, to get the record straight? So that the witness can answer, if he knows, is this the money that was spent after the man was already convicted for extortion?

Mr. KENNEDY. No. This was for the three trials. The first trial in which he was a defendant with a number of other union officials, Brennan, Jorgensen, and one other.

The CHAIRMAN. What about the \$44,000 you mentioned? Was that spent for Connelly alone?

Mr. KENNEDY. No. I believe out of the \$62,881—we have it in the record—I believe approximately \$45,000 or \$47,000 was for Gerald Connelly.

The CHAIRMAN. Is it already in the record?

Mr. KENNEDY. I don't know. Well, we can get that exactly, Mr. Chairman.

The CHAIRMAN. All right. When you are ready for it, we will put it into the record.

Mr. KENNEDY. Those were the total figures, the \$62,000. I just want to summarize on the violence, Mr. Chairman.

Regarding your statement that you were not aware of the violence, that you abhor violence, and that you would not have anything to do with labor-management relations, except where they take action against you, we have one, the testimony of the police officers; two, the testimony of Mitchell, Sparks, and Miss Bledsoe; three, on occasion the tracing of automobiles, union automobiles, used at the time of violence; four, the admission by you of the payment of bonds and the testimony that we have on that; five, the payment of the legal bills for these individuals; six, the Jimmy Ford incident; seven, the instructions that you gave to these individuals if they were arrested; eight, the amount of Bommarito's bills; nine, the payment to the Ace Cab Co. of some \$2,900; ten, the payment of Joe Ferrara's bill, including his bill in Wichita, Kans.; eleven, the criminal records of some of the union officials; twelve, the criminal records of these individuals that were used; thirteen, the condoning of dishonesty by the payments for Lou Berra and Gerald Connelly of these legal bills.

There is one other last thing I want to ask you. We had some testimony—

Mr. GIBBONS. Before you pass on from your summary, may I enter either a—well, first, I would like to have you add a few things which came out in the testimony. Such as my testimony to the effect that we, too, are victims of violence by employers and police, No. 1. That should be in any summary.

Mr. KENNEDY. I haven't any information that you are victims of violence by police.

Mr. GIBBONS. I will be very happy to testify to it on great length, and I will read to you a case of an absolute frameup.

The CHAIRMAN. This witness says they are sometimes the victims of violence.

Mr. GIBBONS. Right. That should be included in a summary. Secondly, that we are victims of police persecution.

The CHAIRMAN. That is just your statement, now. There is no testimony in the record.

Mr. GIBBONS. I will be very happy to enter it, if I have the opportunity.

The CHAIRMAN. There is no other testimony in the record at this point, but you may make the statement.

Mr. GIBBONS. Third, you might include in that summary, the instructions which our union gives to its pickets on the picket line.

Mr. KENNEDY. We had some testimony that there were some purchases of guns. Did you purchase any guns?

Mr. GIBBONS. No; I did not purchase any guns.

Mr. KENNEDY. Did the union purchase any guns?

Mr. GIBBONS. Not to my knowledge.

Mr. KENNEDY. There weren't any guns purchased?

Mr. GIBBONS. Not to my knowledge.

Mr. KENNEDY. Well, you would know. I expect you would, would you not?

Mr. GIBBONS. I would not know. Although actually there were some holsters purchased, which I did not know about.

Mr. KENNEDY. Why did they purchase holsters?

Mr. GIBBONS. The purchase of holsters? You can hazard your own guess on that, Mr. Kennedy. I assume it is to carry guns with.

Mr. KENNEDY. That was purchased out of union funds?

Mr. GIBBONS. I understand it was. At least, there was a receipt found in the books of the union.

Mr. KENNEDY. That was charged to office supplies, was it not?

Mr. GIBBONS. That is correct.

Mr. KENNEDY. Do you know of the purchase of any guns or the arming of any of the—

Mr. GIBBONS. If you want to know the story of the guns, in relation to 688, I will be very happy to tell you the whole story, so that the public will know.

Mr. KENNEDY. I am asking you about the guns. That is what I am trying to find out.

Mr. GIBBONS. I think you should be very anxious to know the whole story, as long as this is a legislative inquiry into trade-union activities.

Mr. KENNEDY. There were guns, then?

Mr. GIBBONS. Yes, I assume there were. I don't know of any guns necessarily. I assume there were, because of the events I want to relate to you.

The CHAIRMAN. Did you buy the holsters on the basis of that assumption?

Mr. GIBBONS. I didn't buy any holsters, Mr. Chairman.

The CHAIRMAN. Did the union buy them on the basis of that assumption?

Mr. GIBBONS. This I did not know. I did not approve the bill, and I did not pay the money out. I learned about it long after it was done.

The CHAIRMAN. Proceed.

Mr. GIBBONS. It so happened in the city of St. Louis, when we affiliated with the Teamsters, a bad situation existed.

This is all, of course, in your hands, Mr. Kennedy. You are as well acquainted as I am with the facts. There were people on the payroll of the joint council who were known as racketeers, gangsters, et cetera. My local had a particularly rough time to go in the city of St. Louis, because we were not associating with them, we were not putting any of them on our payroll, we were not cooperating with them. At my request, I went to President Beck and I asked him to do something about cleaning up the situation in St. Louis. President Beck assigned personnel to the city of St. Louis. President Beck approved of the cleanup, approved of putting the joint council into trusteeship. The task had to be performed by my staff members.

The CHAIRMAN. Were these holsters bought in connection with that cleanup?

Mr. GIBBONS. I assume they were. They were bought at that same time, Senator. These staff members had no objection to participating in throwing hoodlums out of the union.

They came to me and said "Look, we are 100 percent with you, we want to help on this thing. We have no reluctance in it. But there may be some shooting.

"In the event there is some shooting, we feel that we are entitled to carry a pistol during this particular period."

No staff member of mine ever carried a pistol before, and to my knowledge has never carried one since. But in this particular period when we were cleaning up St. Louis, when they asked that, I agreed with them. I did not want it to be a deep, dark secret, however. I called in the editor of the Post Dispatch and Fitzpatrick, the cartoonist, and we had lunch.

I talked about the thing and gave it to them as background news. I also called in a member of the St. Louis Police Board and told him the problem we were facing in fighting gangsters and some of our people would be armed.

Mr. KENNEDY. Who was that?

Mr. GIBBONS. A guy named Willard, I think.

The CHAIRMAN. What was his position?

Mr. GIBBONS. A member of the St. Louis Police Board. For the record, Mr. Willard said he could not condone this thing. I told him I did not expect him to, but I wanted him to know what was taking place.

The CHAIRMAN. You gave the police notice you were going to arm your men?

Mr. GIBBONS. Yes. And Mr. Willard, I believe it was him, sent over no one less than Captain Dougherty, the fellow you had up here testifying. Captain Dougherty assured me we did not have to carry guns, that all we had to do was "pick up the phone and call us." I told Captain Dougherty if he had been doing his job for 20 years, we would not be faced with this problem, and we could not depend upon the police to take care of the situation in the event it started. Then I went to my membership.

The CHAIRMAN. Did you get a permit for anybody to carry guns?

Mr. GIBBONS. No; we did not. But as I pointed out to you, Senator, we did not attempt to do this surreptitiously, underhandedly, in the darkness of night or anything else.

The CHAIRMAN. You just went to the police?

Mr. GIBBONS. We told the police, and we told the newspapers. Then I went to the rank and file and I said, "We are throwing these people out of the union, and there may be some shooting. If there is going to be some shooting done, we would like to focus the attention of the entire Nation on the city of St. Louis and this particular fight so that the FBI and other law-enforcing agencies could be brought in."

The CHAIRMAN. What year was that?

Mr. GIBBONS. What year was this? Late 1952 or early 1953. And we passed a resolution that the first time anyone was shot at in this cleanup, we would shut every single warehouse in the city of St. Louis. I then went to the big truck local, and we passed a resolution there that in the event anyone was shot at in this cleanup period,

we would shut down every single truck in St. Louis and thus focus national attention on this situation. This is a situation in which I participated in cleaning out gangsters in the trade union in which I was affiliated. I am very proud about that, very happy about it, and I would do the same thing over again, faced with the same situation, such as we faced in the city of St. Louis.

The CHAIRMAN. I believe the American people would be happy if the Teamsters would clean out the gangsters they have now.

Mr. KENNEDY. Who will clean out the ones you brought in?

Mr. GIBBONS. What ones did we bring in, or did I bring in?

Mr. KENNEDY. These gangsters we have had testimony about?

Mr. GIBBONS. You did not have any testimony on gangsters that Mr. Gibbons brought in or that any officer, to my knowledge, brought into the Teamsters. You have testimony of people hired by employers, and we wound up within our union, Mr. Kennedy.

Let's keep to the facts.

Mr. KENNEDY. You were using them and paying them for purposes?

Mr. GIBBONS. No; I was not using them.

Mr. KENNEDY. \$2,900, for one.

Mr. GIBBONS. No, this is not any use of mine; this is a responsibility I met for failure to perform under a collective-bargaining agreement under which I was obligated to perform, and on which I was liable to suit because of my failure to perform.

Mr. KENNEDY. How long did they carry the guns?

Mr. GIBBONS. I would imagine for a period of probably 3 months.

Mr. KENNEDY. Did you carry one?

Mr. GIBBONS. No; I did not.

Mr. KENNEDY. Have you ever carried a gun?

Mr. GIBBONS. Well, I once belonged to a skeet club, I guess you would call it, and for a very short period, maybe on 3 or 4 Sundays, I was out there carrying a gun, shooting at the skeet club.

Mr. KENNEDY. Were you ever carrying a gun other than shooting skeet?

Mr. GIBBONS. Not to my knowledge.

Mr. KENNEDY. Not to your knowledge?

Mr. GIBBONS. I would be able to tell you "No," is what I am saying, that I never carried the gun, period. Is this the way you want it put?

Mr. KENNEDY. Did you ever carry a gun other than on four Sundays when you were shooting skeet?

Mr. GIBBONS. You are asking me—

The CHAIRMAN. The question is with respect to illegally carrying a gun.

Mr. PREVIAUT. Can we have a time or place established? Are you talking about the man's entire lifetime or a particular period in his life?

Mr. GIBBONS. I may have have picked up a gun in a store or something—

The CHAIRMAN. Well, starting with any time since you have been in St. Louis.

Mr. GIBBONS. No, I have not carried any guns in St. Louis, with the exception of the skeet club.

Mr. KENNEDY. In any other city have you carried guns?

Mr. GIBBONS. Again the answer is "No," Mr. Kennedy.

Mr. KENNEDY. You have not?

Mr. GIBBONS. No.

Mr. KENNEDY. Other than the skeet?

Mr. GIBBONS. That is right.

The CHAIRMAN. The committee will stand in recess until 2 o'clock. (Whereupon, at 12:35 p. m. the hearing recessed, to reconvene at 2 p. m. of the same day, with the following members present: Senators McClellan and Ives.)

AFTERNOON SESSION

(At the reconvening of the committee, the following members were present: Senators McClellan and Ives.)

The CHAIRMAN. The committee will come to order.

TESTIMONY OF HAROLD J. GIBBONS, ACCOMPANIED BY COUNSEL, DAVID PREVIANT AND STANLEY ROSENBLUM—Resumed

Mr. KENNEDY. Mr. Chairman, we do not have the final figures on this question of the Connelly situation. He was convicted and pleaded guilty on March 18, 1955. There was a \$5,000 legal fee at that time for him and this other group.

He was found guilty. He was indicted in the second case, the Archer-Daniels-Midland case, which is a Federal prosecution for extortion on February 2, 1955, and convicted on November 22, 1955.

On the dynamiting case, he was indicted on February 17, 1956, and convicted and sentenced on March 19, 1956. Then there was the St. Paul dynamiting case. That case was dismissed on April 9, 1956. In summary, the total fees paid I put into the record this morning. We can show that the fees paid after the first conviction under the Taft-Hartley Act amounted to at least \$49,381.55. The fees paid after the second conviction amounted to at least \$28,645.55.

The CHAIRMAN. What do those two total?

Mr. KENNEDY. You would not total them. There was \$49,000 after the first one and \$28,000 after the second case, some 10 months later.

The CHAIRMAN. All right. When you get someone to check it accurately, it can be put into the record under oath. You may use your statement as a premise to a question.

Mr. KENNEDY. The question was raised this morning, and that is the situation.

The CHAIRMAN. All right.

Proceed.

Mr. KENNEDY. Mr. Gibbons, you knew Johnny Dioguardi?

Mr. GIBBONS. Yes. If we are going to proceed, I think today you summarized the questions of violence, Mr. Kennedy, in the morning session.

Mr. KENNEDY. Yes; and your participation.

Mr. GIBBONS. Yes. As long as you are summarizing, and we are moving, apparently, from that area for the moment, at least, I would like the record to show also, despite the fact that you were not too impressed with my efforts to avoid violence—

Mr. KENNEDY. Not at all.

Mr. GIBBONS. Right—not at all—that your witness, Mr. Dougherty, of the St. Louis Police Department, came here and testified that in

the last 2 years there has practically been no violence in connection with my operations.

Now, I can draw from that a conclusion. I would not agree with this, either. That the things that I did to alleviate violence, to avoid violence, to get rid of any violence, apparently is bearing fruit, because I have had many serious strikes in the last 2 years, and there has been no violence at all.

The record may include that, too, Mr. Kennedy. Now go ahead with your question.

Mr. KENNEDY. I congratulate you on not having to resort to violence in the last 2 years. I asked you if you knew Johnny Dio.

Mr. GIBBONS. Yes; I knew Johnny Dio.

Mr. KENNEDY. How long have you known him?

Mr. GIBBONS. I don't know how long.

(The witness conferred with his counsel.)

Mr. GIBBONS. I can place the circumstance under which I met him better than I can the date, but it is not over 3 or 4 years ago, Mr. Kennedy, and I think it had to do with the matter of getting jurisdiction over the cabs in the city of New York at the point when George Meaney advised the UAW that they had no jurisdiction in taxicabs.

I was one of the people assigned by my international union into that situation. I think it was about 1953, maybe.

Mr. KENNEDY. You saw him several times after that?

Mr. GIBBONS. Yes; I did.

Mr. KENNEDY. Did you used to go out with him in New York, socially, occasionally?

Mr. GIBBONS. No; I don't think I went out socially with him. I was there performing a function for my organization, and, as, such, I probably had dinner with him on a few occasions. I think one time I was at a charitable affair or scheduled to go to a charitable affair with him. I don't know whether I went or not. I think that is the extent of my socializing with him.

Mr. KENNEDY. What about in 1953? Was the A. F. of L. convention in St. Louis in 1953?

Mr. GIBBONS. Yes.

Mr. KENNEDY. He came to that; did he?

Mr. GIBBONS. Yes; he did.

Mr. KENNEDY. Did you meet with him at that time?

Mr. GIBBONS. I had some discussions with him, I am sure.

Mr. KENNEDY. Did you have some discussions at that time about hiring a public-relations man, trying to get him clearance in the A. F. of L.?

Mr. GIBBONS. Me hiring a public relations?

Mr. KENNEDY. You were giving him suggestions and ideas as to who he might hire? Do you remember those conversations?

Mr. GIBBONS. I don't think I know anybody I can recommend to him or anybody else who has influence in the A. F. of L.

Mr. KENNEDY. Wasn't there an individual out there at that time with Mr. Dio, and you discussed with Mr. Dio and with him, the fact that he might do some public-relations work?

Mr. GIBBONS. Who is the person you are referring to?

Mr. KENNEDY. I will write the name out once again, Mr. Chairman.

Mr. GIBBONS. That will be adequate.

Mr. KENNEDY. Let's not question whether it is adequate for you. I am thinking of the record.

Mr. GIBBONS. It will be adequate for me, though, for your information, Mr. Kennedy.

Mr. KENNEDY. All right.

The CHAIRMAN. Here is the name of the party, for your information.

(The document was handed to the witness.)

Mr. KENNEDY. Do you remember any conversations along those lines?

(The witness conferred with his counsel.)

The CHAIRMAN. Let the name be inserted in an envelope and marked "Exhibit 112."

(The document referred to was marked "Exhibit 112" and is in the custody of the select committee.)

The CHAIRMAN. Proceed.

Mr. GIBBONS. I have no recollections of any such conversations, Mr. Kennedy.

Mr. KENNEDY. Do you remember discussing with Mr. Dio the fact that it was necessary to obtain a clean bill of health, and that you and this individual discussed with him the idea of this individual doing some work along those lines, work with newspapers, getting them a clean bill of health with newspapers?

(The witness conferred with his counsel.)

Mr. KENNEDY. Do you remember meeting with this man out there?

Mr. GIBBONS. I saw him dozens of times.

Mr. KENNEDY. Didn't you meet with him and Johnny Dio?

Mr. GIBBONS. With this person?

I was probably in the company of them, plus a lot of other people. But I don't recall any separate conference with this gentleman and Mr. Dio.

Mr. KENNEDY. Do you recall any conference or conversations that you had along the lines of this individual doing some public relations work for Mr. Dio?

Mr. GIBBONS. No, I don't; very honestly, I don't recall any such conversations.

Mr. KENNEDY. You don't remember anything like that?

Mr. GIBBONS. No.

Mr. KENNEDY. Did you know if Mr. Kavner, of your staff, was getting some information together on Mr. Hickey's assistant in New York City?

Mr. GIBBONS. Do I know of this?

Mr. KENNEDY. Yes.

Mr. GIBBONS. I recall something of that, yes.

Mr. KENNEDY. Was he consulting with you on that?

Mr. GIBBONS. I don't think so, because information he was getting I was in no position to really help him on.

Mr. KENNEDY. How did you happen to learn about it?

Mr. GIBBONS. He probably mentioned it to me at some point along the way, if he were getting this information.

Mr. KENNEDY. You were not assisting him in any way to get the information?

Mr. GIBBONS. The source of his information, I am certain, I could not assist him on.

Mr. KENNEDY. Were you assisting him on it?

Mr. GIBBONS. The only assistance I could conceivably have given him was my own personal knowledge of the assistant that you are referring to.

Mr. KENNEDY. Excuse me?

Mr. GIBBONS. The only assistance I could have given him would be from my own personal knowledge of the individual you are referring to, the assistant to Mr. Hickey.

Mr. KENNEDY. Did you give him some assistance? That is what I am asking you about.

Mr. GIBBONS. I probably told him my impressions after having some meetings with this assistant.

Mr. KENNEDY. So you were working on this matter also?

Mr. GIBBONS. No, I was not working with him on this matter also.

Mr. KENNEDY. You gave this information. Did you know he was furnishing it to Johnny Dio?

Mr. GIBBONS. I gave it to everybody. I was quite incensed about the existence of this assistant. I gave it to the international president and anybody who would listen to me.

Mr. KENNEDY. Did you know he was furnishing it to Johnny Dio?

Mr. GIBBONS. I think I did.

Mr. KENNEDY. You did?

Mr. GIBBONS. Yes.

Mr. KENNEDY. You knew at that time, of course, that Johnny Dio was not an official of the Teamsters Union, that he was outside of the Teamsters Union?

Mr. GIBBONS. Yes, I knew he was not an official of the Teamsters Union. He never has been an official of the Teamsters.

Mr. KENNEDY. What other purpose, other than to blackmail Tom Hickey, was this information being gathered together on his assistant?

Mr. GIBBONS. The reason is very simple. I don't know what the reasons why he gathered information. I will tell you why I contributed mine.

Mr. KENNEDY. I am not asking about that. I think the important point is the fact—

Mr. GIBBONS. I don't think—

Mr. KENNEDY. The important point was that the information was being furnished to Johnny Dioguardi, information on a Teamster official in New York City. If you had some questions about him, I could see you going to the international president. What I am questioning is the turning over of this information to a man like Johnny Dioguardi, what the point of that was, if it was not for blackmail purposes.

Mr. GIBBONS. In the first place, I understood you were talking about the assistant, not Tom Hickey.

Mr. KENNEDY. The assistant to Tom Hickey. That is who I am talking about.

Mr. GIBBONS. My information came in terms of the assistant, not Tom Hickey.

Mr. KENNEDY. That is correct. That is what I am talking about.

Mr. GIBBONS. Anyone that would have asked me or would have listened to me in those days, I would have been very happy to tell him about the assistant.

Mr. KENNEDY. Now we are talking about turning over this information Mr. Kavner was obtaining—

Mr. GIBBONS. I don't know what Mr. Kavner turned over. I do not subscribe to the idea that he was blackmailing anyone. When you blackmail a person, it seems to me that you blackmail them for the purpose of obtaining money. I don't think this was the purpose of Mr. Kavner or the intention of Mr. Kavner. I don't think he was blackmailing to obtain money.

Mr. KENNEDY. It could have been for purposes other than obtaining money. What I am trying to find out is why, in your conversations with Mr. Kavner, they thought it was necessary or important to get this information on an assistant of Tom Hickey.

Mr. GIBBONS. I think for the purpose of exposing the existence of such a person in the active ranks of the trade union.

Mr. KENNEDY. And it was felt that that should be done through Johnny Dioguardi in New York City?

Mr. GIBBONS. No, I am telling you what I think was the purpose. This is why I was very happy to explain to anybody my opinion of the person.

Mr. KENNEDY. At the time Mr. Kavner was getting the information, it was for the purpose of having Johnny Dioguardi do that?

Mr. GIBBONS. I think you should ask Mr. Kavner, personally, not me. I was not involved in it to my knowledge.

Mr. KENNEDY. You were turning over this information.

Mr. GIBBONS. No, I was not turning over any information specifically to Mr. Kavner. I was saying what I felt and believed to be true, not to Mr. Kavner, but anyone, as I pointed out, that would listen to me, including the general president.

Mr. KENNEDY. I would like to ask Mr. Kavner, but, as I understand it, he has just had a heart attack and can't come.

Mr. GIBBONS. He has had a heart attack for some time, Mr. Kavner.

Mr. KENNEDY. We are trying to get you and Mr. Saffo of your staff, to ask them both questions, but he is sick now and can't come, I understand.

Mr. GIBBONS. Well, you have medical testimony, I assume, on that.

Mr. KENNEDY. Do you know Mr. Lou Farrell, Mr. Gibbons?

Mr. GIBBONS. I know who you are talking about. If he walked in I would recognize him. That I know him is a very doubtful question. I have tried to search my mind when I met him. I don't know. I think I talked to him once when he was chairman of an employers' negotiating committee in the beer industry, if I am not mistaken. I think that was just a telephone call.

Senator IVES. Mr. Chairman.

The CHAIRMAN. Senator Ives.

Senator IVES. I would like to ask the witness a question before the subject is dropped completely.

Mr. Gibbons, I take it from what you said that you are acquainted with Johnny Dioguardi?

Mr. GIBBONS. Yes, Senator, I am.

Senator IVES. Do you know him very well?

Mr. GIBBONS. I would say I have spent quite a few hours in his company.

Senator IVES. What do you think of him?

Mr. GIBBONS. I don't want to be sitting here passing judgment on people necessarily, not only Johnny Dio, but no one that I can help pass judgment on. Johnny Dio I had no firsthand knowledge of his operations. I read about his operations in the newspapers. I have heard testimony here. I would just as soon avoid——

Senator IVES. Is he a close friend of yours at all?

Mr. GIBBONS. Oh, no, never was and isn't today.

Senator IVES. Of course——

Mr. GIBBONS. My relationships with Johnny Dio stemmed entirely out of the assignment I had from my general president.

Senator IVES. I am trying to clear that up because the questions that have been asked of you would give the impression that you and Johnny Dio were in very close.

Mr. GIBBONS. No.

Senator IVES. You are sure you were not?

Mr. GIBBONS. No. I am friendly at the point that Dulles and Eisenhower might be friendly with Ibn Saud.

Senator IVES. At what point?

Mr. GIBBONS. To the point that I could complete successfully the assignment given to me by my international president.

Senator IVES. Just that far?

Mr. GIBBONS. That is all.

Senator IVES. You did not learn anything further about Johnny Dio?

Mr. GIBBONS. Actually I did not.

Senator IVES. You are not able to pass judgment on him at all?

Mr. GIBBONS. I have the same knowledge that most people have on him.

Senator IVES. How do you regard him?

Mr. GIBBONS. If you want me to pass judgment, if you insist——

Senator IVES. I certainly do. I want to know what you think of him. We have had him before us.

Mr. GIBBONS. I would have to go on the assumption that certain things I have heard were true about the man.

Senator IVES. I think they are true. For instance, he is in jail at the present time. That is true, isn't it?

Mr. GIBBONS. Yes; he is in jail.

Senator IVES. He got convicted?

Mr. GIBBONS. That is right.

Senator IVES. What do you think of him?

Mr. PREVANT. Mr. Chairman, I would question the pertinency of a question of a man going into his personal opinion with respect to others.

Senator IVES. Mr. Chairman, I would like to challenge that for the very simple reason that I think it has a great deal to do with this particular matter before us. One of the great difficulties which organized labor is now confronted with is having characters of the type of Johnny Dio in their midst, presumably leaders. Unless we can get rid of them, organized labor as such is going to have a great deal of hard going in this country. Laws will be enacted which will be very tough on organized labor. I would like to know from Mr. Gibbons, as a highly respected member of the Teamsters, who holds a very high position in the Teamsters, what he thinks of a fellow like Johnny Dio. He knows the record as well as we do.

Mr. PREVIANT. I don't know whether Mr. Gibbons cares to answer that question. I raised the question, Senator.

Senator IVES. I know you raised it.

Mr. PREVIANT. I think a man's personal opinion cannot be pertinent to a legislative inquiry.

The CHAIRMAN. The Chair will rule. Mr. Dio has been a character before this committee. My recollection is that he took the fifth amendment on everything, did he not?

Senator IVES. Yes.

The CHAIRMAN. He would not talk. But other testimony developed before this committee shows that he was instrumental in securing what has been termed paper locals, charters for paper locals in New York in connection with an organizational drive up there, I believe to organize the taxicab industry. Even prior to the time he testified, Mr. Dio had, I believe, a prison record, and was under indictment maybe at the time he testified, and subsequently has been convicted and is now in prison. Mr. Gibbons has had association and contacts with him. If he states—I am not going to make him or order him to give a personal opinion as to what he thinks of Mr. Dio—but the association and the relationship is such that it could be pertinent to this extent, as to whether Mr. Gibbons knowingly associates with characters of that kind and has confidences and relations with them regarding the labor-union movement.

Mr. GIBBONS. Maybe I can say this to Senator Ives. Maybe this will clear it up. I would be very happy to talk to you about this and even talk to you under oath and for the record, but Johnny Dio has a wife and a couple of children, I understand. If I start telling my opinions of Johnny Dio, it is bound to be published, and it is just another hurt to people who I think are pretty innocent victims of the total situation. I have no reluctance necessarily to tell you my opinion of him, to put it in the record, to swear to it under oath, but I would just as soon out of sheer consideration for his wife and kids avoid raising this again to be a new public issue in the press of America. On that basis I would appeal to you not to insist on an answer. If you insist, I will give it to you. This is my thinking.

Senator IVES. I will not, then. I assume you view him as some of the rest of us do. I take it your nod indicates that you do.

The CHAIRMAN. All right, proceed.

Mr. KENNEDY. Do you know what the relationship of Mr. Kavner which we have been just discussing has been with Mr. Lou Farrell?

Mr. GIBBONS. No; I don't. I certainly have no firsthand knowledge of it. I am not prepared to testify on it.

Mr. KENNEDY. You don't have any information along those lines?

Mr. GIBBONS. I don't believe I have any that I can speak of with any degree of certainty.

Mr. KENNEDY. Do you know why they would be continuously in touch with one another just as Mr. Baker was with Mr. Farrell?

Mr. GIBBONS. Mr. Farrell is involved in some negotiations with Dick. If he represents employers, if he represents employers either under contract or whose plants we can organize, I can assume that Mr. Kavner for those purposes would be in touch with him.

Mr. KENNEDY. Do you know of any that he represents? That would be a matter of some interest to us.

Mr. GIBBONS. Plants, companies?

Mr. KENNEDY. Yes.

Mr. GIBBONS. It seems to me that at the time I spoke to him on the phone, it had to do with him being the chairman of an employers' negotiating committee in the beer industry.

Mr. KENNEDY. Is that in Iowa?

Mr. GIBBONS. I think it would be, wherever the town he functions in, Des Moines, or whether it is that or Nebraska.

Mr. KENNEDY. He told us originally before he testified here that he had not done any of that kind of work.

Mr. GIBBONS. Isn't he a businessman?

Mr. KENNEDY. Yes. He has an interest in a drive-in restaurant, I believe, but beyond that he would not give us any information regarding any labor activities.

Mr. GIBBONS. My problem is that I don't know enough about the man to talk about him. I was under the impression he owned a beer business. But I am no authority on the subject.

Mr. KENNEDY. For instance, from March 1956, to February 1957, we have Farrell contacting Kavner 56 times. He called him at Kansas City, Mo., Blackstone Hotel, Omaha, Nebr., United Air Lines, Omaha, St. Louis, Mo., New York City, Minneapolis, Minn., Chicago, Ill., Dallas, Tex., Miami, Fla., Oklahoma City, Okla., Lincoln, Nebr., Atlantic City, N. J., and Denver, Colo.

Mr. GIBBONS. He reached him in all those places?

Mr. KENNEDY. Yes. They were keeping in fairly close touch with one another.

Mr. GIBBONS. You will have to discuss that with Mr. Kavner.

Mr. KENNEDY. Mr. Farrell is of particular interest to us and appeared before the committee, as you know, Mr. Chairman, and took the fifth amendment.

The CHAIRMAN. He is a businessman; is he not?

Mr. KENNEDY. That is correct.

The CHAIRMAN. We get criticized because we won't investigate business some times. When we find them we try to get all the information we can. If you can be a little helpful, if you know anything about him that we ought to know, tell us.

Mr. GIBBONS. If I had any knowledge I would be very happy to testify, Senator.

Mr. KENNEDY. What is Mr. Kavner's official position with the union?

Mr. GIBBONS. At the moment he is a representative of the international union. International organizer, I think is his official title. He was in those days I believe a representative of the Central States Conference of Teamsters.

Mr. KENNEDY. Gus Zappas was down in St. Louis for a short period of time, November 22-24, 1955. What was he doing down there; do you know? It is 1954, excuse me. November 22-24, 1954.

Mr. GIBBONS. Is this the time he was connected with the Teamsters Union?

Mr. KENNEDY. He was connected with the Teamsters Union and also with Mr. Probststein in the State Cab Co. at this time.

Mr. GIBBONS. I don't know his association with Probststein, or the cab company. I understand he was a representative of the Teamsters Union. He was probably there on Teamster business.

Mr. KENNEDY. Do you know what it would be about?

Mr. GIBBONS. I don't recollect as of now.

Mr. KENNEDY. His bill was paid, \$128, by the Central States Conference of Teamsters.

Mr. GIBBONS. I don't know what his particular function was on that particular trip.

Mr. KENNEDY. Did you know Dave Probstain yourself?

Mr. GIBBONS. Never met the gentleman.

Mr. KENNEDY. You did not know him. You never talked to him?

Mr. GIBBONS. Unless I happened to have been introduced to him some time, but I have no recollection of it and I would say to you and testify to the fact that I don't.

Mr. KENNEDY. You do not know him?

Mr. GIBBONS. No. You must understand, Mr. Kennedy, that I meet literally thousands of people in the course of a year. Some of them I don't see again. I walk through a room and I am introduced to 10 guys and I keep on going. I have no recollection and I can testify that I do not know him, with that one reservation.

Mr. KENNEDY. You have a home in St. Louis; do you?

Mr. GIBBONS. Yes.

Mr. KENNEDY. Do you have an apartment there also?

Mr. GIBBONS. No; I have a home there.

Mr. KENNEDY. Did the Upholsterer's Union do some work in your home?

Mr. GIBBONS. Did they do some work in my home?

Mr. KENNEDY. Yes.

Mr. GIBBONS. Yes.

Mr. KENNEDY. Did you pay them for that?

Mr. GIBBONS. Do you want the story on that, Mr. Kennedy?

Mr. KENNEDY. Just answer the question.

Mr. GIBBONS. I don't think that this gives you a picture of it.

Mr. KENNEDY. You can go on to explain it, Mr. Gibbons.

Mr. GIBBONS. Very well. The answer is that I did not pay for it.

Mr. KENNEDY. How much work did they do?

Mr. GIBBONS. I don't know of my own knowledge how much work. (Witness consulted his counsel.)

Mr. GIBBONS. We heard there was \$3,600.

Mr. KENNEDY. That is about what we have. We have \$3,546.17.

Mr. GIBBONS. Yes.

Mr. KENNEDY. Did you want to explain that?

Mr. GIBBONS. Yes; I would like to comment on it.

Mr. KENNEDY. That was the Upholsterers Union?

Mr. GIBBONS. Yes, Upholsterers International Union. The explanation for it is that they walked into my home and viewed the home and I don't happen to be a wealthy person. I don't believe at that time I had a single new stick of furniture in my home. What furniture I had was secondhand furniture. What furniture I had was not in the best shape. Mr. Reimshart, the international president, took a look at it and decided that this might be an appropriate form for a gift to take in this instance. They said they were going to get me some furniture. It turned out that they put rugs on the floors and did quite an extensive job, some \$3,000, but this was not at my seeking. This was even without my knowledge in terms of the volume of it.

But it was a gift from another trade union to me. This incidentally, as you probably are well aware, as soon as I received it, a full payment was attached to my next income-tax report, saying that I had a gift by the International Upholsterers Union, market value unknown, constituting redecorating and refurnishing of his home. Taxpayer has never been employed by the Upholsterers Union and has rendered no services to that international union. Taxpayer consulted an attorney, Stanley Rosenblum, concerning the taxability of these gifts. Based on Mr. Rosenblum's opinion—cuff links, but this does not have to do with that—based on the same written opinion by Mr. Rosenblum that the upholsterers' gift is not income because no services were ever in fact rendered to that union, taxpayer has not been so employed and taxpayer is not included whatever at its market value. This has been attached to my income tax and has been filed and the question has never been raised since.

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

Mr. KENNEDY. The Central Conference of Teamsters had some financial transactions with the Upholsterers Union?

Mr. GIBBONS. Some 2 years later, I understand that the international union entered into a national pact with the Upholsterers Union, and the central conference, as in the instance of every section of our international union, worked with the Upholsterers Union on various and sundry organizing projects.

But I can assure you, Mr. Kennedy, there was no tie-in between the two.

Mr. KENNEDY. And they advanced some money, did they?

Mr. GIBBONS. Well, there was an exchange of money. We had a joint organizing campaign and both the international unions put up money.

Mr. KENNEDY. As I understand, they donated to an organizational drive and then loaned them \$25,000 in November of 1956.

Mr. GIBBONS. It is still on our books as a loan, Mr. Kennedy, you will probably find. You have examined the books. It is still there. It will be repaid. It is a common, ordinary occurrence between two international unions.

Mr. KENNEDY. When you went to Europe in 1950, Mr. Gibbons, you went in the summer of 1950, was it?

Mr. GIBBONS. I believe so, in the spring.

Mr. KENNEDY. You had a going-away party, did you, on July 24?

Mr. GIBBONS. Yes; I think so.

Mr. KENNEDY. Did you take Mr. San Soucie to the doctor that night?

Mr. GIBBONS. No; I never took Mr. San Soucie to any doctor that night to my knowledge.

Mr. KENNEDY. Did you take him any time to the doctor after he got burned?

Mr. GIBBONS. I don't even identify that night with his being burnt.

Mr. KENNEDY. Well, did you take him to the doctor the night he got burnt?

Mr. GIBBONS. I have no recollection of taking Mr. San Soucie to a doctor on any occasion, including the night on which he was burned.

Mr. KENNEDY. Did you take Mr. San Soucie to Dr. Richmond shortly after he was burned?

Mr. GIBBONS. Let me consult with my counsel.

Mr. KENNEDY. Yes.

(The witness conferred with his counsel.)

Mr. GIBBONS. To the best of my recollection, Mr. Kennedy, I did not take Mr. San Soucie to Dr. Richmond or any doctor the night he was burned.

Mr. KENNEDY. Well, did you take him to the doctor in connection with his burn?

Mr. GIBBONS. Not that I can recall. On no occasion did I ever take Gene San Soucie to a doctor.

Mr. KENNEDY. Did you ever take Gene San Soucie to Dr. Richmond?

Mr. GIBBONS. I think I answered that question before. But again let me repeat. I do not recall ever having taken Gene San Soucie to Dr. Richmond.

Senator IVES. May I interrupt there a moment?

I wish the witness would be a little more explicit. After all is said and done, I think you would know whether you took San Soucie or not to this particular doctor, Dr. Richmond.

Mr. KENNEDY. The information that we have definitely is that Mr. Gibbons took Mr. San Soucie to Dr. Richmond in connection with burns that Mr. San Soucie had received during 1950. This was in the summer of 1950.

Mr. GIBBONS. What information have you on such an incident, Mr. Kennedy?

Mr. KENNEDY. We have it from officials in St. Louis.

Mr. GIBBONS. What officials?

Mr. KENNEDY. I am trying to get the information from you.

Mr. GIBBONS. Well, if I had contact with officials, it may be just the thing I need to refresh my memory.

If you are working with some documents up there——

Mr. KENNEDY. All you need to refresh your recollection is that it was Dr. Richmond, and it was Mr. San Soucie who was burned, and it was in the summer of 1950.

Senator IVES. That either is or it isn't. Can you say so?

Mr. KENNEDY. It was at night, and I believe it was the night of your farewell party.

Mr. PREVIAINT. Mr. Chairman, I suggest that if the staff has information which would be helpful to the committee, they should present the information and let Mr. Gibbons comment on it if it restores his recollection in any way. But it is certainly not fair to say, "We got it, now you guess at it."

Mr. KENNEDY. I gave him all the facts. Now I am trying to find out whether he did it or not.

The CHAIRMAN. The time is sufficiently identified.

Mr. PREVIAINT. There has been no time identified, if the chairman please.

The CHAIRMAN. The summer of 1950.

Mr. PREVIAINT. I am sorry. I did not hear that.

Mr. KENNEDY. Yes.

The CHAIRMAN. And we think it was about the night of his going-away party. He also names the doctor, and also associates the burns.

Mr. GIBBONS. Was this doctor at the party?

The CHAIRMAN. Was what?

Mr. GIBBONS. Was this doctor at the party?

The CHAIRMAN. I don't know. I sure was not there. I wouldn't know that.

Senator IVES. Was he?

Mr. GIBBONS. I am trying——

Senator IVES. Was he there?

Mr. GIBBONS. I am trying to find out myself, Senator.

Senator IVES. You don't know, then?

Mr. GIBBONS. This is 8 years ago.

Senator IVES. I think you would know definitely, wouldn't you, if you took somebody who had been burned to a doctor?

I think you have a better memory than not to know, or to say to the best of your recollection. What does that mean? It does not mean anything.

Mr. GIBBONS. I will say flatly to you I do not recall——

Senator IVES. Say no, if you did not do it.

Mr. GIBBONS. I do not recall ever taking Gene San Soucie to that doctor. Again I say to you I am not going to testify to a certainty about something that I cannot recollect.

Mr. KENNEDY. The reason it is of interest to us is that we have had testimony that there were a number of arsons in connection with some of the unions that you were associated with. We had testimony about Mr. San Soucie's watch being found at the bottom of a window at a time that there had been some phosphorus crystals thrown into this place of business, and that he had reported to the doctor that he had been burned. What I wanted to find out from you is whether it was, in fact, correct, that you took him to a doctor, and the second question would be where he got his burn.

Mr. GIBBONS. Well, if you can specify the doctor and everything you can, you specify a doctor, you may very well have something there which would help me refresh my memory.

Mr. KENNEDY. I have refreshed your recollection. I told you it was—well, I did not tell you this.

The CHAIRMAN. Just a moment. I know the nature of the information that the committee has. I did not know it when the question first began. The nature of the information is such that it would not aid you in this.

Mr. GIBBONS. It would not?

The CHAIRMAN. It would not.

Mr. GIBBONS. Then there is no point in giving it to me then.

All I can say, Senator, on this question is that I do not recall ever having taken Gene San Soucie to a doctor for burns or any other purpose.

The CHAIRMAN. All right. Do you know when he got burned? Do you remember that?

Mr. GIBBONS. No; I don't remember when he got burned.

The CHAIRMAN. You don't recall the occasion when he was suffering with burns?

Mr. GIBBONS. No; I don't.

The CHAIRMAN. You have no recollection of it?

Mr. GIBBONS. No, sir; I don't.

The CHAIRMAN. And no recollection of having administered to him or assisted him in any way in getting to a doctor?

Mr. GIBBONS. No, sir; I do not have any recollection of such.

The CHAIRMAN. I am advised now it was June 24, about 1 a. m. in the morning. Will that be of any help to you?

What is this doctor's name?

Mr. KENNEDY. Dr. Richmond.

Mr. GIBBONS. No; this does not help me at all.

The CHAIRMAN. Is that the night of your farewell party, June 24?

Mr. GIBBONS. I wouldn't know that, but it is perfectly possible that was the night.

I certainly could not be expected to remember that.

The CHAIRMAN. Do you recall any incidents that occurred that night with respect to arson, or bombings?

Mr. GIBBONS. No, sir; I recall no such arson or bombings on that particular occasion.

The CHAIRMAN. The Adler Manufacturing Co. is where this occurred.

Mr. GIBBONS. I don't recall any incident where the Adler bombing company—or Adler Co., was burned?

The CHAIRMAN. All right. The witness can't remember.

Proceed.

Senator IVES. Do you know Dr. Richmond?

Mr. GIBBONS. Yes, I do.

Senator IVES. By golly, at last we got a contact. Then we could check with him, couldn't we?

Mr. GIBBONS. You certainly could.

Senator IVES. Will you do that, Mr. Counsel?

Mr. GIBBONS. He testified against me in the grand jury, for your information further.

Senator IVES. Did he?

Mr. GIBBONS. Yes. He said I stole, but he couldn't figure out how.

Mr. KENNEDY. Mr. Gibbons, do you know Mr. Harry Karsh?

Mr. GIBBONS. Yes, I know Harry Karsh.

Mr. KENNEDY. Did you have anything to do with his obtaining a charter from the Teamsters Union?

Mr. GIBBONS. I believe I did.

Mr. KENNEDY. Did you recommend him?

Mr. GIBBONS. I didn't recommend that Harry Karsh get a charter as such. I remembered the issuance of a charter in the field of carnivals and circuses. Subsequent to the issuance of such a charter, Harold Karsh was employed.

Mr. KENNEDY. Did you understand that Mr. Karsh was to obtain that charter?

Mr. GIBBONS. No. I don't believe he ever did obtain that charter, as such.

Mr. KENNEDY. Well, that he was to go to work and attempt to organize?

Mr. GIBBONS. No. I put him on the job.

Mr. KENNEDY. Did you know—

Mr. GIBBONS. I am pretty sure I did.

Mr. KENNEDY. Did you know of his background and difficulty that he had had?

Mr. GIBBONS. I knew of his background.

Mr. KENNEDY. You knew of his difficulties during the 1940's?

Mr. GIBBONS. What difficulties did he have in the 1940's?

Mr. KENNEDY. According to the information, the testimony that we have, of an affidavit that was placed in the record, he had had some difficulty back in 1942, and he was expelled from the A. F. of L., or he was asked to withdraw from the A. F. of L.

Mr. GIBBONS. Whose affidavit was that, Mr. Kennedy?

Mr. KENNEDY. Do you know anything about that, Mr. Gibbons?

Mr. GIBBONS. No, and I don't think it ever happened, Mr. Kennedy.

Mr. KENNEDY. You don't think it ever happened?

Mr. GIBBONS. No.

Mr. KENNEDY. What was his experiences during the 1940's? What was he doing during the 1940's?

Mr. GIBBONS. I never knew Harry Karsh in the 1940's.

Mr. KENNEDY. Well, do you know whether he had difficulty with the A. F. of L.?

Mr. GIBBONS. I questioned him closely on his difficulties, his work, and his experiences, and his relationships before I put him on the payroll.

Mr. KENNEDY. And he never made mention of the fact that he had had this difficulty?

Mr. GIBBONS. No.

Mr. KENNEDY. You knew he worked for the Jewelry Workers during the early 1950's?

Mr. GIBBONS. I knew that he was an organizer for the Jewelry Workers in this same field.

Mr. KENNEDY. Did you know of his experiences with the Jewelry Workers, or the Jewelry Workers' experience with him? The charges that were made against him?

Mr. GIBBONS. I did not know of any charges made against Harry Karsh.

Mr. KENNEDY. You don't know to this day of the charges?

Mr. GIBBONS. Of any charges made by the Jewelry Workers against Harry Karsh?

Mr. KENNEDY. Not the Jewelry Workers, but charges in connection with the organizational drives of Harry Karsh.

Mr. GIBBONS. Who made these charges?

I am not aware of any charges made against Harry Karsh.

Mr. KENNEDY. We have them here in the record. We placed them in the record.

Mr. GIBBONS. I asked you who made them and what they consist of.

Mr. KENNEDY. Well, that he was trying to force and did force workers in carnivals by methods not normal.

Mr. GIBBONS. This is a matter of sheer opinion, Mr. Kennedy.

Mr. KENNEDY. We had testimony before this committee that amply supports the situation.

Mr. GIBBONS. From a credible source, like an employer he was trying to organize, I suspect.

Mr. KENNEDY. Yes.

Mr. GIBBONS. I am sorry, but I can't give that too much credence.

The CHAIRMAN. In other words, you don't give too much credit to a businessman for having too much integrity?

Mr. GIBBONS. I respect businessmen for having every bit of integrity as any other section.

The CHAIRMAN. You said it was from an employer—

Mr. GIBBONS. I said when it comes to an employer who is under organization, it is generally that he hates the guy who is organizing him.

The CHAIRMAN. That is sometimes mutual?

Mr. GIBBONS. Yes, I would say that, too.

Mr. KENNEDY. Then, of course, Mr. Chairman, we not only have the employer, but we have the union officials themselves, Mr. George Meany. He sought a charter for a local and proceeded to organize by strong-arm methods, carnivals, fairs, and amusement park employees.

Mr. GIBBONS. Is this in the form of a sworn affidavit?

Mr. KENNEDY. These are the charges that were made at that time, and it was amply supported by the testimony we had before the committee. You have union officials and you have the employers.

Mr. GIBBONS. Mr. Kennedy, if you have union officials, it seems to me—

Mr. KENNEDY. And we have a lawyer, a third person.

Mr. GIBBONS. It seems to me if there is credible testimony here from union officials, there is no secret about it. Tell me where, when, how, and why. I don't know whether you got any testimony from George Meany on this man. If you have, identify it for me. That is all I am asking.

Mr. KENNEDY. Mr. Gibbons, you were here all last week. You know where the testimony came from.

Mr. GIBBONS. I heard a bunch of employers here, Mr. Kennedy, who I can immediately dismiss on the basis of they were fighting viciously against organization of their employees.

Mr. KENNEDY. You don't like police officers, you don't like employers.

Mr. GIBBONS. This isn't so. This is not so.

Mr. KENNEDY. I think you are typing yourself.

Mr. GIBBONS. I am not typing myself, and I am not going to permit you to type me either, Mr. Kennedy, without at least resisting.

The CHAIRMAN. All right, we are all typing each other.

Mr. GIBBONS. I am sorry, Senator, if I am out of line on that.

The CHAIRMAN. Here is "Exhibit 91, Minutes of a Meeting of the Executive Board of the American Federation of Labor," I believe.

That is some of the proof with respect to this man Karsh.

(The document was handed to the witness.)

(The witness conferred with his counsel.)

Mr. GIBBONS. Was this excerpt checked with Meany as to accuracy? It so happens that Harry Karsh talked with Mr. Meany about this situation.

Mr. KENNEDY. It so happens what?

Mr. GIBBONS. That Harry Karsh talked with Mr. Meany about this situation, and Mr. Meany assured him that he never said anything wrong about him.

Mr. KENNEDY. I will say this, Mr. Gibbons, that we had this statement, and it was amply supported by the testimony. We have some affidavits from employees. Would that be sufficient for you? We have the employers, we have the statement that Mr. Meany made at the time as related, and we have affidavits from employees regarding

Mr. Karsh's activities. Mr. Karsh comes before the committee and takes the fifth amendment.

Mr. GIBBONS. What is the question again, Mr. Kennedy?

Mr. KENNEDY. I am asking you if you looked in to all of this and were interested in it when you suggested or gave Mr. Karsh this position with the Teamsters?

Mr. GIBBONS. When I gave Karsh his position with the Teamsters, I had some direct knowledge of the type of person he was, No. 1.

Mr. KENNEDY. Did you have this information?

Mr. GIBBONS. No; I did not have this information.

Mr. KENNEDY. Did you go out and investigate to see what his organizational activities had been?

Mr. GIBBONS. Mr. Kennedy, I don't have the staff you have, to go out and investigate people. I did check him on his background with the A. F. of L. He assured me that it was perfectly all right. There was a question raised by Mr. Meany, and that he did go and see Mr. Meany and Mr. Meany denied saying anything derogatory about Harry Karsh. These are the facts as I had them when I put the man on the payroll.

Mr. KENNEDY. Did you check with Mr. Meany?

Mr. GIBBONS. No; I did not.

Mr. KENNEDY. So you checked with Mr. Harry Karsh, and he said he was completely clear, and then you put him to work. Is that correct?

Mr. GIBBONS. That plus the fact that I had worked with him for some years when he was a staff member of my own union.

The CHAIRMAN. I have here an affidavit from one Charles Carpenter. I will read some of the pertinent parts of it.

The affidavit and the union card attached to it, issued to him, in his name, may be printed in the record at this point.

(The document referred to follows:)

AFFIDAVIT

JUNE 11, 1958.

STATE OF MICHIGAN,

County of Wayne, ss:

I, Charles Carpenter, voluntarily make this statement to Irwin Langenbacher, who has identified himself as assistant counsel, United States Senate Select Committee on Improper Activities in the Labor or Management Field.

I am a carnival worker employed by The World of Pleasure, Box 349, York, Ala. My winter address is Route 1, Box 115, Ruskin, Fla.

In June of 1952 I was employed by the W. G. Wade Shows as a ride manager when Harry Karsh came to Kalamazoo, Mich., in an attempt to organize the carnival employees into local 450 of the Jewelry Workers' Union.

He called a meeting in the girls' show tent, attended by the carnival's employees, about 20 or 22 in number. He stated that we would have to join the union or the show would not move off the lot. He said we would not be permitted to work if we did not join, and said that he would see to it that we did not tear down the equipment in order to move the show. Everyone present refused to join.

W. G. Wade, Sr., since deceased, was the owner of the show and after the meeting he signed a contract with Karsh. Karsh then called a second meeting of the employees, at which meeting I was barred because I had opposed him at the first meeting.

The employees also refused to join at this second meeting. At that time Mr. Wade paid our dues to Karsh for 1 month at \$4 a month, but we told him we would quit the show if the \$4 was taken from our pay.

Karsh turned in union cards for each of us to the office and the office distributed them to us. The union dues were never deducted from our pay, and we have never heard from Karsh again. The dues were paid by the management for only 1 month. The contract did not provide for a welfare plan or any benefits for the employees.

I have read the above statement and it is true to the best of my present recollection.

CHARLES CARPENTER.

Sworn to and subscribed before me this 12th day of June 1958.

WILLIAM B. WARD,
Notary Public.

Mr. KENNEDY. That is an employee.

Mr. GIBBONS. Under the Teamster contract, I assure you they do provide for the welfare programs.

(At this point, members of the committee present: Senators McClellan and Ives.)

The CHAIRMAN. The thing I get concerned about is this: Is that a legitimate method of organizing employees?

Mr. GIBBONS. If this be true, assuming it is true, it is not a legitimate way of operating on behalf of a union.

The CHAIRMAN. Wouldn't you condemn that sort of practice?

Mr. GIBBONS. I have been organizing for many years, and I have not found it necessary to do that, and I would say this is not the proper way to do it.

The CHAIRMAN. Wouldn't you condemn it?

Mr. GIBBONS. Yes; if it were true. I would say, yes.

The CHAIRMAN. I am not condemning something false. I am asking you to condemn what is true.

Mr. GIBBONS. I don't know what kind of union you build on that kind of a basis.

The CHAIRMAN. I don't either. It looks to me like a racket. He gets the dues for 1 month from the employer and that ends it. He gets his payoff and is gone. That is the way it looks on the face of it.

All right, proceed.

Senator IVES. Mr. Chairman, I would like to ask Mr. Gibbons about something else. I take it he tries to be fair in his organizing methods from what he stated. I don't quite agree with him, in fact I don't agree with him at all in his procedure when it comes to strikes. This is neither here nor there. What I want to point out is the fact that I happen to know a young man who when he was in college was a member of a small orchestra that started touring the country and had in the prior 2 or 3 years, the same group of young men, without any particular trouble. They toured in their own private cars.

But in the final year they decided to get a little truck to carry their instruments and then just use the one car. I think there were five of them and they could easily do that. It so happened that in every community they went they were approached by representatives of the Teamsters and forced to join.

Do you know anything about a situation that would require that in the Teamsters? Some of this occurred within your domain.

Mr. GIBBONS. What years were these?

Senator IVES. This is back before the war. This is a number of years ago. But I take it you were in the Teamsters at that time?

Mr. GIBBONS. No; I wasn't.

Senator IVES. Where were you?

Mr. GIBBONS. At the time of the war I was a regional director in charge of St. Louis for the United Retail Wholesale and Department Employees, CIO.

Senator IVES. You would not approve of that, anything like that, concerning a group of college fellows who had a little truck carrying instruments. You would not approve of them being forced to join the Teamsters just to cart around their instruments?

Mr. GIBBONS. I can't visualize approving any such thing.

Senator IVES. I can't imagine anyone with any sense approving it. It is a racket.

Mr. GIBBONS. The thing you have to understand about this carnival business is that you get an affidavit from one person who may have been antiunion, and it is his right, and suddenly he makes an affidavit that he knows everything in the minds of everybody in the tent in that meeting.

It is very difficult to know whether everybody is for or against a union because there is always a threat of being fired if your own desires in relationship to a union become known to an employer. It is very difficult. I would question strenuously that any one individual who gave that affidavit would have in his possession the full knowledge of what the attitude of the majority of those people were.

Senator IVES. I am not talking about that.

Mr. GIBBONS. Harry Karsh in that instance may have well have been saying as well as being instructed by the people there that this show will not move because we will not work and pull it out of it. This may have been the basis for it. I am not saying it is.

Senator IVES. I am telling you about these young college people, something I know about myself, because my stepson happened to be one of them.

Mr. GIBBONS. I don't know about that.

Senator IVES. I do and it was the Teamsters that did it.

Mr. GIBBONS. I am pretty sure it doesn't happen in the Teamsters today.

Senator IVES. I wish you would check on that and find out if anything like that is happening today because I have confidence that you could stop it.

Mr. GIBBONS. If it came to my knowledge it would be stopped or I would make all the efforts possible to stop it.

Senator IVES. Thank you.

Mr. KENNEDY. Was there an election held amongst the employees of these carnivals after Mr. Karsh became the head of the union or began operating the union? Was there an election held as to whether these employees wished to join the union?

Mr. GIBBONS. There is at least three legitimate ways to gain an election. I think in the case of the carnivals there was no election held.

Mr. KENNEDY. I can understand that they can sign the contract. That was the procedure we went into, and that was the procedure he was using in 1952 about which we had the testimony, that he would just come in to the employer and tell him that he wanted to sign a contract.

Mr. GIBBONS. There is another reason if you are going to discuss elections.

Mr. KENNEDY. Wait a minute. For instance, we have the attorney here who testified that he came in and said that he just wanted to sign

the contract. I asked him, at page 2627, whether or not he would not sit down and discuss the matter with the employees and the owner, and he said he couldn't waste time doing that because he had the owner where he wanted him and he was not going to let him off. He could not unload the railroad cars until Monday.

Mr. GIBBONS. Whose testimony is this?

Mr. KENNEDY. Mr. Hines. He is an attorney. He says, at page 2628:

I told Mr. Karsh that his suggestion, since he did not represent any of the employees, was a violation of the Taft-Hartley Act and was certainly not proper in any manner. His reply was that he didn't give a damn for the Taft-Hartley Act and that he had the employer where he wanted him and he wasn't going to let him go.

They ran through those individuals or employers who were organized while he was with the carnival workers as well as with the Teamsters.

Mr. GIBBONS. You are aware of the fact that in terms of elections that Taft-Hartley will not conduct elections in this particular field. You know the Taft-Hartley does not apply.

Mr. KENNEDY. I know the National Labor Relations Board does not apply.

Mr. GIBBONS. That is right. No. 2, Mr. Karsh or no other labor organizer is going to tell a company attorney how many he represents. If he is going to tell him anything as a matter of protection for the people involved he will tell them I don't represent anybody. This has nothing to do with the facts in the case. It so happens that the great obstacle to organizing in this country is the fear of discharge that is in the minds of every worker when you approach him to join a union.

Mr. KENNEDY. Then we had the situation of the Barnum & Bailey up in New York. There was a court case on it, and the Teamsters there didn't claim to represent any of the employees, Mr. Gibbons.

Mr. GIBBONS. At that point we may not have been representing the majority or any member on it. We wanted to, in that particular instance, picketing, probably just protesting the nonunion conditions and the horrible conditions under which these men were living. Sleeping in cells with animals and getting maybe \$20 or \$25 a month wages.

Mr. KENNEDY. It just appears that the employees themselves should have a right to decide whether they want to belong to the Teamsters Union. Under the methods that were used by Mr. Karsh in 1952 and used by Mr. Karsh under direction in 1956, this procedure was not followed.

Mr. GIBBONS. Mr. Kennedy, you have no evidence of the fact that this was true. You have no evidence whether or not Mr. Karsh did represent as a matter of fact the employees.

Mr. KENNEDY. I will tell you the evidence. I have the evidence in the Barnum & Bailey Circus when they went before the court.

Mr. GIBBONS. Did you know at that particular moment whether we were seeking recognition or just advertising the fact that the conditions were so bad.

Mr. KENNEDY. You were picketing. You were anxious to sign a contract with Barnum & Bailey Circus because you and Mr. Hoffa met with Mr. North.

Mr. GIBBONS. This was a different time and place. Picketing comes under the matter of free speech and advertising.

Mr. KENNEDY. This took place after your conversation with Mr. North?

Mr. GIBBONS. That is correct. When we talked with Mr. North we probably represented the overwhelming majority of those people.

Mr. KENNEDY. Then you lost them all?

Mr. GIBBONS. This happens every time you organize a plant—or don't you know about this—I can organize a plant 99 percent, and 4 days later, when the employer gets through threatening people, I wind up with nobody.

Mr. KENNEDY. Are you testifying that is what happened?

Mr. GIBBONS. No; I testify to the fact that what you are saying is not necessarily true. I am pointing out the inadequacies of these generalizations you are engaging in.

Mr. KENNEDY. I am telling you what the specifics are.

Mr. GIBBONS. You are not in touch with reality when you talk that way.

Mr. KENNEDY. We have the testimony of a number of different individuals that the Teamsters came in attempting to sign a contract without any consultation with the employees, and that they never requested a vote. Specifically, we had the case of Mr. Christiani, and a number of other cases. As far as your knowledge of it is concerned, we have the meeting that you and Mr. Hoffa had with Mr. North in Miami, Fla., and then the situation immediately following that in New York City, where the picketing started.

Mr. GIBBONS. I go back again to the fact that what testimony you have here comes from prejudiced sources not subject to cross-examination; there were no normal rules of evidence applied against it. The credibility of the witnesses is very questionable in those cases.

The CHAIRMAN. Would you say you are from an impartial source?

Mr. GIBBONS. No, sir. I am 100 percent over on the side of the workers, Mr. McClellan.

The CHAIRMAN. Shall we weigh your testimony in the same light you ask us to weigh the testimony of employees?

Mr. GIBBONS. I think you certainly should. I am under cross-examination. I have a long reputation as far as credibility goes.

The CHAIRMAN. But you challenge that of others without knowing them.

Mr. GIBBONS. I say in this situation, Senator, with some of the people he has brought here to testify to the facts I would raise serious questions as to the credibility.

The CHAIRMAN. Including the St. Louis police?

Mr. GIBBONS. Including the St. Louis police officers, the particular ones you had here. The rest of the police force I am not casting any aspersions.

The CHAIRMAN. I didn't hear you make any exceptions in your testimony.

Mr. GIBBONS. It must have been in a heated moment. I was talking about that section of the police force I had contact with. I and our union has suffered much at the hands of the police force of St. Louis.

Incidentally, it now happens to be under some excellent and fine leadership with the new police board put in. The things I say about the police force I told Mr. Long, the chairman of the police board, and I told on repeated occasions to these other gentlemen who testi-

fied here. I have documentary evidence here which casts great doubts whether they are entitled to be called fine police officers.

It comes not from Mr. Gibbons but from the finest citizens of the city of St. Louis and the document is here for the perusal of the committee.

The CHAIRMAN. I don't know where we will find any witnesses that will please you.

Mr. GIBBONS. I don't think it is a question of the tests and procedures that you follow here that concern me greatly.

The CHAIRMAN. All right, let us proceed.

Mr. KENNEDY. We have the employers, we have the union officials always, we have the police, and we have the employees. We have all of those people.

The CHAIRMAN. It is not necessary to exhaust it any further.

Mr. KENNEDY. What about the election of 1958. You were running for president of the joint council?

Mr. GIBBONS. Yes.

Mr. KENNEDY. You made arrangements to appoint some individuals to be the officers of the joint council.

Mr. GIBBONS. I don't believe I had anything to do with the appointments.

Mr. KENNEDY. Mr. Gibbons, if this local was considered to be a part of the joint council, why hadn't steps been taken to see that their per capita dues had been paid up on time?

Mr. GIBBONS. It was very simple, Mr. Kennedy. This local was chartered and from that date to this it has been literally totally subsidized by the Central Conference of Teamsters. It would be a little bit ridiculous in the early stages of the organizations to take money out of one pocket and put it in the other. Therefore, we did not take the money out of the carnival workers and put it in the joint council.

That is the only reason why they were not paying per capita tax to the joint council. It was a totally subsidized deal and always under a heavy deficit.

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

Mr. KENNEDY. When the officers running against you requested the names of the delegates, did you give them the names of the delegates from local 447?

Mr. GIBBONS. No, I did not. To the best of my knowledge, I did not. That is until I supplied every one of the locals with a written list of all of the delegates to the joint council who were eligible to vote in that particular election.

Mr. KENNEDY. And when they requested it, you did not supply the names to them?

Mr. GIBBONS. No, not when they requested it. The names would have been of little moment to them, well, the names of the 447, you are right; no, I did not. I may not have at the moment they asked me even have it in my possession.

Mr. KENNEDY. What about the names of the other delegates?

Mr. GIBBONS. The other delegates? The names were supplied in advance of the voting, but not otherwise.

Mr. KENNEDY. The testimony that we had was that it was either the day before the voting or the day of the voting.

Mr. GIBBONS. Yes, about 48 hours in advance.

Mr. KENNEDY. No, they said either the day of the voting or the day before the voting.

Mr. GIBBONS. Well, it was in advance of it. I believe it was all mailed out.

Mr. KENNEDY. Did you send a letter to all of the delegates?

Mr. GIBBONS. Yes, I did.

Mr. KENNEDY. When did you send your letter out?

Mr. GIBBONS. Probably a week in advance.

Mr. KENNEDY. You got the names for your use but they could not get the names?

Mr. GIBBONS. No. I got the names and I invited them to get their names the way I got mine, because names are no value to you when you mail. You have to have addresses. The addresses were not available in the joint council's office to me, and I had people on the telephone calling the various locals to get the addresses. I got the addresses. When they raised a question with me, I said "You do as I did. Get on the telephones and call these locals and if these secretary-treasurers responsible for the organizations want to give them to you, they will give them to you."

In my case, when I called, they were happy to give them to me, and I used them.

Mr. KENNEDY. Even the opposition?

Mr. GIBBONS. The opposition, yes, sir.

Mr. KENNEDY. You knew the delegates representing these locals were sending their names in.

Mr. GIBBONS. Yes, but I had no addresses.

Mr. KENNEDY. But you got the names.

Mr. GIBBONS. Of course, I got the names, but they were no value in sending a letter out.

Mr. KENNEDY. These men running against you asked for the names of the delegates.

Mr. GIBBONS. A telephone call was all they needed.

Mr. KENNEDY. Why didn't you give them the same information you had?

Mr. GIBBONS. Why didn't I?

Mr. KENNEDY. Yes. You were talking about what you believe in democracy. I am asking why you did not give them the same information you had.

Mr. GIBBONS. In this particular instance as far as giving the names, they got the names compiled in this fashion that I have in my hand here at the same time I got them.

Mr. KENNEDY. You had the name of the delegates, you had the names when the various locals sent them in.

Mr. GIBBONS. I got them in advance by the process of picking up the telephone and calling and I advised them to do likewise if they wanted the names.

Mr. KENNEDY. At whose expense were you calling these people?

Mr. GIBBONS. I was calling on the telephone in the joint council. It may have been paid by 688, it may have been paid by the joint council, it may have been paid by the Central Conference, it may have been paid by the International Union.

Mr. KENNEDY. Who was doing the telephoning for you?

Mr. GIBBONS. Probably my secretary.

Mr. KENNEDY. She was?

Mr. GIBBONS. Yes.

Mr. KENNEDY. What was her name?

Mr. GIBBONS. Well, I don't know exactly which one did it. It may have been one of the staff guys that did it.

Mr. KENNEDY. You instructed somebody to do it for you?

Mr. GIBBONS. Yes.

Mr. KENNEDY. Who did you instruct?

Mr. GIBBONS. At the point when I instructed them or told them, I don't know which one picked them up.

Mr. KENNEDY. Who did you instruct?

Mr. GIBBONS. I didn't instruct anyone particularly. I simply said "Let's get together." It may not have taken place in my office. It may have been one of the guys on my slate who went and did the job, Mr. Kennedy.

Mr. KENNEDY. We had the testimony that you had these names, you sent out a letter, the opposition requested the names of the delegates, and they weren't able to get them from you.

Mr. GIBBONS. That is very fine testimony, then. But I am telling you as I handled the situation, and the basis on which I handled it, and how I managed to handle it.

The CHAIRMAN. Mr. Gibbons, if you were using the telephone and charging the calls to the union, don't you think they certainly were entitled to the information, because you were paying for the calls out of union money?

Mr. GIBBONS. I think it was out of my own local union, Mr. Senator. Probably out of 688's money, which was actively supporting me for the presidency.

The CHAIRMAN. I thought you just mentioned four different telephones.

Mr. GIBBONS. That is right. It may have been any one of them. It was probably 688.

It may have been another local union, as I say, someone on my slate. I am not too certain. Maybe I made a mistake in holding out on it. I am not going to quarrel with that. But we have asked Mr. Kennedy for certain information from the files which he has taken from us, and I understand he has turned us down on that.

The CHAIRMAN. What information?

Mr. ROSENBLUM. A request was made Saturday for the minutes of the joint council of June. Mr. Bellino turned us down.

Mr. GIBBONS. We wanted it so I could more competently testify.

Mr. KENNEDY. We did not have them at that time. You did not request them from me.

Mr. ROSENBLUM. Mr. Eickmeyer; the answer was that "Mr. Bellino says 'No'."

Mr. KENNEDY. We did not have them at the time. I will tell you the reason we did not have them.

The minutes of the particular day for the seating of the delegates from local 447 are on different kinds of paper from any of the other minutes. It is a different kind of typing from any of the other minutes. We are having it checked to determine whether they are, in fact, the true minutes and whether they were typed at that particular time.

Mr. GIBBONS. When did you seize the minutes?

Mr. ROSENBLUM. This is the following month, June.

Mr. KENNEDY. We are having it checked for comparisons.

Mr. ROSENBLUM. It would have been nice to have had them.

Mr. KENNEDY. We did not have them.

I might ask you, are all those minutes received true and accurate minutes?

Mr. GIBBONS. They certainly are true and accurate minutes to the best of my knowledge, Mr. Kennedy. I don't make them up. But to say otherwise would be to cast reflections either on Charlie Grogan who makes up 90 percent of the minutes or some little girl that typed them. I am not prepared to cast reflection on any one of those people.

Mr. KENNEDY. He didn't type those. We checked that. He said they must have been typed by somebody else.

Mr. GIBBONS. Who said this?

Mr. KENNEDY. Mr. Grogan.

Mr. GIBBONS. I have him here testifying to the fact—

I don't want the record to show that I denied that those are my minutes or that I even denied being at the meeting when they were taken.

Mr. KENNEDY. Do you know that he did type them, in fact?

Mr. GIBBONS. No, I wouldn't know.

I don't know if he ever typed a set of minutes in his life or who in his office typed those minutes.

Mr. KENNEDY. Do you know if these minutes that have been turned over to us are the true and accurate minutes?

Mr. GIBBONS. Are those the minutes that you got from my office?

Mr. KENNEDY. Yes.

Mr. GIBBONS. I will tell you this. At no time in my office was any minute deliberately altered for the purpose of falsification. I will testify flatly to that.

Mr. KENNEDY. Did anyone add any minutes to the minutes we received?

Mr. GIBBONS. This, I would say to you, falls under the classification of altering, and none of that took place in my office for illegal purposes or for less than honorable purposes.

Mr. KENNEDY. Do you have any knowledge that any of the minutes were altered?

Mr. GIBBONS. No, I certainly have no knowledge that they were altered. In fact, I have never even heard that question raised in the years that I have been with the Joint Council.

(The witness conferred with his counsel.)

Mr. GIBBONS. As a matter of fact, when did you seize those minutes, Mr. Kennedy?

Mr. KENNEDY. We don't know when the date was.

Mr. GIBBONS. If my memory serves me right, you seized those 8 months before there was ever an election held, and long before I had determined in my own mind that there should be an election held. Maybe 3 or 4 months. It would be very difficult for me to mix up the minutes. I certainly could not figure 3 months in advance that I am going to have the tight election in St. Louis.

Mr. KENNEDY. Well, we are having them checked. We will have a report on it.

I would like to ask you: How were these officers appointed for local 447, Mr. Gibbons?

Mr. GIBBONS. How were they appointed? I believe that Mr. Karsh submitted a list of people who, in his estimation, would serve competently in that capacity.

Mr. KENNEDY. To whom did he submit that list?

Mr. GIBBONS. I believe it submitted it to vice president Hoffa, at that time, who was a trustee of the local.

Mr. KENNEDY. And Mr. Hoffa appointed these individuals?

Mr. GIBBONS. Mr. Hoffa appointed these.

Mr. KENNEDY. Do you know when that was done?

Mr. GIBBONS. Well, it was right immediately preceding the actual election itself, Mr. Kennedy. I would say maybe 3 or 4 weeks before. Maybe 6 weeks.

Mr. KENNEDY. For at least 6 months during this period of time, I believe 1955-56, the local union had become over 6 months in arrears for their per capita tax.

Mr. GIBBONS. Right.

Mr. KENNEDY. And they had——

Mr. GIBBONS. They had never paid per capita tax up to that time, so they were far more than 6 months in arrears.

Mr. KENNEDY. This is the international. There is a penalty in the international constitution that states——

Should a local union become 6 months in arrears for per capita tax, their charter shall stand revoked.

Mr. GIBBONS. What constitution are you reading from, the new or the old?

Mr. KENNEDY. The 1952 constitution. The same provision is in the 1957.

Mr. GIBBONS. Yes. They were not in arrears to the international union, to my knowledge. I am speaking now about their being in arrears to the joint council.

Mr. KENNEDY. Yes; but they were in arrears to the international.

Mr. GIBBONS. They were, too?

Mr. KENNEDY. Yes. For more than 6 months. Is that correct?

Mr. GIBBONS. I don't know about that.

Mr. KENNEDY. From November of 1955 to June 1956, no per capita dues.

Mr. GIBBONS. What are those dates?

Mr. KENNEDY. November 1955——

Mr. GIBBONS. Those were the dates when they are closed down.

Mr. KENNEDY. Under the constitution, that charter would have been automatically revoked.

Mr. GIBBONS. No; it would not, Mr. Kennedy, and I will tell you why it would not. This is a very unique industry, in terms of operating a union in it. When this charter was issued, I had long conversations with President Beck about the problems that were created in operating in this field.

One of the things that was discussed with him, among all of the things, and a number of them I will mention to you, was the business of what about the per capita tax arrearages. Mr. Beck is authorized under the international constitution, the same one you are reading from, to interpret the constitution to meet problems of this kind.

This was part of the interpretations of President Beck in connection with the operations of this union.

Mr. KENNEDY. You can't get around this. It is a provision in the constitution that says—

Should a local union become 6 months in arrears for per capita tax, their charter shall stand revoked.

You are testifying that Mr. Beck could waive the constitution.

Mr. GIBBONS. In a given situation such as this, in the operation of this union, he made many interpretations so that this union could, in fact, function.

Mr. KENNEDY. I say that the constitution does not mean a great deal if the international president can waive it.

Mr. GIBBONS. Under your interpretation, Mr. Kennedy, it would be physically impossible. We would either have to violate the constitution or not have a union in this field. It also provides, this constitution does, that you can take a withdrawal card when you are not working. We either have to deny this right to those people or we have to give up the idea of having a union in this field, because for 6 months out of the year, they don't work, and not paying dues, you do not take per capita tax on them.

Mr. KENNEDY. We have found in the constitution, where you want to enforce the provisions of the constitution, you enforce them, and where you don't want to enforce them, they are waived.

This is a perfect example.

Mr. GIBBONS. Where there are conflicts in the constitution, our general president, in those days, was entitled to resolve those conflicts by interpretation.

Mr. KENNEDY. There is no conflict in the interpretation. There might be a conflict or difficulty for this particular local, but this constitution is very clear.

Mr. GIBBONS. Not a difficulty for this local. The conflict between the two causes, the one you mentioned and the one I mentioned, in terms of the right of a member to take a withdrawal card when he is not working.

Mr. KENNEDY. This is for the tax into the international.

Mr. GIBBONS. That is right. Obviously, when we don't collect dues, we don't pay per capita tax. We only pay per capita tax on actual dues collected, Mr. Kennedy.

Mr. KENNEDY. Let me ask you about this provision of the constitution, of the 1957 constitution, in connection with something.

Mr. GIBBONS, in connection with the statement that you just made, why now is the union going back and paying the international for these months that were missed, back in 1955 and 1956, if they did not have to pay them?

Mr. GIBBONS. I don't believe they did go back. Well, let's see where they paid for those months.

Mr. KENNEDY. Mr. Eickmeyer, what does the record show?

Did they in fact in 1958 pay for those months that were missed?

Mr. EICKMEYER. In April of 1958 a payment was made to the international for 286 members. This was a payment for 188 members for April of 1958, and then 7 members for May of 1955, November of 1955, December of 1955, January 1956, February 1956, March 1956, April 1956, December 1956, January 1957, February 1957, March 1957, Jan-

uary 1958, February 1958, March 1958, 7 members for each one of those months.

That makes a total of—

The CHAIRMAN. Were those payments made after the election?

Mr. EICKMEYER. Yes, sir, in April of 1958.

The CHAIRMAN. When was the election?

Mr. EICKMEYER. In January, January 15.

The CHAIRMAN. How far back do they go?

Mr. EICKMEYER. To May 1955.

Mr. KENNEDY. Let me ask you about this also, Mr. Gibbons: I turn to page 20 of the constitution, which says:

The trustee shall be authorized and empowered to take full charge of the affairs of the local union or other subordinate body, to remove any or all officers and shall, within 60 days, appoint temporary officers during his trusteeship, and to take such other action as, in his judgment, is necessary for the preservation of the local union or other subordinate body and their interest.

Then it describes temporary officers. It states in section D:

Temporary officers and trustees must be members in good standing or local unions in good standing.

(The witness conferred with his counsel.)

Mr. KENNEDY. Evidently, according to the constitution, for the trustee appointing these officers, he had to appoint officers who were in good standing.

(The witness conferred with his counsel.)

Mr. GIBBONS. This applies to the function of the trustee—

Mr. KENNEDY. These are the two important provisions of the constitution, it seems to me, in connection with this, waiving the fact that there had not been any per capita dues payments, either to the joint council or to the international. Now we go to page 38 and it gives a definition of members in good standing.

It says:

All members paying dues to local unions must pay them on or before the first business day of the current month, in advance. Where membership dues are being checked off by the employer pursuant to properly executed checkoff authorization, it shall be the obligation of the member to make one payment of 1 month's dues in advance to insure his good standing.

Thereafter, he shall remain in good standing for each consecutive month for which the checkoff is made.

This is it.

Any member failing to pay his dues at such time shall not be in good standing.

Mr. Eickmeyer, these individuals had they paid their dues at the time that they were appointed and took part in this election?

The CHAIRMAN. Identify them. Do you mean the delegates from local 447, the carnival local?

Mr. KENNEDY. Yes.

Mr. EICKMEYER. Harry Karsh was the only one who had paid his dues at the time of the election. No, he had not paid his dues either on that date. His was paid in February 1958 for January.

Mr. KENNEDY. So none of these individuals under this provision of the constitution were members in good standing?

None of them had paid their dues?

Mr. EICKMEYER. None of the seven delegates had paid their dues.

Mr. GIBBONS. There are two things I can say to you about this constitution and this.

Mr. EICKMEYER. I am talking about the international constitution.

Mr. GIBBONS. I am talking about that. You can go through there through this international constitution and find two dozen places where it does not apply to this organization. This is an organization in an utterly new field and the problems of administering this in line with the constitution are many and difficult.

Mr. EICKMEYER. You have the international constitution. You have to follow certain—

Mr. GIBBONS. This doesn't necessarily apply in case of trusteeship locals, No. 1.

Mr. EICKMEYER. I have read the trusteeship locals. There are other provisions that don't apply to the trusteeship locals.

The CHAIRMAN. Where is the provision, Mr. Gibbons, in your constitution that gives you or an international president a right to waive any part of the constitution or make an exception for a local such as this in any particular field?

Mr. GIBBONS. There is this section in which the president has the right to interpret the constitution.

The CHAIRMAN. The right to interpret does not mean a right to waive. You don't contend that?

Mr. GIBBONS. Evidently, Senator, the right to interpret has been interpreted by our international office to deal with these kinds of problems which are unique and new to this international in the operation of this particular local. Under Mr. Kennedy's interpretation—

Mr. KENNEDY. Not interpretation. That is what the constitution says.

Mr. GIBBONS. Let me put the reading. If we were to follow that strictly to the letter it would be a literal impossibility to elect an officer or find anyone in the union who is in good standing for the purposes of qualifying under that section. Every 6 months they have to take a withdrawal card because they are not employed. Thus they break the continuity of their membership and do not qualify.

Senator IVES. Why did you let the constitution stand like that all this time?

Mr. GIBBONS. At the last convention we had a lot of things on our minds besides the carnival workers union. This is the first experience we have had and we have little experience in the administration of this local. We are going to run into more problems. This local functions on the basis of shop stewards on the particular lots. There is little administration except to collect the dues and pay the per capita tax. There is a lot of things that we will find about the administration of this that this constitution will have to be changed if we are to continue to operate in this field. It is a very difficult problem; it is not easy. I will only add this for Mr. Kennedy's benefit. None of those questions were raised in the previous election. There were only two questions raised with this election. It asked if this was affiliated with the joint council and why didn't we pay the dues to the joint council.

Mr. KENNEDY. The appointment and the participation of these individuals in the election was in clear violation of the constitution. You and Mr. Hoffa can get together and waive the constitution, but

it was in violation of the constitution and there is no question about it.

Mr. GIBBONS. Mr. Gibbons and Mr. Hoffa never got together for the purpose of waiving the constitution.

Mr. KENNEDY. Mr. Gibbons by himself?

Mr. GIBBONS. Nor Mr. Gibbons by himself.

Mr. KENNEDY. Mr. Hoffa appointed these people and you used them in the election.

Mr. GIBBONS. Again I repeat, I never have used anybody in that sense of the word.

Senator IVES. In that connection let us get a few things clear. I thought that the witness just said that the present constitutional provision as applied specifically would mean that the constitution itself would be inoperative.

Mr. GIBBONS. No; the constitution would not, but the union would be impossible to operate.

Senator IVES. Yes, but the union could not live.

Mr. GIBBONS. That is right.

Senator IVES. In other words, you cannot operate without violating the constitution.

Mr. GIBBONS. That is what it amounts to, except that we hang our hat on the interpretive powers of the president.

Senator IVES. But you are really violating the constitution. You have to, don't you?

Mr. GIBBONS. This becomes a question of interpreting what interpreting the constitution means, Mr.—Senator IVES.

Senator IVES. Mr. Ives is all right. I am not fussy.

Mr. GIBBONS. I honor the title and I am very happy to use it.

Senator IVES. What I am driving at is that you probably violated the letter of the constitution because you really had to, didn't you?

Mr. GIBBONS. Literally we did. At the time that it was violated—

Senator IVES. Why not admit it?

Mr. GIBBONS. I have no objection to admitting that conceivably it was.

Senator IVES. I don't see any point in quibbling about it.

Mr. GIBBONS. I bring you to the point that at no time was I conscious of violating the constitution in any of these questions raised in the election. This should be separated. Today Mr. Kennedy makes a good case of violating the constitution. I am not the person to determine whether he has or not.

Senator IVES. I don't think there is ever a good case for violating a constitution.

Mr. GIBBONS. I think he has made a pretty good case here to the effect that we have violated.

Senator IVES. We have provisions in the law where the construction industry is concerned, the building trades, under which that industry cannot proceed without a violation of the Taft-Hartley law. One of the amendments we had in the bill passed in the Senate would take care of this situation.

Mr. GIBBONS. Faced with practical problems oftentimes means go around a few rules. The question is whether we did it maliciously with malice aforethought for a selfish or dishonorable purpose, and I say to you that none of this is involved in the questions Mr. Kennedy today is raising.

The CHAIRMAN. The committee will take a 5-minute recess.

(Present at the time of taking the recess: Senators McClellan and Ives.)

(Short recess.)

The CHAIRMAN. The committee will be in order.

Mr. KENNEDY. Mr. Gibbons, your closing remark indicated that the use of these delegates was done for a noble purpose.

Mr. GIBBONS. I don't believe I said that.

Mr. KENNEDY. Something similar to that. As there has been some question raised out there in St. Louis, and the question was raised here that you felt was a good point, would you be willing now to waive the use of those delegates in your own election?

Mr. GIBBONS. For a new election?

Mr. KENNEDY. No; just waive the use of those delegates in your own election?

Mr. GIBBONS. Not on the basis of the results, but I will be very happy to have a new election.

Mr. KENNEDY. Would you be willing to waive those delegates that, obviously from the constitution, were appointed illegally the use of those delegates?

Mr. GIBBONS. There is only one thing you missed, Mr. Kennedy.

Mr. KENNEDY. Don't give me a talk. Just answer the question.

Mr. GIBBONS. I have to, if I am going to answer this adequately and properly.

Mr. KENNEDY. He can answer, Mr. Chairman. You can just answer the question.

The CHAIRMAN. The question amounts to this. Would you be willing for that election, or the results of that election on the basis of these delegates' votes, to be set aside and the election result declared on the basis of the legal votes cast at the time?

Mr. GIBBONS. The answer, Senator, is no, and I would like to comment.

The CHAIRMAN. Now you may comment.

Mr. GIBBONS. And that is that the interpretation you placed on it, Mr. Kennedy, I don't agree with, and your preliminary remarks preceding this. You are saying it was in strict violation of the constitution, and this does not make it so. This is your interpretation of it. If you go back to even a Supreme Court, there are difficulties at times in interpreting the constitution. They change on point to point, and they are always having split decisions issued. I am saying to you simply that you can interpret as you see fit and on those points I have authority to interpret, I do. Mr. Hoffa may interpret it again, and there are difficulties in determining which is right and proper. For those reasons I don't propose to give up the presidency of the joint council on that basis. But I will be very happy to have another election involving the entire slate of officers.

Senator IVES. Mr. Gibbons, don't you remember that you just admitted to me that it was in violation of the letter of the constitution?

Mr. GIBBONS. That I admitted to a violation of the letter.

Senator IVES. Yes.

Mr. GIBBONS. No; I think my phraseology was to the effect that Mr. Kennedy made a very good case for the constitution being violated. But I always qualified it to the fact that this was his interpretation.

Senator IVES. That is not the admission you made to me when I asked whether it was actually a violation of the letter of the constitution. You said you could not operate with the constitution the way it is.

Mr. GIBBONS. That is right, I said that.

Senator IVES. You have to violate the letter of the constitution in order to function. That is what you admitted.

Mr. GIBBONS. I was thinking of the strict construction that Mr. Kennedy placed upon the various clauses of the constitution. We are operating and I believe under the constitution basically on the basis of the interpretations which have been granted us to operate.

Senator IVES. I think that is a matter of opinion.

Mr. GIBBONS. It is.

Senator IVES. I think you have answered it, though, when you said actually it violates the letter of the constitution.

Mr. GIBBONS. We are in a very difficult area.

Senator IVES. Surely.

Mr. GIBBONS. As far as trying to arrive at any agreements.

Senator IVES. I can understand your problem. I am not arguing about it. I am trying to clear it up.

Mr. KENNEDY. The only reason I raised the question is the last statement you made before the recess that there was not any maliciousness in mind. You described I thought, in rather glowing and noble terms, the fact that you allowed these people to vote, and I thought possibly we should make sure that it was understood that these were the votes that won the election for you, and if you felt so noble about it, whether you were willing to waive that.

Mr. GIBBONS. At the time, Mr. Kennedy, those votes were cast this was the basis on which they were cast. There was no effort to do anything dishonorable, vicious, or less than proper. The facts you have unearthed or gathered here or spoken of are facts which you have first brought to my attention long after the election took place. I was speaking only at the time of the election. I am not prepared to say on the basis of our constitution that I will now give up the seven votes. It would alter the entire election.

Mr. KENNEDY. I think we have had other union officials testify before the committee that do not give what you did in this election such a noble connotation and give it in fact quite a dishonorable connotation. Mr. Walla and Mr. Lewis' testimony.

Mr. GIBBONS. I have a decision of the general executive board which is the proper authority to interpret my conduct in this instance, and they find with me.

Mr. KENNEDY. We have had a lot of experience with that executive board.

The CHAIRMAN. Is it a fact that if these seven votes were not counted, you would have lost?

Mr. GIBBONS. I would have lost. You are quite right.

The CHAIRMAN. All right. Proceed.

Senator IVES. In that connection, was your compelling reason then for the technical violation of the constitution to insure your election?

Mr. GIBBONS. Let me demonstrate the situation.

Senator IVES. I am just trying to find out, that is all.

Mr. GIBBONS. The answer is "Absolutely no."

Senator IVES. You admitted that the letter of the constitution was violated. What was your purpose in violating it in this instance?

Mr. GIBBONS. Of course, at the time if it were violated, and this is still a question—

Senator IVES. You admitted that the letter of it was.

Mr. GIBBONS. On the basis of his interpreting of the meaning of the constitution. But if this were true, that these votes were cast in violation of the constitution, these facts were not part of the picture when the votes were cast. There were only two issues before us. On those two issues I will stand, and I can convince the committee or anyone else that I acted properly and in accord with my responsibilities. We have not got to those two issues which were basic at the time the votes were cast and which were significant in whether or not these men voted.

Senator IVES. Are you going to get to them?

Mr. GIBBONS. I certainly want to if I have the opportunity.

The CHAIRMAN. Am I correct—I think this is the testimony and I am trying to recall it—that these seven votes were not voted until after the other votes were counted and it was found they were needed?

Mr. GIBBONS. No.

The CHAIRMAN. Didn't we have testimony to that effect?

Mr. GIBBONS. Yes. The only thing is that the person who was testifying is testifying in a very self-serving fashion. Let me point out to you that I followed the procedures which are followed by the United States Government in every NLRB election. When an election is challenged in an NLRB election, it is placed in an envelope and is set aside, and only if it affects the outcome of the election is it cast. Let us assume that the situation had been reversed and Mr. Walla had lost by 2 votes, those ballots would have been cast in that instance as well as in the instance that they were cast when I lost by 2 votes. So it had nothing to do with casting the ballots in order for me to win. It turned out that they were for me and the result was that I did win. They would have been cast in any instance as the NLRB handles the problem, Senator, if it would affect the outcome of the election.

The CHAIRMAN. If they would affect the outcome of the election then they became legal.

Mr. GIBBONS. Then they become pertinent and are cast.

The CHAIRMAN. Do what?

Mr. GIBBONS. Pertinent to the election.

The CHAIRMAN. What is the difference in pertinent and legal in that sense?

Mr. GIBBONS. I did not know you used the word "legal." I would say yes, they became legal votes. Yes.

The CHAIRMAN. All right, proceed.

Mr. GIBBONS. At one point in the course of Mr. Walla's testimony, I can't find it at the moment, and I think this is important to what Senator Ives is saying and it points up the significance of those 7 votes, those 7 votes were the least interest that I had in the whole election. The last thing I thought that this election would be close. In fact, as Walla himself testifies in a document presented to the general executive board in support of his position, he says up until literally the end of the voting Mr. Gibbons was still willing to wager me that he would beat me by 30 votes. This was my approach to the election.

I thought I had won hands down. The basis for my insistence on the seven votes was that here is an organization whose future would be severely affected by the personnel who run our joint council, and I wanted them to have the right to participate in determining who it would be who would run the joint council and thus affect their future. Maybe a guy who did not want to organize the carnival field felt they could be knocked out of the box. I wanted them to feel they were truly affiliated with our council.

The CHAIRMAN. Mr. Gibbons, I observe your remark that your opponent said that you, up until right at the last, offered to bet him you would win by 30 votes; is that correct?

Mr. GIBBONS. Yes; that is correct.

The CHAIRMAN. You know, in view of the way this turned out, I am reminded of politics when candidates boast considerably of their strength and do a bit of whistling in the dark. I just wondered if this is a comparable incident.

Mr. GIBBONS. No; this grew from a very careful analysis of the votes. It grew from conversations from individual delegates. As a matter of fact, I had my 30 votes at the last roundup before the election. I had maybe 40 or 50 votes above the majority at a dinner which I held the night before the election. So it was not whistling in the dark. I had the thing signed, sealed, and delivered.

Senator IVES. What happened?

Mr. GIBBONS. They walked out on me. I lost. I didn't collect on those votes. These are people who ate the food and didn't deliver. It throws the seven votes in the proper perspective as far as my attitude in voting. It was not important to me whether they voted in terms of winning or not winning the election. I was utterly convinced that they were not important.

Mr. KENNEDY. Who paid for that party?

Mr. GIBBONS. It has not been paid for yet. It is my responsibility.

Mr. KENNEDY. Nobody has paid the bill?

Mr. GIBBONS. It is my responsibility and I shall pay for it.

Mr. KENNEDY. Nobody paid the bill?

Mr. GIBBONS. It is billed to me. I don't believe it has been paid for, yet.

Senator IVES. How much was it?

Mr. GIBBONS. I don't believe it has been paid for yet, unless you have information that I don't.

(Witness conferred with his counsel.)

Mr. KENNEDY. It was charged to joint council 13?

Mr. GIBBONS. I don't know what the hotel charged it to.

Mr. KENNEDY. It is the Surf and Sirloin Room?

Mr. GIBBONS. No; I think you got the wrong party, Mr. Kennedy.

Mr. KENNEDY. Was it the Congress Hotel?

Mr. GIBBONS. No. You got the wrong party again.

Mr. KENNEDY. Where did you have your party?

Mr. GIBBONS. At the Kings Way Hotel.

Mr. KENNEDY. Well, we have not got that one.

Mr. GIBBONS. I will supply you with a copy of the bills which I have been receiving regularly, Mr. Kennedy, since the affair took place.

Mr. KENNEDY. All right. I would like to have them.

Mr. GIBBONS. Would you like to have them? Seriously? I would be happy to give them to you.

Mr. KENNEDY. Who had the parties at those hotels?

Mr. GIBBONS. I don't believe there were any parties at the Congress, but there was a victory party at the Surf and Sirloin, and which, incidentally, everyone was invited to, because one of the big things that I am concerned about in St. Louis is unity in our ranks. We threw a party after the election and everyone was there. We tried to heal any wounds that might have occurred.

Mr. KENNEDY. Speaking of that kind of an operation, looking at Mr. Tom Burke, who stayed at the Bal Harbour Hotel, his bill appears to have been paid by the Central Conference of Teamsters.

Mr. GIBBONS. Yes.

Mr. KENNEDY. That was a bill for \$10,027.96.

Mr. GIBBONS. Yes.

Mr. KENNEDY. You signed that check?

Mr. GIBBONS. I imagine I did, if it was a Central Conference check.

Mr. KENNEDY. You approved of that payment?

Mr. GIBBONS. Yes; I did.

The CHAIRMAN. Is he the man that had retired?

Mr. KENNEDY. That is the man that had retired, Mr. Chairman, and received his retirement.

The CHAIRMAN. Where is the authorization in the constitution after a man retires and draws his severance pay to support him thereafter?

Mr. GIBBONS. As you know, this was a pension program. It was not severance pay in that sense. It was a legal, binding—

The CHAIRMAN. He retired and got his pension?

Mr. GIBBONS. That is right.

The CHAIRMAN. There is a difference between a pension and severance pay?

Mr. GIBBONS. I think there is. I am not being technical or anything but I think there is quite a difference when I take money out of the treasury to give a person severance pay and when out of a pension fund, separate from the union treasury, a person draws his benefits. I think there is a difference there which is significant.

The CHAIRMAN. Was this severance pay to pay his hotel bills?

Mr. GIBBONS. What had occurred in the case of Tom Burke and the reason for the paying of the bill was that Tom Burke, not being in too good health, determined that he was going to retire and go down to Florida. Before he left, I don't know whether I spoke with him or President Hoffa spoke with him, or maybe it was Dick Kavner who spoke with him, but we asked him while he was down there—Florida is a very unorganized section of our union. There is need for a lot of work in the South. We asked him if he was feeling good, if he was up to it, if he could at least make some surveys, if he could fool around and see if he could not organize something for us. We were not prepared to put him on the payroll. He was not able to take a payroll job, a full-time job. But we felt his long background and experience in organizing, especially—Burke happens to be one of the most effective organizers in the country, with tremendous contacts in the labor movement—we felt he could justify our paying some expense for him. This is largely the basis on which we picked up his tabs.

The CHAIRMAN. For what period of time was he there? \$10,000?

Mr. GIBBONS. I think we paid it in two checks.

Mr. KENNEDY. March 29, 1955, to July 20, 1956.

Mr. GIBBONS. It was over a course of a year, wasn't it?

Mr. KENNEDY. Yes.

Mr. GIBBONS. Was that one check or both checks combined?

Mr. KENNEDY. Yes, two checks.

Mr. GIBBONS. It was a hotel bill, as I recall it.

Mr. KENNEDY. Did you get reports on what he was doing in his organizational work? We have the testimony before the committee that he was drunk all the time.

Mr. GIBBONS. Well, I can't say that the man was drunk. I know that I discussed problems in Florida with him. Dick Kavner visited with him to discuss progress in organization. I am sure that he made phone calls to Detroit to discuss his work with President Hoffa.

Mr. KENNEDY. Do you know how much of the \$10,027.96 was used for the purchase of liquor?

Mr. GIBBONS. No; I don't. If I knew about it, it would not have been approved, as far as I was concerned.

Mr. KENNEDY. Mr. Bellino, I understand we do not have all the bills.

Mr. BELLINO. That is correct.

The CHAIRMAN. You have been previously sworn?

Mr. BELLINO. Yes, sir.

Mr. GIBBONS. We pay for liquor when it is used legitimately, but not for a staff member to sit in a hotel room and get drunk.

Mr. BELLINO. We have a breakdown on the checks amounting to \$5,669.55.

Mr. KENNEDY. We don't have a breakdown on all the checks?

Mr. BELLINO. No.

Mr. KENNEDY. Can you tell us the breakdown of the \$5,669?

Mr. BELLINO. On the \$5,669.55, the breakdown is: For room, \$1,615.02. Meals, \$1,438.38. Beverage, \$1,016.33. Local telephone calls, \$282.35.

The CHAIRMAN. How much?

Mr. BELLINO. \$282.35. Long-distance telephone calls, \$308.09. Telegrams, \$18.26. Valet, \$98.05. Beach, \$43.79.

Mr. KENNEDY. Beach?

Mr. BELLINO. Beach. Cash and advances, \$368.83.

Mr. KENNEDY. What period is that?

Mr. BELLINO. That is for the period from December—

Mr. KENNEDY. December 20, 1955?

Mr. BELLINO. December 20, to July 1956.

Mr. KENNEDY. December 20, 1955, to July 1, is it?

Mr. BELLINO. To July 20, 1956.

Mr. KENNEDY. That is a period of how long?

Mr. BELLINO. It is about 8 months, approximately. The beverage charges ran for the period from December 20, 1955, to May 1, 1956, or a period of 131 days. It amounted to \$1,016.33, or on an average of \$7.75 a day.

Senator IVES. May I ask a question there? What form did that take? Was that bottle goods, or in glasses, or what?

Mr. BELLINO. The charges appear to be bottled goods. In some cases they were around \$9, \$5.60, \$21.30.

Senator IVES. That would be a great deal more liquor than if it were being ordered by the glass.

Mr. GIBBONS. There is no breakdown as to whether it was by the glass or by the bottle, is there?

Senator IVES. According to him there is not.

Mr. BELLINO. The charge would appear to be by the bottle. It may have been in some cases by the glass, by the charge of the bill. The charge is \$1.50 or 75 cents. That would be by the glass. But where it is \$5.79 or \$5.80 the indications are that they are by the bottle.

Senator IVES. The greater part, apparently, from what you said, are by the bottle.

Mr. BELLINO. Yes, sir; that is the way it appears from the bills. The bills also includes charges for newspapers and cigars.

Mr. KENNEDY. Totaling how much?

Mr. BELLINO. I don't have that amount on this.

Senator IVES. Let me ask you another question. How much of that was cracked ice?

Mr. BELLINO. That would be included in that. I don't know that I—

Senator IVES. The reason I raise that point is I am trying to find out how this fellow drank. Everybody says he was a drunkard. From the testimony we have had, in a little over 5 months he had a liquor bill of over \$1,000. That of itself does not necessarily mean that he was a drunkard. He may have been doing a lot of entertaining. This is why I was trying to figure out how much cracked ice there was.

Mr. KENNEDY. Senator, we had the testimony last week that he was not doing anything. We had the testimony that he was drunk all the time.

Senator IVES. Well, I was not here last week. I will take your word for it.

The CHAIRMAN. Well, at any rate, it appears that he got all that he needed. Proceed.

Mr. KENNEDY. Do you have any written reports that he made, Mr. Gibbons?

Mr. GIBBONS. Mr. Burke isn't given to writing very much, Mr. Kennedy, and I have no reports from him. He is a great man on the long-distance phone.

The CHAIRMAN. Did he send you any surveys?

Mr. GIBBONS. No, he has discussed them with us, Senator, not with me specifically, but with people in our organizing setup.

Mr. KENNEDY. That money came out of the Central Conference of Teamsters.

I would like to ask you about another matter. Who is Nate Stein?

Mr. GIBBONS. Mr. Nate Stein, to the best of my knowledge, is a public relations man on the west coast.

Mr. KENNEDY. Did he do any work for the Central Conference of Teamsters?

Mr. GIBBONS. Well, I believe he did.

Mr. KENNEDY. What did he do for the Central Conference of Teamsters?

Mr. GIBBONS. I think he spent some time in Kansas City on one occasion. But beyond that, I can't be specific about the details of what he did.

Mr. KENNEDY. Did he do any work that you know of, specific work for the Central Conference?

Mr. GIBBONS. I know of his doing some work, but I am trying to figure out did he get out some pamphlets for us, did he set up some radio programs. This sort of thing does not come to my mind.

Mr. KENNEDY. What was he doing for the Central Conference?

Mr. GIBBONS. I assume it was public relations work.

Mr. KENNEDY. What kind of work?

Mr. GIBBONS. I imagine he was going around making contacts.

Mr. KENNEDY. Did you make any payments to him?

Mr. GIBBONS. I believe we did.

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

Mr. GIBBONS. I would not know now, unless I would check. I don't have my—

Mr. KENNEDY. Is he a public-relations man on the west coast?

Mr. GIBBONS. That is what I understand.

Mr. KENNEDY. For whom does he work on the west coast?

Mr. GIBBONS. I think he has his own service out there.

Mr. KENNEDY. Why would you want a public-relations man from the west coast?

Mr. GIBBONS. We would take a public-relations man wherever we found him, if he is competent.

Mr. KENNEDY. What was there in his background or experience that warranted your retaining him?

Mr. GIBBONS. I did not specifically necessarily retain the man.

Mr. KENNEDY. Who did?

Mr. GIBBONS. I don't know who did.

Mr. KENNEDY. Was it Mr. Hoffa?

Mr. GIBBONS. In the first instance, I don't know whether Mr. Hoffa did, but I know that I consulted with him on occasion about public-relations problems.

Mr. KENNEDY. What sort of things did you consult with him on?

Mr. GIBBONS. Well, I talked with him, for instance, in St. Louis when we were under heavy attack with the grand jury.

Mr. KENNEDY. What experience had he had that you should go to him, Mr. Gibbons? For instance, wasn't he a public-relations man for the Desert Inn in Las Vegas?

Mr. GIBBONS. No; I don't believe he was. But I am no authority on the guy. I am telling you right now I am not an authority on him.

Mr. KENNEDY. What about the Sans Soucci Hotel?

Mr. GIBBONS. Where at?

Mr. KENNEDY. Las Vegas. Did he do any work for them?

Mr. GIBBONS. Not to my knowledge. I met him at a hotel—I did not meet him the first time, but on one occasion I did meet him in Las Vegas, but not at the Sans Soucci.

Mr. KENNEDY. Who had been his accounts before then?

Mr. GIBBONS. I don't know who had been his accounts.

Mr. KENNEDY. Did you pay any money to a law firm of Ducker & Seldman from the Central Conference of Teamsters?

Mr. GIBBONS. You are aware, of course, I sent out very many checks, Mr. Kennedy, and on this one you got me stuck. I am going to have to go and check it.

Mr. KENNEDY. I have the checks here.

Mr. GIBBONS. I would have to check my records.

Mr. KENNEDY. Here is the check.

Mr. GIBBONS. Does it explain its purpose?

Mr. KENNEDY. Maybe it will refresh your recollection.

Mr. GIBBONS. All right.

The CHAIRMAN. This appears to be a photostatic copy of check No. 2691, dated August 12, 1955, payable to Ducker & Seldman, in the amount of \$3,000. Will you examine the check please, and state if you identify it?

(Document handed to witness.)

(Witness conferred with his counsel.)

Mr. GIBBONS. Mr. Kennedy, I am in no position to identify. I identify the check as being ours, but I am in no position to give any explanation of the use of the money or anything else.

The CHAIRMAN. The check may be made exhibit 113.

(The check referred to was marked "Exhibit No. 113" for reference and will be found in the appendix on p. 14899.)

Mr. KENNEDY. Do you remember making that check out?

Mr. GIBBONS. No. I never made a check out in my life.

Mr. KENNEDY. Do you remember this incident at all?

Mr. GIBBONS. No; that is why I would like to have an opportunity to check with my associates at that time. It was August 1955, I believe. Is that right?

Mr. KENNEDY. Yes; August of 1955.

Senator IVES. You just said something quite pertinent. You said you never made a check out in your life. How do you pay bills? All in currency?

Mr. GIBBONS. No.

Senator IVES. Don't you pay them?

Mr. GIBBONS. Yes. My own personal bills you are referring to, Senator?

Senator IVES. Yes. You said you never made a check out in your life. You are referring to everything you do?

Mr. GIBBONS. All my checks are made out by my secretary.

Senator IVES. Your personal checks and everything else?

Mr. GIBBONS. Yes. I sign them in advance, in fact. This has been going on for at least 5 years.

Senator IVES. The reason I raise that question and it is rather pertinent, is because you are an important part of this machine known as the Teamsters, and nearly everybody else in your organization indicates that they don't do any business by check. They do it all by currency.

Mr. GIBBONS. I do all mine by check.

Senator IVES. More power to you. Thank you.

Mr. KENNEDY. Just see if I can refresh your recollection about this matter because it is rather an unusual situation as we have found it. Did you go to New York with Mr. Nate Stein at any time?

Mr. GIBBONS. I might have well, but I have no recollection of going to New York with him. Where from?

Mr. KENNEDY. In August 1955, from where to New York; I don't know where you were coming from.

Mr. GIBBONS. I was in New York with Nate Stein, yes. But I don't know whether I went to New York with Nate Stein.

Mr. KENNEDY. What were you doing with Mr. Stein in New York at that time?

Mr. GIBBONS. What was the time?

Mr. KENNEDY. August 1955.

Mr. GIBBONS. Again, Mr. Kennedy, I go to New York probably 20 times a year, 25 times a year, and it is impossible for me to sit here from the top of my head and explain a particular one visit.

Mr. KENNEDY. I understand that. That is why I am asking you specifically about when you were there with Nate Stein. According to the hotel record you stayed at the Warwick Hotel, did you not?

Mr. GIBBONS. That is correct.

Mr. KENNEDY. Wasn't Mr. Nate Stein staying with you at that hotel?

Mr. GIBBONS. He has on occasions. This may be one of them.

Mr. KENNEDY. August 5 and 6, 1955, you stayed at the Warwick Hotel. Your total bill for the 2 of you was \$146.20. What were you doing there with Nate Stein at that time?

Mr. GIBBONS. Again I have to say to you, Mr. Kennedy, I may have been there for a dozen and one reasons and Nate Stein happened to be in New York and stayed with me. It may not have anything to do with Nate Stein.

Mr. KENNEDY. You can't give us anything better than that?

Mr. GIBBONS. No, but I would be very happy to check with my associates, review the period of time in my own mind, and come up with an answer. I am not dodging the question of answering it or discussing it.

Mr. KENNEDY. At that time did you have a meeting or discussion with anybody from this law firm, Ducker & Seldman? Does that refresh your recollection about the \$3,000?

Mr. GIBBONS. I recall no such conversations with that particular law firm.

Mr. KENNEDY. Do you remember coming back to New York and staying at the Vanderbilt Hotel on August 15 and 16, 1955?

Mr. GIBBONS. No, I wouldn't.

Mr. KENNEDY. Ten days later?

Mr. GIBBONS. You check the Vanderbilt Hotel and you will find me there at least on 100 occasions.

Mr. KENNEDY. You were there with Mr. Nate Stein again occupying room 1826 were you not?

Mr. GIBBONS. Perfectly possible I was there.

Mr. KENNEDY. Do you recall any discussions with him at that time regarding another check for \$3,000 to Samuel Seldman?

(Witness consulted with counsel.)

Mr. GIBBONS. I am going to have to ask, Mr. Kennedy, for some time to check on those.

The CHAIRMAN. I hand you another check dated August 15, 1955, No. 2696, in the amount of \$3,000 made payable to Samuel Seldman, and ask you to examine that check and state if you can identify it.

(A document was handed to the witness.)

Mr. GIBBONS. I identify the check as a Central States Conference of Teamster's check, Senator.

The CHAIRMAN. It may be made Exhibit No. 114.

(Document referred to was marked "Exhibit No. 114" for reference and will be found in the appendix on p. 14900.)

The CHAIRMAN. Do you know anything about that check?

Mr. GIBBONS. Not at this moment I cannot testify on that check. I cannot recall it. I will be very happy to discuss it with the council at some later point in the course of my testimony.

Mr. KENNEDY. Do you remember any discussion with Mr. Nate Stein about this check to this individual?

Mr. GIBBONS. No. The name Seldman escapes me completely.

Mr. KENNEDY. What about Feldman, either one?

Mr. GIBBONS. No; they both escape me.

Mr. KENNEDY. May I ask Mr. Bellino what these checks are charged to?

Mr. BELLINO. Both of these checks were charged to legal fees. However, there was a return of the first \$3,000 check. If you notice it was put in a trust account of the firm and the check was returned and Mr. Gibbons issued another check, the second one, which went out as legal fees.

Mr. KENNEDY. Does that refresh your recollection?

Mr. GIBBONS. No.

Mr. KENNEDY. If it was charged to legal fees, however, it would be for legal purposes, is that right?

Mr. GIBBONS. I would assume as much.

Mr. KENNEDY. Is there any false entries in the books of the Central Conference of Teamsters?

Mr. GIBBONS. Mr. Kennedy, I am not in the habit of making false entries in books.

Mr. KENNEDY. That is right.

Mr. GIBBONS. I never made an entry in a book in my life either, to my knowledge. So I am not the one to speak on that, although I can assure you that there are no false entries on the books of the Central Conference of Teamsters.

Mr. KENNEDY. So if it is charged to legal fees, it was for that purpose?

Mr. GIBBONS. I would assume it was for that.

Mr. KENNEDY. Did you give any instructions as to what it is listed as or what used for?

Mr. GIBBONS. What it would be charged to, not specifically.

Mr. KENNEDY. You do not?

Mr. GIBBONS. No.

Mr. KENNEDY. Where would they get that information?

Mr. GIBBONS. How to charge it?

Mr. KENNEDY. Yes.

Mr. GIBBONS. Our bookkeepers allocate the expenditures through the various accounts which we run through the books.

Mr. KENNEDY. How would they know about this one to Samuel Seldman unless you told them?

Mr. GIBBONS. I might have very well told them at that time.

Mr. KENNEDY. Did you meet with Samuel Seldman?

Mr. GIBBONS. If I met with him, it must have been a very casual meeting, because I have no recollection of it.

Mr. KENNEDY. At the airport in New York City did you meet with him?

Mr. GIBBONS. Did I come to the airport to meet with Mr. Seldman?

Mr. KENNEDY. No; did you meet at the airport in New York City?

Mr. GIBBONS. I don't hold meetings at the airport to my knowledge. I don't recall ever meeting Mr. Seldman at the airport.

Senator IVES. You know, Mr. Gibbons, your expressions, when you say I don't hold meetings at that airport.

Mr. GIBBONS. I mean any airport.

Mr. KENNEDY. To your knowledge. Why do you have to put that in? You either do or you don't.

Mr. GIBBONS. I met a lot of people at airports constantly. But in terms of having a meeting—

Mr. KENNEDY. I am talking about your expression. You act like a person who is on the defensive. You don't need to be on the defensive.

Mr. GIBBONS. I don't mean to be.

Mr. KENNEDY. All right, just stop this "to my knowledge." Wasn't this money paid to this individual for Mr. Nate Stein, Mr. Gibbons?

Mr. GIBBONS. I will be very happy to tell you why this money was paid if I have an opportunity to check with my colleagues and try and place it.

Mr. KENNEDY. Who will you check with?

Mr. GIBBONS. Well, I will talk with one with president Hoffa.

Mr. KENNEDY. Will he know about this?

Mr. GIBBONS. I don't know if he will know about it but I certainly would check with him as one of the people who worked closely with me. I will ask him if he knows anything about it.

Mr. KENNEDY. He is the one who had the closest relationship with Mr. Stein?

Mr. GIBBONS. You have all my books at the time so it makes it a little difficulty to check. I am sorry is there a question pending?

Mr. KENNEDY. Is he the one who had the close relationship with Mr. Stein?

Mr. GIBBONS. Not to my knowledge.

Mr. KENNEDY. Then why would you be checking with him?

Mr. GIBBONS. He is associated with me and he and I discuss the affairs frequently of the Central Conference.

Mr. KENNEDY. Have you had any personal financial affairs with Nate Stein?

Mr. GIBBONS. Personal financial affairs with Nate Stein?

(Witness consulted with counsel.)

Mr. GIBBONS. I am under oath and I am a little bit concerned, Mr. Kennedy. I would like to be certain of what you mean when you say personal financial dealings. Did I ever pay him any money?

Senator IVES. If I may interrupt, we had one witness here not too long ago who said when he is under oath he always told the truth, when he was not under oath he turned to little white lies. Are you that kind of witness?

Mr. GIBBONS. Am I that kind of witness? The answer is absolutely not.

Senator IVES. Aren't you a fellow whose word is good under oath or not?

Mr. GIBBONS. Under oath or otherwise.

Senator IVES. Exactly.

Mr. GIBBONS. Being under oath, Senator, unless I understand the question I may very well testify in error and get myself subject to litigation by I can't—which I am not particularly anxious.

Senator IVES. You are making clear that you are doing the best according to your recollection?

Mr. GIBBONS. Yes. I don't want to say that I never had any business transactions if one time I paid his hotel room or if one time he bought some drinks for me. I don't want to testify that this has not happened. But if he is talking in terms did I give Nate Stein or did I get some money from Nate Stein, my personal funds.

Mr. KENNEDY. That is right.

Mr. GIBBONS. This is what you are asking about.

Mr. KENNEDY. Either received the money, borrowed the money.

Senator IVES. You can clear that up without referring to your recollection.

Mr. GIBBONS. No. I will tell you I am not a very good man on personal funds because I am always broke. But I have no recollection at all of ever having given Nate Stein any of my money or ever having received from Nate Stein any of his money.

Mr. KENNEDY. Did you borrow any money from Nate Stein?

(Witness consulted with counsel.)

Mr. GIBBONS. Unless he caught me somewhere in New York when I was broke and trying to get back to St. Louis and I took a hundred dollars from him I have no recollection of ever borrowing any money from Nate Stein.

Mr. KENNEDY. You have had no other financial transactions with him?

Mr. GIBBONS. Not anything that I can remember, Mr. Kennedy. If you can be more specific as to this incidence, that incidence or something else, I will be glad to say yes or no.

Mr. KENNEDY. How much money do you receive from the union, Mr. Gibbons?

Mr. GIBBONS. In my present capacity my salary is \$30,000 a year.

Mr. KENNEDY. What do you receive as far as expenses are concerned?

Mr. GIBBONS. My expenses? I think it is \$7.50 a day if I am not mistaken, plus out-of-pocket expenses. Not out-of-pocket expenses like my travel tickets, my hotel, et cetera.

Mr. KENNEDY. This has been since you were elected vice president?

Mr. GIBBONS. Yes; I think the last 7 months or so.

Mr. KENNEDY. Prior to that how much did you receive?

Mr. GIBBONS. \$15,000 from my local union.

Mr. KENNEDY. And what about expenses?

Mr. GIBBONS. The same. No; there was no \$7.50 a day. I think I received actually about \$11,000 or \$12,000 a year and \$5 a day expenses. In addition if I traveled they paid my hotel.

Mr. KENNEDY. Did you have many expenses in St. Louis?

Mr. GIBBONS. Yes; I don't know what you call many. I had expenses in connection with my work in St. Louis.

Mr. KENNEDY. Do we have the totals on the expenses, Mr. Bellino?

Mr. BELLINO. Yes, sir.

The payments which were made directly to Mr. Gibbons from the various Teamster Unions he has been connected with, there are 4 different organizations within the Teamsters, from January 1953 through December 31, 1956, his total salary was \$46,825.

Mr. KENNEDY. Which amounts to approximately how much each year?

Mr. BELLINO. Toward the end around \$13,000. For 4 years it would be approximately \$11 or \$12 roughly. Various expenses that he received including travel expenses for which he submitted a bill initially, getting paid on a per diem basis and after submitting an expense account, strike expenses that he received, organizing expenses of various amounts, and staff expenses, the total amount was \$28,611.04, or a total during this period paid to Mr. Gibbons of \$75,436.04. In addition to that—

Mr. KENNEDY. That is over a 4-year period?

Mr. BELLINO. That is over a 4-year period. His expenses would be approximately \$7,000 a year that he billed the Teamsters organizations. In addition to that, there were bills submitted by various hotels, restaurants.

We have the information for the 3 years only, from 1954 through 1956, and they total \$35,270.59, or an average of \$11,000 a year. The expenses at St. Louis alone for hotel and restaurant were \$12,951.75 during this period of time.

The CHAIRMAN. Is that in addition to the 35,000?

Mr. BELLINO. No, sir; that is part of the \$35,000. Outside of St. Louis was \$23,318.84 that was paid by the Teamsters directly either to the restaurant or the night club or the hotel. Or a total amount which was paid during the period that we have compiled the figures is \$110,706.63.

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

Mr. KENNEDY. The part that is of interest, Mr. Gibbons, is why the hotel bills and the restaurant bills, in St. Louis were so high.

Mr. GIBBONS. It should be noted when Mr. Bellino says paid to Mr. Gibbons, that this is not an accurate statement.

Mr. BELLINO. These were all checks. The first group that I mentioned were checks payable to Harold Gibbons.

Mr. GIBBONS. The entire amount that you mentioned?

Mr. BELLINO. \$75,000 for salary and expenses as taken off by our man from your records of the union.

Mr. GIBBONS. For instance, is that including hotel bills?

Mr. BELLINO. No, sir; just paid to you.

Mr. GIBBONS. Does it include any restaurant bills?

Mr. BELLINO. That is in the second group, the second group.

Mr. GIBBONS. I would like to have a breakdown as to what this amount is for.

Mr. KENNEDY. He can give it. We have gone through it. We would like to get a breakdown, too.

Can you give us the type of thing that this is, this \$35,000?

Mr. BELLINO. The \$35,000—I don't have the sheet right in front of me at the moment—included meals—

Mr. GIBBONS. This is averaging out, Mr. Kennedy, at \$7,000 a year for expenses for the 4-year period, each of the 4 years; is that right?

Mr. KENNEDY. I don't think so.

Mr. GIBBONS. This is on the cash end of it. This is the money which was reimbursed to me for expenditures in connection with my work.

Mr. KENNEDY. I don't think that figures correctly.

Senator IVES. Are you talking about the \$35,000?

The CHAIRMAN. You are talking about the \$75,000, is that what you are talking about?

Mr. GIBBONS. You deduct the salary, and you get 28—

The CHAIRMAN. That is from the \$75,000?

Mr. GIBBONS. That is right. You get \$28,000 left for better than a 4-year period or an average of about \$7,000 a year.

Senator IVES. If it was \$28,000 it would be 7 a year.

The CHAIRMAN. That is just from the cash you received. That is what he is talking about. Just the cash he received.

Mr. GIBBONS. Yes.

The CHAIRMAN. Now we have \$35,000 more.

Mr. BELLINO. That includes food and bar, approximately \$12,000; tips, \$800; room \$12,000; phones \$3,400; transportation, \$1,800; valet, garage, et cetera, \$1,700; miscellaneous paid out, \$300; cash paid out, \$600.

Mr. KENNEDY. It does not include where there was a hotel rented for the purposes of conferences?

Mr. BELLINO. No; we did not include the meeting rooms or any convention or banquets or items of that nature. Those are not included.

Mr. KENNEDY. Or any banquets that were held?

Mr. BELLINO. No, sir.

Mr. KENNEDY. These are just personal meals?

Mr. BELLINO. Those would appear to be personal—

Mr. GIBBONS. It runs out per day, on the basis of my travel, to \$30 a day.

Mr. KENNEDY. Mr. Bellino, was a great deal of this in St. Louis, itself?

Mr. BELLINO. Yes, sir; in St. Louis it is about \$12,000 altogether.

Mr. KENNEDY. In St. Louis alone?

Mr. BELLINO. That is right, during those 3 years.

Mr. KENNEDY. During the 3-year period?

Mr. BELLINO. Yes, sir; in 1 year it is \$4,000, \$2,500, and \$6,200 in 1956.

Mr. GIBBONS. Are these cash reimbursements you are talking about?

Mr. BELLINO. No.

Mr. GIBBONS. In St. Louis, if the Government has the top correspondents and newspapermen of the NATO countries in St. Louis, they send them to my office to be entertained, and I have a luncheon for them.

Mr. KENNEDY. We did not include those things. We left out all banquets.

Mr. GIBBONS. I don't know whether you did or not. That comes in as H. J. Gibbons, luncheon. It isn't identified as anything separately.

Mr. KENNEDY. We will ask Mr. Bellino.

Mr. BELLINO. There might be some included like that.

Mr. GIBBONS. Of course, there are.

Mr. KENNEDY. Wherever we could identify that it was something other than personal, we deducted it.

Mr. GIBBONS. One man can only eat so much food or drink so much whisky and I defy you to find anyone who ever saw me intoxicated, Mr. Kennedy. I couldn't spend that much money.

Mr. KENNEDY. One thing I will say about you is you don't look like a heavy drinker.

Mr. GIBBONS. No; I am not. I drink, however, but I am not a heavy drinker. Furthermore, in each of the years in which this money was paid to me, I have been checked, double-checked and triple-checked by your internal revenue. They keep a pretty close eye on me. Every bit of those expenses were approved by the Federal Government. Secondly, every bit of those expenses are—I don't know about every bit of them—are largely documented, I am certain, and it can only be explained that it averages out about \$30 a day, and it can be explained on the basis that I occupy many capacities; I am a very busy person; I have many obligations, and part of this obligation involves entertainment.

Mr. KENNEDY. It was of considerable interest, such a large item in the city of St. Louis being charged to the Teamsters Union, particularly as we saw the Central Conference of Teamsters paying this considerably large item also for Tom Burke in Florida.

Mr. GIBBONS. This is my base, Mr. Kennedy, St. Louis. If you take these expenses and compare it with any person in the labor movement who travels as much as I do, who has as many expenses as I have, and you will find they are pretty well in line. You will probably have to take 2 or 3 people, because I don't know anybody who has the responsibilities that I do or who travels as I do. But in any event, they are very much in line.

Mr. KENNEDY. I am speaking particularly of the ones in St. Louis, not the ones for travel outside of St. Louis.

Mr. GIBBONS. They are very modest by any kind of business standards, No. 1. No. 2, I carry on a tremendous volume of work, and there just isn't any time to go out and live high, as far as spending money and food and drinks is concerned, by the time I get through a day's work.

The CHAIRMAN. I hand you a photostatic copy of a check, No. 4139, dated August 15, 1956, in the amount of \$1,000, payable to Teamsters Local Union No. 247. Will you examine that check and identify it, please, sir?

(The document was handed to the witness.)

(The witness conferred with his counsel.)

Mr. GIBBONS. What was it charged to in our books, Mr. Kennedy? Do you know?

Mr. KENNEDY. What was it charged to?

Mr. GIBBONS. I identify the check.

Mr. BELLINO. Charged to reimbursements on advance to local 247.

The CHAIRMAN. The check may be made exhibit No. 115.

(The document referred to was marked "Exhibit No. 115" for reference and will be found in the appendix on p. 14901.)

(The witness conferred with his counsel.)

Mr. GIBBONS. What is the question in connection with this check, Mr. Kennedy?

Mr. KENNEDY. I want to find out what it was for, what the background of it was, why it was issued.

Mr. GIBBONS. Again, it is an individual check. In every capacity that I read off at the beginning of my testimony, some 10 or 12 capacities, I sign checks in every instance. This is just one out of

thousands that carry my signature. I cannot specifically tell you what it was for, but I suspect that either there was a mistake in charging it within the books, or, secondly, someone in this local union, or several people from this local union, had done some work for the Central Conference of Teamsters and we were reimbursing the local.

It is something of that sort that happened. I am not too certain.

Mr. KENNEDY. Would you say that the entry in the books and records, that it is charged, Mr. Bellino, to what?

Mr. BELLINO. Reimbursement of advance, local 247.

Mr. KENNEDY. Would you say that would not be correct?

Mr. BELLINO. I would not say that, but the only other thing I could imagine, unless there is a mistake in the books—

Mr. KENNEDY. Do you know who got this \$1,000?

Mr. BELLINO. I imagine it was deposited in the books of local 247.

Mr. KENNEDY. Do you know?

Mr. BELLINO. From my knowledge of the operation of checks, I would assume it. It is endorsed by the local. It is made out to a local. From my knowledge of the operation of the checks—and I am no expert in this field—I would suggest that it went to the local union.

Mr. KENNEDY. Do you know at whose suggestion that check was made?

Mr. GIBBONS. No; I don't recall that at this time.

Mr. BELLINO. I might say that the records of the Central Conference of Teamsters do not reflect the receipt of any \$1,000 from local 247. Therefore, it could not, under any circumstances, be what they charge it as reimbursements on advance. Nor do the records of local 247 reflect that they ever issued a check to the Central Conference of Teamsters in that amount.

The CHAIRMAN. Did you trace this check to see where the money went? What does it show? Was it deposited to the credit of this local?

Mr. BELLINO. This particular check was deposited to the credit of the local.

Mr. KENNEDY. But there are some other matters that we are interested in, as to what happened at that time.

The CHAIRMAN. All right. Proceed.

Mr. KENNEDY. Can you tell us what the purpose of this check was?

Mr. GIBBONS. No, I am very sorry. I don't believe I can be expected to tell you, Mr. Kennedy, expected to remember what the purpose of that one check was.

Mr. KENNEDY. Can you find out for us, please?

Mr. GIBBONS. I will certainly inquire about it.

Mr. KENNEDY. Do you have any residence or place of residence outside of St. Louis, Mr. Gibbons?

Mr. GIBBONS. I don't know if you would call it a place of residence, but I have a permanent abode, as it were. I used to keep an apartment in the city of Washington. That has since been canceled. I now share an apartment in the city of Washington for those days that I am in town.

Mr. KENNEDY. When were you keeping an apartment here?

Mr. GIBBONS. I suspect I kept an apartment for 5 years in the city of Washington, and only recently canceled out the apartment when I shared an apartment.

Mr. KENNEDY. That was paid for by you, was it?

Mr. GIBBONS. By the union.

Mr. KENNEDY. By the local?

Mr. GIBBONS. No; by the international union.

Mr. KENNEDY. They paid for your apartment here?

Mr. GIBBONS. That is right.

Mr. KENNEDY. That was when you held what position with the international?

Mr. GIBBONS. The same position I still hold in terms of the warehouse division, national director. It was made available to me because of the uncertainty of obtaining hotel space in the city of Washington, because I don't have opportunities to plan my trips. When I get east, I try to duck in for a day or two to work at my office. If I came in some night at midnight and there was no hotels, especially at the time the Congress is in session, I have to have a place to sleep.

Senator IVES. May I ask you what you paid for the apartment?

Mr. GIBBONS. \$135 for a furnished apartment. If you know anything about the rents in this town, that is pretty reasonable. This is furnished.

Senator IVES. I do.

Mr. GIBBONS. Nothing elaborate about it.

Senator IVES. How much would you pay for a hotel room?

Mr. GIBBONS. A hotel room? I have paid as high as \$75 a day.

Senator IVES. I mean a place to sleep.

Mr. GIBBONS. A place to sleep? I would say the average day it is my experience you can't get a single room in anything like a first-class hotel for much under \$12 to \$15 a day, a single room.

Senator IVES. How many days of the month on an average were you here?

Mr. GIBBONS. Here?

Well, it would vary considerably, Senator.

Senator IVES. I am talking about the average. You said you had one for 5 years.

Mr. GIBBONS. We would obtain nothing by determining that, because the apartment was available to other people who would come into Washington.

Senator IVES. I will determine something. Never mind. You go ahead.

How much would you pay on the average for a hotel?

Mr. GIBBONS. If I stayed in hotel rooms? I would pay pretty close to \$100 a month when I could get them.

Senator IVES. In other words, you were paying for your apartment a little bit more than you would pay for a hotel room, wouldn't you?

Mr. GIBBONS. That is right, on the assurance that I would at least have a place to sleep, Senator.

Senator IVES. I understand that. I have had the same situation myself in New York.

Mr. GIBBONS. It was probably a little bit more expensive than if I stuck strictly to rooms. But if you add in the fact that other people from the union were using it—

Senator IVES. I am not trying to accuse you of anything. I am trying to find out what you were spending.

Mr. KENNEDY. Did the international have an apartment at the Woodner during this period of time?

Mr. GIBBONS. I believe Mr. Beck had his own apartment there.

Mr. KENNEDY. Wasn't there an apartment for visitors?

Mr. GIBBONS. No, I don't believe so. Not to my knowledge.

Mr. KENNEDY. Is there an apartment there now?

Mr. GIBBONS. Not for visitors.

Mr. KENNEDY. Not for visitors?

Mr. GIBBONS. No.

Mr. KENNEDY. They don't keep a suite there?

Mr. GIBBONS. Yes, they keep a suite there. Mr. Hoffa and I live in that suite when we are in town, but it is not available to others, necessarily.

Mr. KENNEDY. And there was not such a place before this?

Mr. GIBBONS. There was a place there before, and again, it was restricted to the international president's use. I don't know of a single person, to my knowledge, who ever stayed at the Woodner Hotel, excepting Mr. Beck, in those days.

The CHAIRMAN. I hand you photostatic copies of 10 checks, each of them in the amount of \$700 dated June 14, 1954, each made payable to Pete Saffo. I ask you to examine these photostatic copies and state if you identify them.

Mr. GIBBONS. Yes, I do, Mr. Chairman.

The CHAIRMAN. Those checks may be made exhibit No. 116 in bulk. (Documents referred were marked "Exhibit No. 116" for reference and may be found in the files of the select committee.)

Mr. KENNEDY. Could you tell us what they were for?

Mr. GIBBONS. Bonus to Mr. Saffo.

The CHAIRMAN. I didn't understand.

Mr. GIBBONS. Bonus to Mr. Saffo.

The CHAIRMAN. Bonus?

Mr. GIBBONS. Yes, Senator. The form that it took, we have tried to figure out how come there were 10 checks, or whatever it is, at \$700 each, and all in 1 day or something and the only thing we can figure is that Mr. Saffo for some reason asked to make it out in that fashion. I authorized it.

The CHAIRMAN. What kind of a bonus?

Mr. GIBBONS. Well, Pete Saffo is a staff member in St. Louis. He is secretary-treasurer of local 610. He is a very able and competent person. When we were setting up the Central Conference of Teamsters—what is the date on those—we set up the Central Conference of Teamsters, we had no staff and problems descended upon us and we drafted a number of individuals to help and assist. We didn't pay him any salary because we didn't have any money in those days. At the earliest opportunity we thought that this was something that should be taken care of and we gave Mr. Saffo a bonus.

The form it took I can't explain unless that Mr. Saffo himself for reasons best known to him wanted it in that particular form.

Senator IVES. I am just wondering if he had a bank account.

Mr. GIBBONS. I am sure he does, Senator.

Senator IVES. He would not need it in that form if he had a bank account. You could give him \$7,000 and he could put it in the account and draw it out. That would seem to be a legitimate reason. He wanted currency?

Mr. GIBBONS. He wanted it in that form and I am at a loss to find out. I have not had a chance to check.

Senator IVES. Isn't my reasoning more or less logical?

Mr. GIBBONS. I think it is a logical kind of thinking.

Mr. KENNEDY. He cashed them all. I believe all on the same day. What was this charged to on the books and records?

Mr. BELLINO. It was charged on the books as salary and expenses.

The CHAIRMAN. Is there 1 entry or 10 in the books?

Mr. BELLINO. For each check.

The CHAIRMAN. Ten entries.

Mr. KENNEDY. Was this idea of giving him a bonus taken up with the board?

Mr. GIBBONS. Yes; we were authorized to do that.

Mr. KENNEDY. Will you give me the minutes on that?

Mr. GIBBONS. To be specific?

Mr. KENNEDY. Yes.

Mr. GIBBONS. No. In terms of the minutes we have continuing authority to spend money for those purposes which we feel is related to the work of our conference and in behalf of our conference and as our judgment best dictates. It is included in the financial report and everything else.

Mr. KENNEDY. What about this check to Mr. Kavner?

The CHAIRMAN. I present to you another check, No. 1633, dated June 29, 1954, in the amount of \$10,000 paid to Richard Kavner and ask you to examine it and see if you identify it.

(A document was handed to the witness.)

Mr. GIBBONS. I think I made it clear—I identify this check, Mr. Senator.

The CHAIRMAN. It will be made exhibit No. 117.

(Document referred to was marked "Exhibit No. 117 for reference," and will be found in the appendix on p. 14902.)

Mr. GIBBONS. I think I made it clear in the case of Mr. Kavner that he did not receive any salary for his work other than this in the central conference.

The CHAIRMAN. How was that charged on the books?

Mr. BELLINO. The \$10,000 was charged as salary.

The CHAIRMAN. Over what period of time?

Mr. BELLINO. It does not show. There is also on the salary, I forget the local, he was getting \$9,600 a year at the same time as he got this \$10,000 salary from the Central Conference of Teamsters.

Mr. KENNEDY. Is there any specific authorization on that, Mr. Gibbons?

Mr. GIBBONS. The same continuing authorization, Mr. Kennedy. It was a bonus for the same purpose. Dick Kavner, before he ever worked for the central conference, worked many a day and night on behalf of the central conference.

Mr. KENNEDY. If there were dishonest officials operating this Conference of Teamsters, you could be making checks to friends for illegal purposes.

Mr. GIBBONS. If I wanted to speculate I could say a lot of things but there are no dishonest officials in charge of the Central Conference of Teamsters.

Mr. KENNEDY. That would be possible.

Mr. GIBBONS. It would never strike my mind.

Mr. KENNEDY. There is no check at all, is there?

Mr. GIBBONS. Yes, there is. This is accounting to our board.

Mr. KENNEDY. You didn't tell the board specifically about the \$10,000?

Mr. GIBBONS. Yes, we did, we told them specifically that Mr. Kavner had a bonus.

Mr. KENNEDY. Could I have the minutes on that, please?

Mr. GIBBONS. It was reported in the course of the board meetings.

Mr. KENNEDY. Could I have the minutes on it, please?

Mr. GIBBONS. I don't happen to have any minutes here. You didn't advise me what questions you would raise, what areas you would cover. I tried to come prepared as well as I knew how. At the moment I just don't have an answer to that.

Mr. KENNEDY. Do you say it is specifically mentioned in the minutes that you paid this money?

Mr. GIBBONS. I don't believe it would be specifically mentioned in the minutes but the report on the handling of the finances was given by the chairman, or missed, and I am sure we did it. It was no secret.

Mr. KENNEDY. I just say, Mr. Gibbons, that under this arrangement where you can write checks to anyone, with this blanket authority that you have described to the committee, it is certainly possible and very easy to misappropriate the money and use it for illegal purposes.

Mr. GIBBONS. No, 1, this blanket authority or this use of money for legal purposes would run maybe from one board meeting to the next and I think would end real fast. We have been reelected year after year—elected—each and every year for the past 5 years.

Mr. KENNEDY. We had a description of your last election in Joint Council 13, Mr. Gibbons.

Mr. GIBBONS. You have, Mr. Kennedy. I have not had an opportunity to discuss that election yet either, I want you to understand.

Senator IVES. You admit if you want collusion you could do what the counsel says. There is no question about it.

Mr. GIBBONS. There is no question about it just as there is no question about a dozen other things that one could speculate.

Senator IVES. The whole world is based on the matter of credit and honesty.

Mr. GIBBONS. That is correct. That is the only reason we are given any blanket authority.

Senator IVES. I don't know why you quibble about this.

Mr. GIBBONS. I don't mean to. I don't like the implications that are being read into this.

Senator IVES. I am not reading any implications.

Mr. GIBBONS. Not you.

The CHAIRMAN. Mr. Gibbons, I present to you a series of checks, the first one dated April 1, 1956, in the amount of \$1,000, the next one dated April 7, 1956, in the amount of \$3,000, the next one dated apparently April 17, 1956, in the amount of \$4,000, and the next one dated April 19, 1956, in the amount of \$2,000, another one dated April 24, 1956, in the amount of \$3,000, another one dated May 1, 1956, in the amount of \$3,000, another one dated May 14, 1956, in the amount of \$2,000, and another one dated May 11, 1956, in the amount of \$1,500, all of which are payable to one William Carl Schneider.

Will you please identify these checks. I didn't get the total. We can get it in a moment.

(The documents were handed to the witness.)

Mr. GIBBONS. I identify them for the record, Mr. Chairman.

The CHAIRMAN. They may be made exhibit No. 118, in bulk.

(Documents referred to were marked "Exhibit No. 118" for reference and may be found in the files of the select committee.)

The CHAIRMAN. I believe they total \$19,500.

Mr. GIBBONS. That is correct.

The CHAIRMAN. And all paid to one man within about a month's time?

Mr. GIBBONS. That is correct.

The CHAIRMAN. Mr. Kennedy.

Mr. KENNEDY. What is the situation as far as they are concerned?

Mr. GIBBONS. The situation is that Bill Schneider was handling the Ringling Bros. strike in the city of New York at that period of time, and this is strike benefits and strike expenses paid out by the Central Conference of Teamsters in the Ringling Bros strike.

Mr. KENNEDY. Do you have any vouchers?

Mr. GIBBONS. If I have them, you have them probably. If they aren't there, this was all O. K.'d by our account when the CPA report was made up, and it must have been at that time completely authenticated and vouched for.

Mr. KENNEDY. We didn't have any vouchers on it.

Mr. GIBBONS. Then I don't know what happened to the vouchers, but the audit report which took place after that by a CPA no question was raised on it.

Mr. KENNEDY. We have had those kind of audit reports before possibly, Mr. Gibbons. Did they review and make sure this money was actually spent for this purpose?

Mr. GIBBONS. Yes; I am sure they did. They are pretty careful.

Mr. KENNEDY. Who is the audit by?

Mr. GIBBONS. I imagine it was Gillis & McQuire, and they always make comments in their reports if there is anything that appears to be irregular or unsubstantiated.

Mr. KENNEDY. And they would go to Mr. William Carl Schneider and determine how he spent the money?

Mr. GIBBONS. No; I imagine there were vouchers there at the time.

Mr. KENNEDY. They would get the vouchers from him as to how he spent the money?

Mr. GIBBONS. No; I imagine they were already in the files.

Mr. KENNEDY. He would send them in to the Central Conference of Teamsters?

Mr. GIBBONS. If he needed money, he would call up. He is a very trusting employee, and the money was sent to him.

Mr. KENNEDY. Where is he now?

Mr. GIBBONS. He is working for us in St. Louis.

Mr. KENNEDY. These checks are endorsed in many cases; for instance, Milton Holt, who was a great friend of Johnny Dioguardi.

Mr. GIBBONS. He is also in a Teamsters' local where he was known and where they could cash this check for him.

Mr. KENNEDY. A number of them Milton Holt and then Paul Lafayette.

Mr. GIBBONS. As you know, he was or is an official of the Retail Clerks' Union.

Mr. KENNEDY. He was kicked out of the Retail Clerks. Then Abe Gordon.

Mr. GIBBONS. At that time he was an official of the union and cooperating and helping us on that particular picket line.

Mr. KENNEDY. Was some money paid by the Central Conference of Teamsters for Mr. Baker, when he was staying at the Essex House in New York, \$150 for damaging a carpet?

Mr. GIBBONS. If you have the records indicating that, I suspect they are true.

Mr. KENNEDY. Is that what the record shows?

Mr. BELLINO. That is correct.

Mr. GIBBONS. I don't recall the particular incident. Mr. Baker had many people in and out of his room. I don't know whether Mr. Baker did it or one of his guests.

Mr. BELLINO. The Central Conference of Teamsters was charged \$150 by the Essex House for carpet damage caused in the room which had been occupied by Robert Baker.

Mr. KENNEDY. Did they pay that?

Mr. BELLINO. Yes, sir; that is the Essex House in New York City.

Mr. KENNEDY. You were one of those who was responsible for the James Hoffa dinner?

Mr. GIBBONS. Yes; I carried the chief responsibility in that.

Mr. KENNEDY. Do you have the figures with you, Mr. Gibbons?

Can we place those in the record, Mr. Chairman? I have no particular questions about them. I just want to place them in the record.

Mr. GIBBONS. Now that it is raised, the books on that were very carefully audited and literally hundreds of copies of the audit were sent out, including George Meany.

Mr. KENNEDY. I am not raising a question about the use of money. I just want to get the figures in.

The CHAIRMAN. Mr. Bellino, do you have the figures?

Mr. BELLINO. Yes, sir.

The CHAIRMAN. You may insert them into the record at this point.

Mr. BELLINO. Shall I read them?

Mr. KENNEDY. You can just insert them.

The CHAIRMAN. They can be printed in the record.

(The information is as follows:)

HAROLD GIBBONS

XIV. James Hoffa dinner committee:

1. Total receipts.....	\$326, 715. 00
2. Amount of contributions to Children's Home in Jerusalem.....	265, 275. 47
3. Amount contributed in the purchase of tickets by various Teamsters organizations and other union locals...	165, 250. 00

It is suggested that a complete list of contributors be made an exhibit for reference.

		<i>Percent</i>
Teamsters	\$145, 450	45
Other unions.....	19, 800	6
Total.....	165, 250	
Trucking companies, etc.....	161, 465	49
Total.....	326, 715	100

XV. Pistols and Holsters.

XVI. Baker: Damage to carpet; Payment of \$150 by Central States Conference of Teamsters to the Essex House in New York for damage to carpet in room occupied by Barney Baker on February 16, 1956.

Mr. KENNEDY. Can we have the rest of the records in connection with the dinner, made an exhibit for reference?

The CHAIRMAN. The file in bulk that you testified to, Mr. Bellino, with respect to the dinner now being interrogated about, is that the file that you have on it?

Mr. BELLINO. We have a photostat of the cash receipts book which was maintained in St. Louis, and also a compilation in alphabetical order of all of these receipts, which we would like to be made an exhibit for reference.

The CHAIRMAN. That may in bulk be made exhibit No. 119.

(Documents referred to were marked "Exhibit No. 119" for reference and may be found in the files of the select committee.)

Mr. GIBBONS. Mr. Chairman, may I ask is there any question about that dinner, the proceeds or where they went, the amounts or where it went? Are some questions going to be asked on that?

Mr. KENNEDY. Excuse me?

Mr. GIBBONS. Is there some question in the counsel's mind as to where the fund went?

Mr. KENNEDY. No; I understand that the majority of the funds, except for expenses, went to a home in Israel, for children?

Mr. GIBBONS. That is right. We are building a home there for kids.

Mr. PREVIAINT. May I inquire as to the pertinency, if there is no question with respect to it, since this was a banquet for an individual, attended by him, prominent officials, and others?

Mr. KENNEDY. We are interested in a number of individuals who attended the banquet, and we are interested in their contributions to the banquet and their relationships with certain Teamster officials. That is why I wanted the information in the record.

Mr. PREVIAINT. Is there something sinister about attending this type of a banquet?

Mr. KENNEDY. You keep attending the hearings, and you will see.

The CHAIRMAN. Is there anything further?

If not, the committee will stand in recess until 10:30 in the morning.

Mr. PREVIAINT. Mr. Chairman, is the witness to return tomorrow morning?

Mr. KENNEDY. I want to get the explanation of those checks. He can come back next week. If he can get the explanation by tomorrow morning, that is fine.

Mr. PREVIAINT. Otherwise, there is no need for him tomorrow?

Mr. KENNEDY. Not tomorrow, but you better plan to come back at the beginning of the week.

(Whereupon, at 5:10 p. m., the committee adjourned to reconvene at 10:30 a. m., Thursday, September 4, 1958.)

INVESTIGATION OF IMPROPER ACTIVITIES IN THE LABOR OR MANAGEMENT FIELD

THURSDAY, SEPTEMBER 4, 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.

Also present: Robert F. Kennedy, chief counsel; Jerome S. Adleman, assistant 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; Walter J. Sheridan, investigator; James Mundie, investigator, Treasury Department; John Flanagan, investigator, GAO; Alfred Vitarelli, investigator, GAO; Ruth Young Watt, chief clerk.

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

The CHAIRMAN. The committee will come to order. Let us have the next witness.

Mr. KENNEDY. Mr. Walter H. Henson, of the committee staff.

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. HENSON. I do.

TESTIMONY OF WALTER H. HENSON

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

Mr. HENSON. Walter H. Henson, 19311 Second Avenue South, Seattle, Wash.

I am with the United States General Accounting Office. I am a certified public accountant.

The CHAIRMAN. How long have you been with the General Accounting Office?

Mr. HENSON. About a year and a half, sir.

The CHAIRMAN. How long have you been assigned to this committee?

Mr. HENSON. About a year and a half, sir.

The CHAIRMAN. Proceed, Mr. Kennedy.

Mr. KENNEDY. Mr. Henson, you are a certified public accountant?

Mr. HENSON. Yes, sir.

Mr. KENNEDY. And you have been a certified public accountant since when?

Mr. HENSON. Since August 1955, sir.

Mr. KENNEDY. Prior to going with the General Accounting Office, you had been with an accounting firm?

Mr. HENSON. Yes.

Mr. KENNEDY. What accounting firm was that?

Mr. HENSON. Price Waterhouse & Co.

Mr. KENNEDY. When the committee was making an investigation of Mr. Dave Beck, you worked on that, did you not?

Mr. HENSON. Yes, sir.

Mr. KENNEDY. And for a long period of time you worked on that case, did you not?

Mr. HENSON. Yes, sir.

Mr. KENNEDY. Mr. Chairman, Mr. Henson is with the General Accounting Office in Seattle. His work was so exceptionally good that we asked the General Accounting Office for him to help assist us in some work we were doing in Detroit. They were kind enough to allow him to come there and help us in some matters we were interested in.

Mr. Henson, you have made an examination of the records of the Teamsters welfare fund in connection with a loan to the Winchester Village Land Co.?

Mr. HENSON. Yes, sir.

Mr. KENNEDY. Could you outline to the committee the amount of that loan, when the loan was granted, and what the situation was?

Mr. HENSON. This was a loan for \$1 million that was granted on October 12, 1955.

Mr. KENNEDY. What is the situation? Who was president at the time?

The loan came from the welfare fund; is that right?

Mr. HENSON. Yes, sir.

Mr. KENNEDY. Could you tell us who was present at the time that the loan was granted?

Mr. HENSON. The minutes of the trustee meeting reflect that James R. Hoffa—

Mr. KENNEDY. Have you got the minutes there with you?

Mr. HENSON. James R. Hoffa, George Fitzgerald, Abe Green, and John Babcock.

Mr. KENNEDY. Who were these individuals? Mr. Hoffa we know. George Fitzgerald was the attorney for the welfare fund?

Mr. HENSON. Yes, sir.

Mr. KENNEDY. Who are the other individuals?

Mr. HENSON. Abe Green and John Babcock were representatives of the company known as Winchester Village Land Co. There was also present the trustees of the welfare fund, Frank Fitzsimmons, Robert Holmes, Howard Minnich, and Chester Dady.

Mr. KENNEDY. Did Mr. Hoffa have any official position with the welfare fund at that time?

Mr. HENSON. Not to my knowledge, sir.

Mr. KENNEDY. However, he was president at the time this loan was granted?

Mr. HENSON. Yes, sir.

The CHAIRMAN. Do the minutes reflect that?

Mr. HENSON. Yes, sir.

Mr. KENNEDY. How was the loan set up? The money was to go to whom?

Mr. HENSON. The money was to be deposited in an escrow account with the abstract and title guaranty company in Detroit.

Mr. KENNEDY. When were the loans made?

Mr. HENSON. The loans were made in—the first check was issued about October 12, 1955. October 11, 1955, \$500,000; December 23, 1955, \$250,000; April 27, 1956, \$100,000; June 1, 1956, \$75,000; and June 26, 1956, \$75,000. This is a total of \$1 million.

Mr. KENNEDY. And the rate of interest for the loan was how much?

Mr. HENSON. Six percent.

Mr. KENNEDY. What is the present status of this loan? Have any payments been made against the loan?

Mr. HENSON. No, sir.

Mr. KENNEDY. No payments at all?

Mr. HENSON. No, sir.

Mr. KENNEDY. Has any interest or principal been paid?

Mr. HENSON. There has been approximately \$104,000 interest paid.

Mr. KENNEDY. \$104,000 interest but nothing against the principal?

Mr. HENSON. No, sir; not to my knowledge.

Mr. KENNEDY. Well, you made an examination?

Mr. HENSON. It is not reflected in the records.

Mr. KENNEDY. It is not reflected in the records?

Mr. HENSON. No, sir.

Mr. KENNEDY. Do the records indicate or show that the Teamsters made any investigation of this company? Did they obtain any financial statements? Could you give us a background of that?

Mr. HENSON. There is no indication that I could find in the records or in discussing this with the parties concerned that any financial statements were obtained.

Mr. KENNEDY. Was there anything in the minutes about it?

Mr. HENSON. No, sir.

Mr. KENNEDY. Did the principals who requested the loan, namely, Mr. Green, Mr. Winshall, and Mr. Babcock, do the minutes show that they made a statement that they had spent some \$1,200,000 already spent on the land, and that engineering was proceeding rapidly?

Mr. HENSON. That is right, sir. This is reflected in the minutes.

Mr. KENNEDY. Just read what it says.

Mr. HENSON.

He—

referring to John P. Babcock—

stated further that considerable improvements had been already done on the land and that approximately \$1,200,000 had already been spent for the land and engineering which was proceeding rapidly.

Mr. KENNEDY. From an examination of the records, could you tell us what this situation was? How much had, in fact, been spent on the land?

Mr. HENSON. A \$35,000 downpayment, applicable to the land, proposed as security to the Teamsters, and an additional \$24,000 in improvements. Essentially these amounted to planning and engineering.

Mr. KENNEDY. That is about \$60,000 altogether?

Mr. HENSON. I would say that would be a maximum.

Mr. KENNEDY. The maximum amount that was spent, \$60,000?

Mr. HENSON. That is right, sir.

Mr. KENNEDY. And they made the statement that there was \$1,200,000, is that right?

Mr. HENSON. That is right, sir.

Mr. KENNEDY. Were there any financial statements from any of those who were principals or who requested the loan? Were any financial statements obtained from them?

Mr. HENSON. No, sir.

The CHAIRMAN. Where did you obtain the minutes that you have there?

Mr. HENSON. These were obtained from the Michigan Conference of Teamsters.

The CHAIRMAN. Out of their records?

Mr. HENSON. Yes, sir.

Mr. KENNEDY. The welfare fund.

Mr. HENSON. The welfare fund.

The CHAIRMAN. Those minutes may be made exhibit 120.

(The document referred to was marked "Exhibit No. 120" for reference and may be found in the files of the select committee.)

Mr. KENNEDY. What about the liabilities and assets of this company? How did they compare?

Mr. HENSON. The liabilities exceeded the assets by approximately \$10,000.

Mr. KENNEDY. At the time they obtained the loan?

Mr. HENSON. Yes, sir. May I explain that this is taking into consideration certain liabilities which were not recorded on the books.

Mr. KENNEDY. Liabilities that they had that were not recorded?

Mr. HENSON. Yes, sir.

Mr. KENNEDY. But considering all of the liabilities, the liabilities exceeded their assets by \$10,000?

Mr. HENSON. That is right, sir.

Mr. KENNEDY. Do they also have some property called Winchester Woods?

Mr. HENSON. Yes, sir.

Mr. KENNEDY. What was that?

Mr. HENSON. This is a development that was made on approximately 105 acres of land, and is adjacent to the Winchester Village property. May I explain that the Winchester Village property consists of development, consists of approximately 1,270 acres, which is the security for the Teamsters' loan. The 105 acres which is Winchester Woods, and which is adjacent to this property that was mortgaged to the Teamsters is not security for the Teamsters' loan.

Mr. KENNEDY. The Teamsters had the 1,200—how many?

Mr. HENSON. Approximately 1,270 acres.

Mr. KENNEDY. And then adjoining that was Winchester Woods which had about 105 acres?

Mr. HENSON. Yes, sir.

Mr. KENNEDY. Have they made a loan on the Winchester Woods?

Mr. HENSON. They borrowed \$200,000 on July 25, 1955.

The CHAIRMAN. Do we understand that the same interests own both Winchester Woods and also Winchester Village land?

Mr. HENSON. That is right, sir.

The CHAIRMAN. And these tracts, one 1,270 acres in the name of Winchester Village, and the other of 105 acres in the name of Winchester Woods—

Mr. HENSON. That is right, sir.

The CHAIRMAN (continuing). But owned by the same interests?

Mr. HENSON. I am sorry, sir. Maybe I didn't make that quite clear. Winchester Village and Winchester Woods was merely the name of the developments.

The CHAIRMAN. I understand.

Mr. HENSON. Both of these tracts were owned by the Winchester Village Land Co.

The CHAIRMAN. Both were owned by the Winchester Village Land Co.?

Mr. HENSON. Yes, sir.

The CHAIRMAN. Well, the same interests, then, owned both tracts in operation.

Mr. HENSON. Yes, sir.

The CHAIRMAN. And they adjoined?

Mr. HENSON. Yes, sir.

The CHAIRMAN. And the 105 acres, Winchester Woods, had already been mortgaged for how much?

Mr. HENSON. \$200,000.

The CHAIRMAN. \$200,000. And the Winchester Woods tract was not included in the mortgage or security given to the Teamsters?

Mr. HENSON. That is right, sir.

Senator IVES. May I ask a question there, Mr. Chairman?

The CHAIRMAN. Senator Ives.

Senator IVES. What is the value of these properties?

Mr. HENSON. At this point, sir?

Senator IVES. Yes, the assessed value.

Mr. HENSON. The only measurement I have is the purchase price.

Senator IVES. What was that?

Mr. HENSON. That was about \$470,000. Roughly \$350 an acre, sir.

Mr. KENNEDY. For the 1,270 acres?

Mr. HENSON. For both of these, sir, in total.

The CHAIRMAN. For both tracts?

Mr. HENSON. Yes, sir.

The CHAIRMAN. The whole purchase price for the two tracts was \$400,000?

Mr. HENSON. Yes, sir.

The CHAIRMAN. All right.

Mr. KENNEDY. Did Mr. Winshall also have other liabilities, as he had a number of lawsuits against him?

Mr. HENSON. It is my understanding he has had about 20 lawsuits in the last several years. Say, 4 years.

Mr. KENNEDY. Tell me this: Was there any fee that was paid in connection with this loan from the Teamsters? Was there any finders' fee?

Mr. HENSON. Yes, sir; there was a \$35,000 finders' fee paid to George S. Fitzgerald and Max Klayman.

The CHAIRMAN. Who?

Mr. HENSON. Max Klayman.

Mr. KENNEDY. Who is Max Klayman?

Mr. HENSON. Max Klayman is an attorney associated with George Fitzgerald.

The CHAIRMAN. I thought Mr. Fitzgerald was attorney for the Teamsters.

Mr. HENSON. He is, sir.

The CHAIRMAN. Who paid this \$35,000, the Teamsters or the other interest?

Mr. HENSON. The Winchester Village Land Co.

Mr. KENNEDY. Why do you call it a finders' fee?

Mr. HENSON. That was described to me by Abe Green, who is a principal in the Winchester Village Land Co., as a finders' fee?

Mr. KENNEDY. Had you known the term "finders' fee" before?

Mr. HENSON. Not in this way; no, sir. I asked him to explain, and he explained to me that this is a fee commonly paid to a party who locates a source of funds.

The CHAIRMAN. This is a finders' fee to locate the funds and not to locate the land; is that right?

Mr. HENSON. That is right, sir. The land was already under contract before the loan negotiations commenced.

The CHAIRMAN. A \$35,000 fee to find where you could borrow a million dollars. Is that what it adds up to?

Mr. HENSON. Yes, sir.

Mr. KENNEDY. Was this recorded on the books and records of the company?

Mr. HENSON. No, sir; it was not.

Mr. KENNEDY. It was not. This \$35,000 payment was not recorded?

Mr. HENSON. No, sir.

Mr. KENNEDY. Did it go through the escrow agent?

Mr. HENSON. No, sir; it did not.

Mr. KENNEDY. Would you explain to the committee how the \$35,000 payment to George Fitzgerald was handled?

Mr. HENSON. Yes, sir. Abe Green made a \$1,000 downpayment to purchase some property. This gave him an option to purchase this property.

Mr. KENNEDY. Could you speak a little louder, please?

Mr. HENSON. Abe Green made a \$1,000 deposit, which gave him an option to purchase certain land near Flint, Mich. This was in May 1955. Subsequent to making the deposit, he arranged to sell this property to General Motors Corp., and in the transaction would net a profit of approximately \$35,000.

On December 1, 1955, Abe Green made an assignment to George S. Fitzgerald and Max Klayman of his interest in the profits in the proposed sale. This sale was concluded in July of 1956. At this time, Max Klayman accompanied Abe Green to Flint, Mich., where Green received a check in payment of the land from the General Motors Corp. representative.

(At this point, members of the committee present: Senators McClellan and Ives.)

Mr. KENNEDY. The sale price was \$68,800, is that right?

Mr. HENSON. That is right.

Mr. KENNEDY. And he had the option for a thousand dollars?

Mr. HENSON. That is right, sir.

Mr. KENNEDY. So he had to get some other money, is that right?

Mr. HENSON. That is right, sir.

Mr. KENNEDY. To actually purchase the land?

Mr. HENSON. That is right.

Mr. KENNEDY. So he got \$68,800 from the General Motors Corp.?

Mr. HENSON. That is right, sir. More or less. There was some deductions for expenses and so forth.

Mr. KENNEDY. Which made it how much?

Mr. HENSON. The check received from the General Motors Corp. was \$62,752.

Mr. KENNEDY. What did he do with that check, then?

Mr. HENSON. Mr. Green went to the Michigan National Bank of Flint where he purchased four cashier's checks. One in the amount of \$35,000 payable to George S. Fitzgerald and Max E. Klayman. Two checks were purchased and payable to Edward and Susan Grubb, one for \$26,615.60 and the other \$7,185. This was in payment of his contract to purchase the land.

Mr. KENNEDY. That is the money he owed for the purchase of the land above the \$1,000?

Mr. HENSON. That is right.

Mr. KENNEDY. He had the \$1,000 option and then he owed this other money to Grubb for the actual purchase of the land?

Mr. HENSON. That is right.

Mr. KENNEDY. He had a \$35,000 profit and that \$35,000 profit was the cashier's check then made payable to George Fitzgerald and Max Klayman?

Mr. HENSON. Yes, sir.

Mr. KENNEDY. Did you check what happened to that \$35,000?

Mr. HENSON. Yes, I did. On July 25, 1956, this \$35,000 check was cashed by Max Klayman at the Detroit Welby Bank & Trust Co. in Detroit. Max Klayman at this time purchased three cashier's checks. These were as follows: Payable to George Stone, \$9,625; payable to Max Klayman, \$9,625.

The CHAIRMAN. Give me those amounts a little slower. George Stone how much?

Mr. HENSON. \$9,625. Max Klayman, \$9,625. George S. Fitzgerald, \$15,750.

The CHAIRMAN. All right.

Mr. KENNEDY. What did Mr. George Fitzgerald do with his money?

Mr. HENSON. Mr. Fitzgerald cashed his check at the City Bank in Detroit, Mich. and applied the proceeds as follows: Repayments of loans he had previously made from this bank, \$5,030. Deposited in the George S. Fitzgerald trustee account, \$5,720. Deposited in the George Fitzgerald special account, \$5,000. Both of these latter accounts with the City Bank.

Mr. KENNEDY. In my conversations with Mr. Fitzgerald, he stated that this money he received was under the escrow agreement, that the group that received this loan was to pay the attorney's fees, and that

the attorney's fees were to be paid out of the loan, the million-dollar loan.

Could you tell us what the records show on that?

Mr. HENSON. The attorney's fees are not mentioned, sir. Shall I read the clause?

Mr. KENNEDY. Yes, please. There is a clause that says certain payments are to be made in connection with the loan?

Mr. HENSON. Yes, sir.

Mr. KENNEDY. Will you read that to us?

Mr. HENSON. I am reading from section 7 of an escrow agreement dated October 12, 1955, which was made in connection with this loan. Section 7 reads:

The charges of the escrow agent and all expenses and fees incurred by said parties in connection with and in performance of this transaction and the aforementioned mortgage shall be paid by first parties and the escrow agent shall draw upon the mortgage fund for payment of same.

Mr. KENNEDY. It doesn't specifically mention attorney's fees, is that correct?

Mr. HENSON. No, sir, it does not.

Mr. KENNEDY. But it says that the expenses in connection with this, the drawing up of the agreement, should be paid by the recipient of the loan?

Mr. HENSON. Yes, sir.

Mr. KENNEDY. It also says that the expenses should be paid out of the loan, does it not?

Mr. HENSON. Yes, sir. Disbursed by the escrow agent.

Mr. KENNEDY. Was this money paid to Fitzgerald out of the loan?

Mr. HENSON. No, sir.

Mr. KENNEDY. Was it ever recorded? Was there any record made of it?

Mr. HENSON. No, sir.

Mr. KENNEDY. Ordinarily from an examination of the books you would not be able to find this payment, is that right?

Mr. HENSON. No, sir; not in the books.

Mr. KENNEDY. When you talked to Mr. Green, he stated that this was a finder's fee?

Mr. HENSON. That is right.

Mr. KENNEDY. For finding a source of money?

Mr. HENSON. Yes, sir.

Mr. KENNEDY. And Mr. George Fitzgerald was being paid by the Joint Council 43 during this period of time?

Mr. HENSON. Yes, sir.

Mr. KENNEDY. A regular monthly retainer?

Mr. HENSON. Yes, sir.

The CHAIRMAN. How much, do you recall?

Mr. HENSON. It varied from month to month but the average would be around \$2,700 to \$2,800. It was always close to that amount during this period we are discussing.

The CHAIRMAN. I suppose that included a fixed retainer fee and such expenses as bills might be rendered for?

Mr. HENSON. That is right, sir.

The CHAIRMAN. You have been testifying there from a document which you term the option agreement?

Mr. HENSON. No, sir. This was the escrow instructions.

The CHAIRMAN. Escrow agreement?

Mr. HENSON. Yes, sir.

The CHAIRMAN. That is an authentic copy?

Mr. HENSON. Yes, sir.

The CHAIRMAN. That copy of the escrow agreement may be made exhibit 121.

(Document referred to was marked "Exhibit No. 121" for reference and may be found in the files of the select committee.)

Mr. KENNEDY. Now, Mr. Chairman, I would like to have Mr. Henson step aside for a moment and call another witness. Mr. Schultz.

The CHAIRMAN. Just remain where you are we may wish to interrogate you further. The other witness will sit by you. You will be sworn, please, sir?

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. SCHULTZ. I do.

TESTIMONY OF WILLIAM J. SCHULTZ

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

Mr. SCHULTZ. William J. Schultz, 778 Lakeland, Grosse Pointe, Mich.

The CHAIRMAN. What is your business or occupation?

Mr. SCHULTZ. I am assistant secretary of the Abstract Title & Guaranty Co. and escrow officer.

The CHAIRMAN. In Detroit, Mich.?

Mr. SCHULTZ. Yes, sir.

The CHAIRMAN. Do you waive counsel?

Mr. SCHULTZ. Yes, sir.

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

Mr. KENNEDY. You are the escrow agent employed by the Abstract Title & Guaranty Co.?

Mr. SCHULTZ. That is right.

Mr. KENNEDY. You worked on and had something to do with the loan made to the Winchester Development Co.?

Mr. SCHULTZ. I handled the escrow, yes sir.

Mr. KENNEDY. For the loan that was made from the Teamsters, is that right?

Mr. SCHULTZ. That is right.

Mr. KENNEDY. Have you a copy of that agreement that was made? That is the escrow agreement, Mr. Schultz?

Mr. SCHULTZ. Yes, it is.

Mr. KENNEDY. From your experience would you say that was a good agreement and protected the interests of the Teamsters?

Mr. SCHULTZ. Yes, sir.

Mr. KENNEDY. You do feel that it adequately protected the interests of the Teamsters?

Mr. SCHULTZ. I think so.

Mr. KENNEDY. As that agreement was drawn up, is that correct?

Mr. SCHULTZ. Yes.

Mr. KENNEDY. Under the terms of the agreement, all the bills that the Winchester Co. would have would be submitted to you people as the escrow agent?

Mr. SCHULTZ. Yes, that is right.

Mr. KENNEDY. Why don't you explain generally how the situation was handled, and then I will ask you some specific questions.

Mr. SCHULTZ. The money was deposited with us for the purpose of paying bills for improving the land which would include paving, sewage system, water plant, and general items that would be necessary to have a subdivision.

Mr. KENNEDY. How was that going to be arranged?

Mr. SCHULTZ. The money was paid in and as the work progressed it was to be paid for upon certification of the engineer.

Mr. KENNEDY. They would submit their bills and you would pay the money out, is that right?

Mr. SCHULTZ. That is right.

Mr. KENNEDY. What about when they sold the land? What was the protective feature in that?

Mr. SCHULTZ. Well, as land was to be sold there is a provision in both the mortgage and the escrow agreement that parcels may be released, and that these releases would be deposited with our company and as they were required they could come in and pay the amount called for.

Mr. KENNEDY. Who would deposit the releases with your company?

Mr. SCHULTZ. The releases would have to be deposited by the Teamsters.

Mr. KENNEDY. As these plots of land were sold, the Winchester Co. would have to come to you to get the releases?

Mr. SCHULTZ. That is right.

Mr. KENNEDY. You would give them the releases, is that right?

Mr. SCHULTZ. That is right.

Mr. KENNEDY. And they would pay you a sum of money?

Mr. SCHULTZ. That is right.

Mr. KENNEDY. How much would they pay you?

Mr. SCHULTZ. It varied.

Mr. KENNEDY. \$15,000?

Mr. SCHULTZ. It is spelled out in the agreement. Some parcels were \$1,500. Others were \$2,000. I believe some are \$3,000. It could be that they could be more on an acreage basis if it were a large parcel.

Mr. KENNEDY. They would not be able to sell any of the land under this agreement without getting a release from you, is that right?

Mr. SCHULTZ. That would be true because they wouldn't have a clear title to sell unless they got a release.

Mr. KENNEDY. You would not give them the release until you were paid a certain amount of money?

Mr. SCHULTZ. That is right.

Mr. KENNEDY. So there were these two features: number one, that they would have to submit their bills to you before you would pay out any of the money?

Mr. SCHULTZ. That is right.

Mr. KENNEDY. And, second, that none of this land could be released until they paid a certain sum of money to you?

Mr. SCHULTZ. That is right.

Mr. KENNEDY. These were two protective features?

Mr. SCHULTZ. Yes.

Mr. KENNEDY. Going back to No. 1, did you understand from the agreement—from this protective feature—that they would have to submit bills for improvements? Did you understand that the improvements they were going to install or put in, or any expenditures for improving the land, had to be expenditures for the land that the Teamsters had under mortgage?

Mr. SCHULTZ. That was my original understanding and interpretation.

Mr. KENNEDY. This Winchester Development Co.?

Mr. SCHULTZ. Yes.

Mr. KENNEDY. This 1,270 acres; is that right?

Mr. SCHULTZ. That is right.

Mr. KENNEDY. Can you tell us whether you learned differently and from whom you learned differently? Tell us what happened.

Mr. SCHULTZ. There were some bills presented which I was not sure fell under the provisions of the agreement and I refused to honor them. Then I got clarification or interpretation from the law office of George Fitzgerald.

Mr. KENNEDY. Did you receive a letter from George Fitzgerald?

Mr. SCHULTZ. Yes. Several times I would have to chase him back to get—

Mr. KENNEDY. You told the Winchester Development Co. that you would not advance money?

Mr. SCHULTZ. I didn't think that certain of these things qualified for payments.

Mr. KENNEDY. You did not feel that they did?

Mr. SCHULTZ. That is right.

Mr. KENNEDY. Then you received a letter from George Fitzgerald telling you that you should go ahead and pay these?

Mr. SCHULTZ. Yes.

Mr. KENNEDY. Do you have copies of those letters?

Mr. SCHULTZ. No, sir.

Mr. KENNEDY. Mr. Henson has.

The CHAIRMAN. Mr. Henson, present the letters to Mr. Shultz and let him identify them?

(A document was handed to the witness.)

Mr. SCHULTZ. Yes; this is the letter.

The CHAIRMAN. You have in your hand a letter from whom to whom?

Mr. SCHULTZ. This is a letter written by George Fitzgerald, dated November 11, 1955, addressed to the Abstract Title & Guaranty Co. and it is to my attention.

The CHAIRMAN. That letter may be made exhibit No. 122.

(Document referred to was marked "Exhibit No. 122" for reference, and will be found in the appendix on p. 14903.)

The CHAIRMAN. Do you have another letter?

Mr. SCHULTZ. This letter is also written by George Fitzgerald. It is dated December 9, 1955, addressed to the Abstract Title & Guaranty Co., to my attention.

The CHAIRMAN. It may be made exhibit 122-A.

(Document referred to was marked "Exhibit No. 122-A" for reference, and will be found in the appendix on p. 14904.)

Mr. KENNEDY. May I have those letters, please?

Senator IVES. Mr. Chairman.

The CHAIRMAN. Senator Ives.

Senator IVES. I would like to ask Mr. Schultz a question just for information because I am not sure about the banking situation in Michigan. This Abstract Title & Guaranty Co. involved here is a State institution; is it not?

Mr. SCHULTZ. Yes, sir.

Senator IVES. Will you kindly tell me this. Is it a commercial institution or a commercial bank? Does it handle deposits?

Mr. SCHULTZ. No, sir. We are not a bank.

Senator IVES. You are not a bank?

Mr. SCHULTZ. No, sir. We are in the title insurance business.

Senator IVES. You provide title insurance?

Mr. SCHULTZ. That is right.

Senator IVES. Thank you. That is all I wanted to know.

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

Mr. KENNEDY. What was it, specifically, that brought these things about, Mr. Schultz?

Mr. SCHULTZ. I don't really remember. There were some bills, as I say, that I questioned.

The CHAIRMAN. Who was submitting the bills that you questioned?

Mr. SCHULTZ. Well, they would not always be brought over. Someone from the Winchester Land Office would—

The CHAIRMAN. I don't mean who actually made the physical delivery of them. I mean it was the Winchester Village Land Co. that was submitting the bills?

Mr. SCHULTZ. That is right.

The CHAIRMAN. Against the escrow account?

Mr. SCHULTZ. That is right.

The CHAIRMAN. And you were the one to judge and determine whether those bills were valid and should be paid?

Mr. SCHULTZ. That is right.

The CHAIRMAN. And you challenged some of them?

Mr. SCHULTZ. Yes, sir.

The CHAIRMAN. Then as a result of your challenge, you received these letters?

Mr. SCHULTZ. That is right.

Mr. KENNEDY. For instance, this letter of December 9, 1955, says:

DEAR SIR—

It is to the Abstract Title & Guaranty Co., signed by Fitzgerald.

Pursuant to our telephone conversation of yesterday, relating to the tap privilege certificates in Clinton Township, Macomb County, Mich., you are hereby authorized to release to the Winshall Associates \$100,000 for their use in picking up these tap privilege certificates. It is understood that what mechanics you may use in connection with the payment of the money to them or to the proper receiving agency and what method may be used for the repayment of this money into the fund is left to you as the escrow agent and the Winchester Land Co.

I have discussed this matter with my clients, and it is our feeling, one, that since the escrow account was created and the money loaned for the development of Winchester Village, the use of this money for anything which will promote this property, not only directly but indirectly, should be left to the discretion of the Winchester Village Land Co.

Two. That, since the Clinton Township property is part of the partnership assets which was pledged as collateral on the original loan, any improvement of that Clinton Township property would only enhance our security.

If there is anything further you desire, please contact the undersigned.

Signed George Fitzgerald.

First, the tap privilege certificates in Clinton Township, did that have anything directly to do with the Winchester Village development?

Mr. SCHULTZ. No, sir.

Mr. KENNEDY. In fact, isn't that a different county entirely than the Winchester Village Co.?

Mr. SCHULTZ. Yes, sir.

The CHAIRMAN. How far removed are the two tracts?

Mr. SCHULTZ. Roughly 60 or 70 miles.

The CHAIRMAN. How would improving a tract of land 70 miles away enhance the value of the Winchester Village land?

Mr. SCHULTZ. I don't believe you have the full picture, sir. These are two completely separate developments. One up in Flint, that is the one that this loan is on, and the other is in Macomb County, I believe.

The CHAIRMAN. I do have the picture. This letter says it would directly, or implies it would directly, or indirectly enhance the value of the Winchester Village Land Co. project.

Mr. SCHULTZ. That could never be.

The CHAIRMAN. Sir?

Mr. SCHULTZ. That could never be.

The CHAIRMAN. I don't see how an improvement 70 miles away would enhance the value of property. All right, proceed.

Mr. KENNEDY. Maybe you should answer this, Mr. Henson. It states here:

Since the Clinton Township property is part of the partnership assets which was pledged as collateral on the original loan, any improvement of that Clinton Township property would only enhance our security.

Was that in fact pledged?

Mr. HENSON. No, sir, it was not.

The CHAIRMAN. In other words, this tract 70 miles away, or this project 70 miles away, was not included in the mortgage?

Mr. HENSON. No, sir, it was not.

The CHAIRMAN. And it was in no way, so far as you could ascertain or find out, pledged or mortgaged as a security or collateral for this loan?

Mr. HENSON. Only in that the individual partners signed the mortgage note.

The CHAIRMAN. They had their signature, and, of course, whatever they owned would be liable. I mean any assets that they might have after the mortgage security was exhausted might be liable for their debts.

Mr. HENSON. That is right, sir.

The CHAIRMAN. But it was not security.

Mr. HENSON. No, sir.

The CHAIRMAN. In other words, after they improved that property up there, they could easily sell it and dissipate the money.

Mr. HENSON. Yes, sir; they did.

The CHAIRMAN. And they did, is that so?

Mr. HENSON. Yes, sir.

The CHAIRMAN. All right. Proceed.

Mr. KENNEDY. What about this letter of November 11, 1955. "Dear Mr. Schultz." It is again signed by George Fitzgerald.

It has come to my attention that the aforementioned escrow agreement is not sufficiently inclusive to allow you to pay certain expenses of Winchester Village Land Co., sometimes billed to Winshall Associates, incident to the improvements therein contemplated. Since our agreement with them is such that all moneys received by virtue of sales of any part of the mortgaged premises be placed in escrow, it was our intention that all expenses incurred incident to the improvement of said premises be paid from the escrow funds. Please accept this as your authority and direction to pay said expenses upon presentation of an invoice therefor, or an engineer's certificate authorizing said payment.

Do you remember what that specifically was about?

Mr. SCHULTZ. I believe that was the first letter.

It followed several miscellaneous bills that I had rejected.

Mr. KENNEDY. That you could not trace directly to this property for the improvement?

Mr. SCHULTZ. Probably. For some reason or other I did not know that they should have been paid.

Mr. KENNEDY. I would like to ask Mr. Henson a question.

Mr. George Fitzgerald qualifies the written agreement by these two letters. Is there anything in the minutes of the Michigan Conference of Teamsters Welfare Fund, which shows that the trustees agreed to these changes in the agreement?

Mr. HENSON. No, sir.

Mr. KENNEDY. There is no mention of it whatsoever?

Mr. HENSON. No, sir.

Mr. KENNEDY. There is no mention even that it was taken up or considered by them?

Mr. HENSON. No reference whatsoever.

The CHAIRMAN. Let me ask you, Mr. Schultz, when you received these letters from Mr. Fitzgerald, whom did you understand he represented?

Mr. SCHULTZ. The Teamsters.

The CHAIRMAN. That is the welfare fund?

Mr. SCHULTZ. Yes, sir.

The CHAIRMAN. In other words, he was their attorney?

Mr. SCHULTZ. Yes, sir.

The CHAIRMAN. And you were acting on instructions from the one who you understood to be the attorney for the mortgagee?

Mr. SCHULTZ. Yes, sir.

Mr. KENNEDY. There was one other aspect we talked about. You thought that this agreement was a good agreement, and that there were two good features that protected the interests of the Teamsters, one, that the improvements should be made on the lot that they had under mortgage, which we have just discussed, and the second one was that when the property was released, that Winchester would pay a certain amount of money to you, to the Abstract Title Co., is that correct?

Mr. SCHULTZ. Yes, sir.

Mr. KENNEDY. Did they in fact pay this money to the Abstract Title Co.?

Mr. SCHULTZ. No, sir.

Mr. KENNEDY. They did not?

Mr. SCHULTZ. No, sir.

Mr. KENNEDY. Have you received any money for any of the land that has been released so far?

Mr. SCHULTZ. I believe we got one payment, one or two, at the very most.

Mr. KENNEDY. The rest of the money has not been paid, is that correct?

Mr. SCHULTZ. No, sir.

Mr. KENNEDY. I would like to ask Mr. Henson in that connection: Have we found that the land has been released?

Mr. HENSON. Yes, sir.

Mr. KENNEDY. Could you tell us what the records show as far as releases?

Mr. HENSON. The number of releases?

Mr. KENNEDY. How much of the land has been released, and what the Teamsters should have received?

Mr. HENSON. The best estimate I have is around 350 acres released. I call this an estimate because some of the land, instead of describing individual lots, describe parcels of land by legal description. This is approximately 350 acres in total. This land was released with 23 separate releases.

Mr. KENNEDY. At least?

Mr. HENSON. At least.

Mr. KENNEDY. Twenty-three recorded?

Mr. HENSON. These are recorded by Genesee County.

Mr. KENNEDY. How much money should the Teamsters have received on their loan of \$1 million?

Mr. HENSON. The loan should be repaid as well as interest. They should have received upward of \$1 million. I compute it at \$1,279,000.

Mr. KENNEDY. That would have been repayment of the loan and of interest; is that correct?

Mr. HENSON. Yes, sir.

Mr. KENNEDY. And instead, how much have they received?

Mr. HENSON. \$104,000, approximately, in interest.

The CHAIRMAN. If I understand correctly, had the escrow agreement been enforced and carried out as these sales were made and the property released, had the Teamsters gotten the money that the escrow agreement provided they should get as the property was released, the \$1 million loan would have been repaid?

Mr. HENSON. That is right, sir.

The CHAIRMAN. Let me ask you now: Does this \$104,000 pay all the interest that may have accrued?

Mr. HENSON. No, sir.

The CHAIRMAN. How much is still owing on the interest?

Mr. HENSON. Approximately \$60,000 to \$70,000, sir.

The CHAIRMAN. Some \$60,000 or \$70,000 still due on the interest?

Mr. HENSON. Yes, sir.

The CHAIRMAN. All right.

Mr. KENNEDY. Have the Teamsters granted extensions on this loan?

Mr. HENSON. Yes, sir; they have.

Mr. KENNEDY. When did they grant extensions?

Mr. HENSON. On October 12, 1956, the loan was extended to January 12, 1957. On January 12, 1957, it was again extended to July 12, 1957. On July 12, 1957, it was again extended to January 12, 1958. And from January 12, 1958, it was again extended to June 30, 1958.

The CHAIRMAN. It has not been extended since June 30?

Mr. HENSON. No, sir; not to my knowledge.

Mr. KENNEDY. What is the present status of it?

Mr. HENSON. George Fitzgerald's office has initiated foreclosure proceedings.

Mr. KENNEDY. And those foreclosure proceedings have been issued since our investigation; is that correct?

Mr. HENSON. That is right, sir.

Mr. KENNEDY. What is left? Will you describe that to the committee? The 350 acres, approximately, have been sold; is that right?

Mr. HENSON. That is right, sir.

Mr. KENNEDY. That is where the improvements have gone, where the money has been used?

Mr. HENSON. That is right.

Mr. KENNEDY. That has already been sold?

Mr. HENSON. Yes, sir.

Mr. KENNEDY. And the Teamsters have lost control of that; is that right?

Mr. HENSON. That is right, sir.

Mr. KENNEDY. And they received no money for it?

Mr. HENSON. That is right.

Mr. KENNEDY. That property is gone and the Teamsters have lost completely the \$1 million they should have gotten from it?

Mr. HENSON. Yes, sir.

Mr. KENNEDY. There is more acreage left; is that right?

Mr. HENSON. There is approximately 950 acres left.

Mr. KENNEDY. Would you describe what the situation is as far as the 950 acres?

Mr. HENSON. The land is largely undeveloped. A portion of the land, at least, has trunklines in only, that is for sewers and for water. However, as I say, this is only the trunkline and to further use the land you would have to run lateral lines out to service the entire area.

Mr. KENNEDY. And that has not been done?

Mr. HENSON. That has not been done.

The CHAIRMAN. Have streets been paved in that area?

Mr. HENSON. No, sir.

The CHAIRMAN. So it is just in an unimproved state altogether except the main lines having been run for water and sewers?

Mr. HENSON. That is right, sir.

Mr. KENNEDY. What is the status as far as the water is concerned, the sewerage?

Mr. HENSON. The water supply with the present equipment is insufficient to serve the area that is already developed. Because of this—

Mr. KENNEDY. Where did you get that information?

Mr. HENSON. This was received from the attorney to the Gaines Township Board of Governors, who forwarded to me a resolution passed by the Gaines Township Board of Governors to the effect that

no more building permits would be issued for the building of homes on this land.

Mr. KENNEDY. Because of the lack of water?

Mr. HENSON. That is right, sir.

Mr. KENNEDY. And what is the situation as far as the sewage is concerned?

Mr. HENSON. There is a sewage plant with a total capacity of around 1,200 families. There are 1,721 building sites on the land that has already been released. There are additionally approximately 209 lots in the area we discussed earlier, which is called Winchester Woods. So this means for the remaining 950 acres, the existing sewage plant can service maybe 250 more homes.

Mr. KENNEDY. And beyond that there are going to have to be new sewage facilities built?

Mr. HENSON. That is right, sir.

Mr. KENNEDY. So they will have to erect a new water plant and new sewage facilities, as well as put in the streets and the other developments?

Mr. HENSON. That is right.

Mr. KENNEDY. And none of that has been done?

Mr. HENSON. None.

Mr. KENNEDY. Is this land that you have described where none of this has been done, and where the water is in short supply, and where the sewage is inadequate, the land that they are taking over at the present time under these foreclosure procedures?

Mr. HENSON. That is right.

Mr. KENNEDY. And the good land, where all the money has been put into, has been sold?

Mr. HENSON. That is right, sold or mortgaged.

Mr. KENNEDY. And the Teamsters are out in the cold as far as that is concerned?

Mr. HENSON. That is right, sir.

Mr. KENNEDY. Do you know, Mr. Schultz, how it was arranged that the Winchester Development Co. was able to get these releases without going through your company as the contract provided?

Mr. SCHULTZ. No, sir; they were never deposited with our company.

Mr. KENNEDY. They must have been turned over directly either by George Fitzgerald or the Teamsters.

Mr. SCHULTZ. I have no knowledge of that.

Mr. KENNEDY. They never sent them to you.

The CHAIRMAN. Under the escrow agreement those releases were to come through your office?

Mr. SCHULTZ. Yes, sir.

The CHAIRMAN. You were to—

Mr. SCHULTZ. Release them for money.

The CHAIRMAN. You were to deliver the release upon receipt of the money?

Mr. SCHULTZ. That is right.

The CHAIRMAN. So the escrow agreement has been completely violated with respect to the release of the property?

Mr. SCHULTZ. Yes, sir.

The CHAIRMAN. The original agreement was also violated by reason of the authority given to you by the attorney for the Teamsters. The terms of it were modified and changed by these letters?

Mr. SCHULTZ. Yes, sir.

The CHAIRMAN. Do you have any of the million dollars left that they deposited with you?

Mr. SCHULTZ. I believe that there is \$200 left.

The CHAIRMAN. \$200.

Mr. KENNEDY. I think that is all for Mr. Schultz.

The CHAIRMAN. Are there any other questions of Mr. Schultz?

Senator IVES. No.

The CHAIRMAN. Thank you very much, Mr. Schultz.

Mr. KENNEDY. Mr. Chairman, that gives a broad outline of what the situation is, and now I would like to go into some details as to how this was handled.

Mr. Schultz has explained that the letters from Mr. Fitzgerald to him altered the agreement and allowed these funds to be used for other purposes. Was there a diversion? How much did you find was diverted?

Mr. HENSON. \$247,941.58, sir.

Mr. KENNEDY. That did not go into the improvement of this land?

Mr. HENSON. That is right, sir.

Mr. KENNEDY. Under this side agreement with Mr. George Fitzgerald?

Mr. HENSON. Yes, sir.

Mr. KENNEDY. How was that used? Could you break that down?

Mr. HENSON. Yes, sir; \$20,935.75 was used to purchase 19 cows, 1 bull and some farm supplies.

Mr. KENNEDY. What were the cows going to do? How were they going to help the property?

The CHAIRMAN. I thought this was a city development.

Mr. HENSON. I did, too, sir.

The CHAIRMAN. Is that all it is fit for, what is left, to raise some bulls and cows? Proceed.

Mr. KENNEDY. That is \$20,935 for the cows and the bull?

Mr. HENSON. \$98,550 was used to purchase the Clinton Township certificates we referred to.

Mr. KENNEDY. Which was the property 60 miles away?

Mr. HENSON. That is right.

Mr. KENNEDY. And which property has now been sold?

Mr. HENSON. That is right, sir.

The CHAIRMAN. Did the Teamsters get back any of this money from the sale of that property?

Mr. HENSON. No, sir.

Mr. KENNEDY. Then would you explain what happened to the rest of it?

Mr. HENSON. There were loans to other companies totaling \$44,615. As these loans were repaid, the Winchester Village Land Co., of course, would then be holding the cash free of the escrow fund, and this is what occurred.

The CHAIRMAN. I don't quite understand that one.

Mr. HENSON. There were loans made to other companies.

The CHAIRMAN. You mean out of these escrow funds?

Mr. HENSON. Yes, sir, totaling \$44,615.

The CHAIRMAN. What security?

Mr. HENSON. None, sir.

The CHAIRMAN. All right, proceed.

Mr. KENNEDY. Now explain the arrangement they had with a company called the Aero Realty Co.

Mr. HENSON. The Aero Realty was a company used to transact business for the Winchester Village Land Co. In using this company, the Winchester Village Land Co. diverted funds to other purposes on 1 occasion, \$51,020.83, and on 2 other purposes, \$32,820.

The CHAIRMAN. What are those purposes? Can you identify them?

Mr. HENSON. Yes, sir.

Mr. KENNEDY. You are going to identify the \$51,000 first.

Mr. HENSON. Yes.

Mr. KENNEDY. This is an exceptionally interesting financial transaction, Mr. Chairman.

The CHAIRMAN. I think we may all be learning something. Go ahead.

Mr. HENSON. As a bit of background, I refer again to the fact that \$200,000 was borrowed from a group headed by a Daniel Levine. We referred to that earlier.

Mr. KENNEDY. That was the other 105 acres.

Mr. HENSON. That is right, sir. There was an additional 10 acres involved in this transaction at that time. At that time an agreement was made by which the Winchester Village Land Co. would sell to the Daniel Levine group 10 acres of land for \$10,000, and at the end of a year they would repurchase this land for \$50,000.

The CHAIRMAN. What? Say that again.

Mr. HENSON. At the time the \$200,000 loan was obtained in July of 1955, there was also an agreement that the Winchester Village Land Co. would sell to Daniel Levine and others 10 acres of land for \$10,000, and that a year later this same land would be repurchased at a purchase price of \$50,000.

The CHAIRMAN. By the same one who sold it 1 year ago for \$10,000?

Mr. HENSON. That is right.

The CHAIRMAN. Do you have that agreement there?

Mr. HENSON. No, sir.

The CHAIRMAN. Do you have that document anywhere in the files?

Mr. HENSON. Yes, sir.

The CHAIRMAN. I would like to see that document.

Mr. KENNEDY. He will explain.

Mr. HENSON. Actually these are a series of documents which are in evidence of this transaction.

The CHAIRMAN. Which are what?

Mr. HENSON. Which are in evidence of this transaction.

The CHAIRMAN. We will get them all together.

Mr. KENNEDY. This is the group that loaned Winchester \$200,000?

Mr. HENSON. That is right, sir.

Mr. KENNEDY. At the same time they sold them a piece of property for \$10,000?

Mr. HENSON. That is right.

Mr. KENNEDY. With the understanding that they would buy it back at \$50,000 a year later?

Mr. HENSON. That is right, sir.

Mr. KENNEDY. You have the letter there, do you not, where they remind them of the fact that they are to repurchase the land?

Mr. HENSON. That is right.

Mr. KENNEDY. Would you present that to the chairman?

The CHAIRMAN. Will you identify that letter?

Mr. HENSON. Yes sir.

The CHAIRMAN. That letter will be made exhibit No. 123.

(The letter referred to was marked "Exhibit No. 123," for reference, and will be found in the appendix on p. 14905.)

Mr. KENNEDY. This letter is dated March 19, 1956, Mr. Chairman.

The CHAIRMAN. Who is Mr. Jack I. Winshall?

Mr. HENSON. He is the principal in the Winchester Land Co., sir.

The CHAIRMAN. He is one of the owners?

Mr. HENSON. Yes, sir.

The CHAIRMAN. Who is Norman Monning?

Mr. HENSON. He is attorney for the Daniel Levine group.

The CHAIRMAN. This letter is from Mr. Monning to Mr. Winshall and says:

Mr. Goldman's principals would like to know when you are going to enter into a land contract to repurchase the 10 acres in Genesee County. They expected you to call them and arrange a closing in this matter before this. Therefore, your prompt attention to this matter will be appreciated.

Then I find a notation down here. What do these notations mean on this letter? These are pen notations.

Mr. HENSON. The \$50,000 refers to the land contract which has not been made available to us. The \$1,000, as far as I can determine, refers to an initial payment that was made pursuant to this letter toward the agreed repurchase of the 10 acres.

The CHAIRMAN. I note here it says, "Five months from February 3, 1956."

Mr. HENSON. Yes, sir.

The CHAIRMAN. Can you interpret that? Do you know what that means?

Mr. HENSON. The repurchase occurred 5 months from February 1956.

The CHAIRMAN. That is when it was due to occur?

Mr. HENSON. Yes, sir.

The CHAIRMAN. Did it ever occur?

Mr. HENSON. Yes, sir.

The CHAIRMAN. You mean they bought that land back, that 10 acres, for \$50,000?

Mr. HENSON. Yes, sir.

Mr. KENNEDY. Do you also have a blank agreement that they will repurchase that land?

Mr. HENSON. No, sir; I do not. I have an offer to purchase real estate.

Mr. KENNEDY. That is what I meant. Would you describe that document and show it to the chairman?

Mr. HENSON. Yes, sir. This is a signed document, by David Sebansky and Abe S. Green, both of whom are principals in the Winchester Village Land Co. It is undated. It contains a legal description which has been identified as the same as the 10 acres involved in the original sale for \$10,000.

The CHAIRMAN. That document may be made exhibit No. 124.

(The document was marked "Exhibit No. 124" for reference and will be found in the files of the select committee.)

Mr. KENNEDY. Do you have another document ?

Mr. HENSON. Yes, sir ; I have.

The CHAIRMAN. Identify the document you are now presenting.

Mr. HENSON. This is an invoice or statement to Winchester Village Land Co. on the letterhead of Aero Realty. It is dated June 29, 1956, and it reads :

Services rendered and miscellaneous closings through May 3, 1956, \$51,020.83.

The CHAIRMAN. That may be made exhibit No. 125.

(The document was marked "Exhibit No. 125" for reference and will be found in the appendix on p. 14906.)

Mr. KENNEDY. Have you another document or do you want to describe how this transaction was handled ?

Mr. HENSON. I will describe that one.

The CHAIRMAN. Give us the explanation of this last exhibit.

Mr. HENSON. I discussed this invoice with a John Ruggero, who is doing business as Aero Realty, who informed me that this invoice was prepared in the offices of Winshall Associates.

Mr. KENNEDY. Could I interrupt a moment ? To understand this, Mr. Chairman, we have to remember that under the agreement, the Abstract Title Co. would pay to Winshall Development Co. money when a bill was presented. That was the agreement, that they had to present some bills, and then the Abstract Title Co. would forward some money to them.

The CHAIRMAN. Well, it is beginning to get a little complicated.

Mr. KENNEDY. Let's not consider the sale of this land at all. But the facts are that, under the original agreement between the Teamsters and the Winshall Development Co., the money that the Winshall Development Co. needed to develop their land would be forwarded to them by the Abstract Title Co. when they gave them some bills. This was to protect the Teamsters' money.

We have had testimony regarding the fact that some of these bills came for pieces of land that did not have anything to do with the property on which the Teamsters had a mortgage.

This is another gimmick. This is a company called the Aero Realty Co.

The thing we are looking into here, Mr. Chairman, is where there are phony invoices given to the Abstract Title Co., and then the Abstract Title Co. pays on them. This is a deal within a deal within a deal.

The CHAIRMAN. All right.

Go ahead.

Mr. HENSON. This invoice was prepared in the office of the Winchester Village Land Co., billing itself for \$51,020.83.

Mr. KENNEDY. But using the stationery of this other company. They had, did they not, stationery of another company in their own office ?

Mr. HENSON. That is right, sir.

Mr. KENNEDY. And they would make up bills to themselves on the stationery of the other company ; is that correct ?

Mr. HENSON. That is right, sir.

Mr. KENNEDY. Then they would submit those bills to the Abstract Title Co., receive the money of the Teamsters, and then use it for their own purposes ?

Mr. HENSON. That is right, sir.

Mr. KENNEDY. And in this particular case, the reason they needed the money was to repurchase the land for \$50,000 from a group that they had sold it to for \$10,000.

The CHAIRMAN. Is that correct?

Mr. HENSON. That is right, sir.

The CHAIRMAN. So this bill was prepared by the land company that borrowed the money from the Teamsters?

Mr. HENSON. Yes, sir.

The CHAIRMAN. That money was in escrow?

Mr. HENSON. Yes, sir.

The CHAIRMAN. They had sold 10 acres of the land that was mortgaged?

Mr. HENSON. No, sir.

The CHAIRMAN. That 10 acres was not mortgaged?

Mr. HENSON. No, sir.

The CHAIRMAN. That was in the other tract that was not mortgaged?

Mr. HENSON. Yes, sir.

The CHAIRMAN. They sold 10 acres of that for \$10,000?

Mr. HENSON. Yes, sir.

The CHAIRMAN. And repurchased it for \$50,000, and made out a bill on the company's stationery from whom they repurchased the 10 acres?

Mr. HENSON. No, sir.

The CHAIRMAN. This is another one altogether?

Mr. HENSON. Yes, sir.

Mr. KENNEDY. They made up an invoice on an entirely different company, the Aero Realty Co., presented this bill to the Abstract Title Co., and got the \$51,000. Tell them what happened to the \$51,000, how they handled that.

Now, you see, they got the \$51,000, but they got it as coming from the Aero Realty Co. Now their problem is to get it over to the group that they had sold the land to for \$10,000.

They have to get it over there. Tell them how they handled that part of it. It is Teamster money.

Mr. HENSON. I have here a photostat of a check dated July 5, 1956. The check was issued by Abstract & Title Guarantee Co. for \$51,020.83, payable to Aero Realty.

The CHAIRMAN. That check may be made exhibit 126.

(The document referred to was marked "Exhibit No. 126" for reference and will be found in the appendix on p. 14907.)

Mr. KENNEDY. Now, Senator, they put the bill in, that they made up themselves, to the Abstract Title Co. The Abstract Title Co. then made out a check for \$51,000 to the Aero Realty Co.

Senator IVES. Mr. Chairman, I am getting confused. I wish the witness kindly would tell us how many companies are involved in this whole business outside of the title company.

Mr. HENSON. Approximately 50 companies.

Senator IVES. Approximately 50 companies?

Mr. HENSON. Yes, sir.

Mr. KENNEDY. But they are not going to all be involved in this transaction.

Senator IVES. That is what I mean, this transaction.

Mr. KENNEDY. The only companies we have to think of is, first, the Abstract Co., the Winshall Co., which was getting the loan, the Abstract Title Co. which was handling the loan for the Teamsters; the Aero Realty Co., and then this fourth company.

Senator IVES. That is all?

Mr. KENNEDY. Yes.

It is only the four companies that are involved in this transaction.

Senator IVES. Thank you.

Mr. KENNEDY. Then they got the check from the Abstract Title Co. to the Aero Realty Co.?

Mr. HENSON. Yes, sir.

Mr. KENNEDY. What did they do with that?

Mr. HENSON. Aero Realty deposited this check on July—it must be July 6, or possibly 9. The writing is hard to make out here. It is 1956. And on the same date it issued a check for \$51,020.83, payable to Manufacturers National Bank for a cashier's check to A. S. Green.

Mr. KENNEDY. That would indicate that the Aero Realty Co. knew of the phoiness and was a part of making up the phony vouchers. They allowed them to do it. They took the check, deposited it in their own bank account, and then made another check out.

The CHAIRMAN. Who did they make that check out to?

Mr. HENSON. This is payable to Manufacturers National Bank for cashier's check to A. S. Green.

The CHAIRMAN. Who is A. S. Green?

Mr. HENSON. This is another principal in the Winchester Village Land Co.

The CHAIRMAN. Another what?

Mr. HENSON. Another principal, another party.

The CHAIRMAN. One of the owners?

Mr. HENSON. Yes, sir.

The CHAIRMAN. He got the money out in his name now?

Mr. HENSON. Yes, sir.

The CHAIRMAN. He got it in the name of one of the owners?

Mr. HENSON. Right.

Senator IVES. Just a minute. Have any of these companies been incorporated at all?

Mr. HENSON. Pardon?

Senator IVES. I say have any of these companies been incorporated?

Mr. HENSON. Yes, sir. The Winchester Village Land Co., some time in 1956, probably about the period we are speaking of, was replaced by a corporation known as North American Development Co.

The CHAIRMAN. But up to this time they had not been incorporated?

Mr. HENSON. No, sir.

The CHAIRMAN. They were partnerships.

Mr. KENNEDY. Let's stay out of that a moment.

The CHAIRMAN. Don't get any deeper until we get this cleared up. All right. Proceed.

Mr. KENNEDY. I have a photostatic copy of a check stub taken from the Aero Realty records in which it records the deposit of \$51,020.83, and the issuance of a check for this same amount. The explanation is A. S. Green, and "exchange of checks."

The CHAIRMAN. That may be made exhibit 126A. We will put it in with the other one.

(The document referred to was marked "Exhibit No. 126A" for reference and will be found in the appendix on p. 14908.)

The CHAIRMAN. Proceed.

Mr. HENSON. Mr. Green, using the check from Aero Realty—I am sorry, sir. The Manufacturers National Bank issued a cashier's check to Abe Green for \$51,020.83.

The CHAIRMAN. That is the way he got his?

Mr. HENSON. Yes, sir.

The CHAIRMAN. In other words, he turned in the other check and got a cashier's check?

Mr. HENSON. The Aero Realty check, sir, was to Manufacturers National Bank for a cashier's check to A. S. Green.

The CHAIRMAN. We will make those checks exhibits Nos. 127A and B.

(The documents referred to were marked "Exhibits Nos. 127A and B" for reference and may be found in the appendix on pp. 14909–14910.)

Mr. KENNEDY. Then what happened?

Mr. HENSON. Using this \$51,020.83, Mr. Green purchased the following cashier's checks from the Detroit Bank & Trust Co., payable to Daniel LeVine, doing business as F. & L. D. Co., \$25,010.42; a check payable to William and Blanche Pearl, \$6,252.61.

Mr. KENNEDY. And the same amount to Jerome Kirschbaum, the same amount to Harold Rosemont, and the same amount to Ira E. and Bella R. Falk and A. S. Green in the amount of \$1,000, making a total of \$51,020.

Senator IVES. What is the F. & L. Co.? Is that Fitzgerald and LeVine?

Mr. HENSON. No, sir. The name escapes me at the moment. It is Federal, I believe; that is the first word of it.

Senator IVES. Thank you.

The CHAIRMAN. Those checks you referred to may be made exhibit 128A, B, C, D, E, and F.

(The documents referred to were marked "Exhibits Nos. 128A, B, C, D, E, and E, and F" for reference and will be found in the appendix on pp. 14911–14916.)

Mr. KENNEDY. So they go the \$51,000 over to them for the repurchase of this land by the methods you described?

Mr. HENSON. Yes, sir.

Mr. KENNEDY. And Mr. Green, one of the principals, ended up with \$1,000 for himself?

Mr. HENSON. That is right, sir.

Mr. KENNEDY. Has there been a similar transaction offering a bonus? Do you have a letter there showing actually that they were going to pay a bonus?

Mr. HENSON. Yes, sir. These last checks I mentioned were dated July 6, 1956.

Mr. KENNEDY. Do you have the letter dated August 17, 1956?

Mr. HENSON. July 18.

The CHAIRMAN. Do you have the letter of August 17, 1956? Do you have that before you?

Mr. HENSON. No, sir.

The CHAIRMAN. I present to you a letter here, purportedly from Jack I. Winshall, to Manny Harris, dated August 17, 1956, and ask you to examine it and state if you identify it.

(The document was handed to the witness.)

Mr. HENSON. Yes, sir.

The CHAIRMAN. That letter may be made exhibit 129.

(The document referred to was marked "Exhibit No. 129" for reference and will be found in the appendix on p. 14917.)

Mr. KENNEDY. Mr. Chairman, to demonstrate clearly the position on these matters, we have this letter of Mr. Manny Harris, with offices in the Guardian Building, to the North American Development Co., Jack I. Winshall. North American Development Co. was this company?

Mr. HENSON. Yes, sir.

Mr. KENNEDY. The Winshall Development Co.?

Mr. HENSON. Yes, sir.

Mr. KENNEDY. And Mr. Manny Harris was who? He was a lawyer?

Mr. HENSON. He is the head of a group. Their primary business is the ownership of real estate, real property, in Detroit.

Mr. KENNEDY. This deal never went through; is that right?

Mr. HENSON. That is right, sir.

Mr. KENNEDY. But this is what the letter says, Mr. Chairman.

DEAR SIR: In consideration of the sum of \$500,000 advanced to North American Development Co. and its subsidiaries for the purpose of completing the installation and improvements of 500 lots in Winchester Village Subdivision, Gaines Township, Genesee County, Mich., the undersigned is willing to arrange for the repayment of above, along with a bonus of \$150,000, which bonus to be so arranged to be in the form of a capital gain. The capital gain will be arranged through the purchase by you of 70 acres of land for \$26,000 and the subsequent repurchase of this land by our corporation for the sum of \$176,000 within 1 year.

The 70 acres of land are adjacent to our property. The site of our proposed apartment site development is well worth the purchase price.

The CHAIRMAN. You say this transaction never went through?

Mr. HENSON. That is right, sir.

Mr. KENNEDY. But it shows the methods of operation. In this case, it was going to be a bonus of \$150,000. In that case just described, it was \$40,000.

The CHAIRMAN. They treated this profit over the \$10,000 as a bonus to Daniel LeVine, is that correct?

Mr. HENSON. When you say treated, sir, do you mean as recorded?

In effect it was a bonus, yes, sir.

The CHAIRMAN. It says here on this witness sheet I have before me—to pay bonus to Daniel LeVine and others \$51,020.83.

Mr. HENSON. Bonus is my own word, sir.

The CHAIRMAN. Bonus is your word?

Mr. HENSON. Yes, sir.

The CHAIRMAN. In other words, what you are speaking is this wind-fall of profit.

Mr. HENSON. That is right, sir.

Senator Ives. Could you say commission?

The CHAIRMAN. It was too big for that.

Mr. KENNEDY. There was one thing I did not ask you earlier when we were talking about the property that the Teamsters had left to them, some 900 acres. Would you have any idea as to the value of this property?

Mr. HENSON. I could get no good measure of it. But using the original purchase price, taking into consideration there is now some service, but, again, allowing for the fact that the water supply is presently inadequate, and there is certainly a limitation of sewage facilities, I would say around \$300 to \$350,000 would be a maximum. This is speaking of raw land value, and based on the original purchase price.

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

Mr. KENNEDY. That is what they have left from this million dollar loan?

Mr. HENSON. That's right, sir.

Mr. KENNEDY. I think that is all.

The CHAIRMAN. Is there anything further?

Senator IVES. No.

The CHAIRMAN. We find that we cannot conclude with another witness at this morning hour before the Chair would have to leave. For that reason, as originally planned, we will recess the hearings until next week. I had in mind to resume hearings next Monday afternoon, but it might be that I would not be able to return by that time, and therefore, we will recess the hearings now until Tuesday morning next, at 10:30 a. m.

The committee stands in recess.

(Whereupon, at 12:10 p. m. the hearing was recessed, to reconvene at 10:30 a. m., Tuesday, September 9, 1958, with the following members present: Senator McClellan and Ives.)

INVESTIGATION OF IMPROPER ACTIVITIES IN THE LABOR OR MANAGEMENT FIELD

TUESDAY, SEPTEMBER 9, 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, and Senator Irving M. Ives, Republican, New York.

Also present: Robert F. Kennedy, chief counsel; Jerome S. Adlerman, assistant chief counsel; Paul Tierney, assistant counsel; John J. McGovern, assistant counsel; Carmine S. Bellino, accountant; Pierre S. Salinger, investigator; Leo C. Nulty, investigator; James P. Kelly, investigator; Walter J. Sheridan, investigator; James Mundie, investigator, Treasury Department; John Flanagan, investigator, GAO; Alfred Vitarelli, investigator, GAO; and Ruth Young Watt, chief clerk.

(At the reconvening of the committee, the following members were present: Senators McClellan and Ives.)

The CHAIRMAN. The committee will come to order.

All right, Mr. Kennedy, call the next witness.

Mr. KENNEDY. George Fitzgerald.

The CHAIRMAN. Come forward, please.

Mr. FITZGERALD. I think I have been sworn, Mr. Chairman.

The CHAIRMAN. All right. You may remain under the same oath.

TESTIMONY OF GEORGE S. FITZGERALD

The CHAIRMAN. Mr. Fitzgerald, would you care to make a statement first, a brief statement, to open up the testimony this morning?

Mr. FITZGERALD. Well, I have no prepared statement, Mr. Chairman, but I have—

The CHAIRMAN. I thought you would like to make a brief statement.

Mr. FITZGERALD. The only thing I did want to say was, and this was to correct any apparent inaccuracies—and I don't say "inaccuracies" in bad faith, by any means—in the testimony: In the first place, I have no retainer from the Michigan Conference of Teamsters Welfare Fund. The retainer that was referred to was from the Michigan Conference of Teamsters.

The CHAIRMAN. Let's see, what was that testimony, as to which fund?

Mr. FITZGERALD. Well, I think Mr. Kennedy did, in one question, refer to the joint council No. 43.

Mr. KENNEDY. That is correct.

The CHAIRMAN. I had the impression that you were retained by this fund that made the loan; am I in error?

Mr. FITZGERALD. I was attorney for the fund that made the loan, but I was not on a retainer from the fund that made the loan, and I have never received—although I have worked as attorney for the fund—I have never received any compensation from the fund.

Mr. KENNEDY. You get your fees from joint council 43; is that right?

Mr. FITZGERALD. Well, my fees are paid through joint council 43 and there is no charge made to the fund. No. 2, I had no financial interest, as such, in the Winchester Land or Development Co. No. 3, the borrower paid the money, which is a standard practice as far as the State of Michigan is concerned in matters involving these loans.

I think that is about all I can say about it, except one other thing, that with respect to the fee, in my opinion the fee that I was paid was an adequate fee, and it was not an oppressive fee.

The CHAIRMAN. Do you mean the \$35,000 fee, you regard that as a proper fee for the particular service you rendered?

Mr. FITZGERALD. That I rendered and that I will still have to render until the retirement of the loan. I think that about covers it. If there are any questions, if the committee has any or if Mr. Kennedy has—

Mr. KENNEDY. I have a few questions.

The CHAIRMAN. All right.

Mr. KENNEDY. When did you first hear about Winshall being interested in the loan?

Mr. FITZGERALD. Can I refer to this?

Mr. KENNEDY. Yes.

Mr. FITZGERALD. I may not need it, but I don't want to have to interrupt the questions.

Incidentally, I have the Winshall file, my file on the Winshall Co.—if I may interrupt, Mr. Kennedy—and there are some other files which were requested, which I told you I was making a check up on, and which we can turn over to the committee staff. The Winshall file I have here, and before I finish I will turn it over to the staff.

The CHAIRMAN. All right.

Mr. FITZGERALD. The first time I heard of the Winshall loan was, I believe, sometime in the late spring or the early summer of 1955.

Mr. KENNEDY. That was Jack Winshall; is that right?

Mr. FITZGERALD. No. The first contact that I had on the loan was from Mr. Klayman, who was an associate of mine in the office, and Mr. Abe Green, who is a copartner or partner of Jack Winshall.

Mr. KENNEDY. I am trying to identify the loan. It was a loan to Jack Winshall and the Winchester Development Co. we are talking about.

Mr. FITZGERALD. That is right.

Mr. KENNEDY. And it was a million dollar loan from the welfare fund?

Mr. FITZGERALD. That is correct.

Mr. KENNEDY. The Michigan Conference of Teamsters Welfare Fund?

Mr. FITZGERALD. That is right.

Mr. KENNEDY. You first heard about it through Abe Green; is that right?

Mr. FITZGERALD. Well, when I first heard about the loan, I learned of his desire to borrow money.

Mr. KENNEDY. Yes. And that was through Max Klayman, in your office?

Mr. FITZGERALD. Well, I am not certain whether it was directly through Max Klayman or whether they came together, but I know that Abe Green—whether there was a telephone conversation first, Mr. Kennedy, or what, I don't know, but I can give you the substance of it. That Green said he had learned that the pension fund, or, rather, the health and welfare fund, was making loans, and he wondered if a loan would be available for the Winchester Village Land Co.

Mr. KENNEDY. You had done some work, had you, for Abe Green prior to this?

Mr. FITZGERALD. I had done, at some time prior to that—there was a bank transaction on the east side of Detroit, or just outside Detroit in the suburbs, and they had contacted me on it. They were going to participate in the formation of a bank.

Mr. KENNEDY. What year was that?

Mr. FITZGERALD. This was through Mr. Klayman, incidentally.

Mr. KENNEDY. When was that?

Mr. FITZGERALD. Well, it was some months before, if my recollection serves me.

Mr. KENNEDY. Did both you and Klayman work on that matter?

Mr. FITZGERALD. Yes; we worked on it very briefly. There was no extended work. The thing came to a culmination very briefly. We made some contacts to see if the matter could be adjusted between Green and Winshall, and some of the other parties who were forming this bank, and we found out that no agreement could be reached, so we did not do anything about it.

Mr. KENNEDY. So that was through this earlier work that you had done for them that they knew you, and knew Mr. Klayman; is that correct?

Mr. FITZGERALD. Well, I think Mr. Green knew Mr. Klayman for a long period of time before that. But that is at least the way that I got acquainted.

Mr. KENNEDY. I understand. Did you arrange a meeting between them and the Teamsters?

Mr. FITZGERALD. No; not originally. You are asking me about 3 years ago and I am giving you my best recollection. I think it is accurate. I think when they discussed it with me, I told them what they would have to do is file an application for a loan with the health and welfare fund trustees. Whether I had anything to do with setting that up or whether I arranged the appointment, I can't exactly tell you.

Mr. KENNEDY. Do you have a copy of that application?

Mr. FITZGERALD. That is impossible. No; I haven't.

Mr. KENNEDY. Where is the application?

Mr. FITZGERALD. I don't know.

Mr. KENNEDY. Going through and reviewing the records that we had received—

Mr. FITZGERALD. Pardon me. When I say application, Mr. Kennedy, I don't want you to think it is a formal application.

Mr. KENNEDY. Well, did they submit anything in writing?

Mr. FITZGERALD. I don't think primarily they did. I think that either they contacted the welfare fund or, through me they contacted the welfare fund, and the trustees, and I think meetings were arranged.

Mr. KENNEDY. So, they submitted nothing in writing, but, through you, they made arrangements to meet with the trustees of the welfare fund?

Mr. FITZGERALD. Well, that is my best recollection. It is either one or the other. But it doesn't make any difference, they got in contact with the welfare fund office, and we at that time were in touch with the welfare fund.

Mr. KENNEDY. Who in the welfare fund office was contacted?

Mr. FITZGERALD. I don't know that.

Mr. KENNEDY. Who, besides you, was contacted about the matter?

Mr. FITZGERALD. Well, eventually it led to a meeting or a talk with some of the trustees, and a meeting with the trustees.

Mr. KENNEDY. Prior to that, you were the only one that had been contacted?

Mr. FITZGERALD. That is right.

Mr. KENNEDY. And you made the arrangements then for them to see the trustees?

Mr. FITZGERALD. Well, you ask me to say something positively. I can't say that I did not. I may have done so, yes.

Mr. KENNEDY. Do you have any idea who else arranged it or who else they saw? That is what I am trying to get from you.

Mr. FITZGERALD. Well, outside the trustees, no. The more we talk about it, I don't want to haggle over it, because they knew me and I knew the trustees. So I would assume that I had something to do with setting that up. That is possible.

Mr. KENNEDY. You arranged this meeting, then, with the trustees; did you?

Mr. FITZGERALD. Well, we go back to that. We arranged a meeting with the trustees.

Mr. KENNEDY. A meeting was arranged?

Mr. FITZGERALD. Right.

Mr. KENNEDY. Mr. Hoffa attended that meeting?

Mr. FITZGERALD. No. Well, now, which meeting are you talking about?

Mr. KENNEDY. The first meeting that you had with the trustees?

Mr. FITZGERALD. Well, I know there was a meeting with the trustees, according to a copy of the minutes which I had on October 1. Is that the meeting you are referring to?

Mr. KENNEDY. Well, if that is the first meeting, Mr. Fitzgerald.

Mr. FITZGERALD. I think that was the first formal meeting, let us put it that way, with any of the trustees; yes.

Mr. KENNEDY. Mr. Hoffa was present at that meeting?

Mr. FITZGERALD. Mr. Hoffa, to my recollection, was present and was in and out of that meeting; yes.

Mr. KENNEDY. Why was he present if he was not a trustee?

Mr. FITZGERALD. Well, I would have to answer that question generally. Mr. Hoffa is generally present at all meetings of any Teamster affiliate or Teamster body that has any importance in the State of Michigan, or particularly in the city of Detroit if he is in town. Now, he may not participate completely in the meeting, but I think that he is in and out of the meeting.

Mr. KENNEDY. I see. Did you request that he come?

Mr. FITZGERALD. No. No; I don't think there was any particular request made.

Mr. KENNEDY. During this period of time, October 5, 1955, you had some discussions with the representatives of Winchester Development Co. about a fee for you? Was it just prior to this meeting that you had a discussion with them about a fee?

Mr. FITZGERALD. Well, I would say that a fee—a fee was discussed.

Mr. KENNEDY. Who did you discuss that with? Mr. Abe Green?

Mr. FITZGERALD. Abe Green. But I think a great deal of the discussion on the fact that there would be a fee took place between Mr. Klayman and Mr. Green. I may have participated in the discussion.

Mr. KENNEDY. And the discussion of that fee was just prior to this meeting with the trustees; was it not?

Mr. FITZGERALD. Well, my recollection is that the question of the borrower or of the Winchester Land Co. paying the legal fees was discussed prior to that, Mr. Kennedy.

There may have been a discussion just prior to.

Mr. KENNEDY. Was it also discussed at that time that the fee would approximate 3½ percent of the loan?

Mr. FITZGERALD. No. No; I don't recall that.

If there was such a discussion, I did not get that. I know that after the loan was consummated, and all of the—

Mr. KENNEDY. Wait a minute.

Mr. FITZGERALD. May I just complete this?

Mr. KENNEDY. Excuse me. Go ahead.

Mr. FITZGERALD. I know that after the loan was consummated, and this is my best recollection, that a fee of \$35,000 was agreed upon. I don't believe, at least in my discussions—at least I don't recall—any percentage basis was used, because in setting the fee we took into consideration the fact that we had already done considerable legal work, even from the beginning, that is, from the inspection of the topographical map, and the title search and all of those things, and then we also kept in mind the fact that this fee would have to cover our work until the loan was retired.

(At this point members of the committee present are: Senators McClellan and Ives.)

Mr. KENNEDY. Mr. Fitzgerald, you discussed a figure of \$35,000 prior to the time or during the period of these meetings, did you not?

Mr. FITZGERALD. Well, that is possible, but my best recollection is, Mr. Kennedy, that the exact amount was agreed upon afterward.

Mr. KENNEDY. We had an interview with Mr. Green—I will show this to you—and he was asked, "You agreed to pay Fitzgerald \$35,000 before you got the loan? Mr. Green. 'Yes.'"

Then there is something in the documents about legal fees.

Mr. FITZGERALD. I am not going to say that is not so. I am only giving you my best recollection. I know this. That Mr. Klayman and Mr. Green had several discussions about the fee and all I can tell you is what was transmitted to me. I may have participated in some of those discussions.

Mr. KENNEDY. It was agreed, was it not, that it would be a contingent fee, contingent upon their receiving the loan?

Mr. FITZGERALD. No, not to my understanding.

Mr. KENNEDY. You say it was not?

Mr. FITZGERALD. Not to my understanding. Well, yes, it would have to be. When you say contingent, yes. In other words, if the loan was not granted, since the borrower was going to pay for the money, I would assume that if we had done this legal work, if they didn't get the loan—

Mr. KENNEDY. Then you wouldn't get the fee?

Mr. FITZGERALD. That never occurred to me. Now that you bring the situation up it seems to make sense. That is true.

Mr. KENNEDY. It is true. It was contingent upon their obtaining the loan?

Mr. FITZGERALD. Well, yes. I don't think they would want to pay \$35,000 and then not get this loan.

Mr. KENNEDY. If you were representing the Teamsters and Mr. Green, when he was first interviewed by our staff investigators, he stated that this was a finder's fee, the money was paid to you because of your ability to find a source of money—if you were actually representing the Teamsters, Mr. Fitzgerald, why did you discuss the fee with them at all?

Mr. FITZGERALD. Because it is common practice both with banks and lending institutions within my knowledge that any borrower always pays the legal fees. You have 2 questions together and I wish you would let me answer 1 thing. Mr. Green, according to my recollection, came to us with the knowledge, or at least with the impression, that he could obtain a loan if it was properly presented from the health and welfare fund, or at least that the health and welfare fund were loaning money in matters of this kind.

Mr. KENNEDY. Mr. Fitzgerald, I think you answered my question. I would like to go on and ask you some other questions.

Mr. FITZGERALD. We won't argue about it except one thing, Mr. Kennedy. Let me straighten this out. My understanding from the beginning of this was not a finder's fee. This was a legal fee and the work that was done, the legal work, substantiates what I say.

Mr. KENNEDY. Did you submit a bill to the Teamsters?

Mr. FITZGERALD. No, we did not.

Mr. KENNEDY. If this was a legal fee for the work that you did for the Teamsters, why wasn't a bill submitted to the Teamsters?

Mr. FITZGERALD. Well, it was under according to the escrow agreement that all fees should be paid by the borrower. Since this matter has come up, if I had it to do over again, to eliminate this situation, I would have undoubtedly submitted the bill to the welfare fund and the welfare fund could have been in turn reimbursed by the borrower. That part of it was not done that way in this case. I might say part of it might have been because we had never had an instance of this kind before.

Mr. KENNEDY. This is the only time you ever followed this procedure?

Mr. FITZGERALD. This is the only time I ever received any fee from anything in connection with the welfare fund.

Mr. KENNEDY. This is the only time?

Mr. FITZGERALD. That is right.

Mr. KENNEDY. Did you mention it to the trustees that you were receiving \$35,000?

Mr. FITZGERALD. I believe it was understood by the trustees that a fee was to be paid by the borrower, but I cannot say to you that the amount of the fee was discussed with the trustees.

Mr. KENNEDY. You never told any of the trustees?

Mr. FITZGERALD. I do not believe that the amount of the fee was discussed with the trustees.

Mr. KENNEDY. Did you disclose to Mr. Hoffa that you were receiving \$35,000?

Mr. FITZGERALD. No, I don't think any more than I did to the trustees.

Mr. KENNEDY. If a specific figure had been discussed of \$35,000, why wasn't that figure put in the escrow agreement?

Mr. FITZGERALD. I can't tell you that. I can't tell you that.

Mr. KENNEDY. Why wasn't it specifically stated in the escrow agreement that the attorney's fees were to be paid?

Mr. FITZGERALD. It is fees stated there.

Mr. KENNEDY. You say it was understood that it was attorney's fees. Why wasn't it identified as the attorney's fee?

Mr. FITZGERALD. I don't know why it wasn't.

Mr. KENNEDY. Didn't you draw up the escrow agreement?

Mr. FITZGERALD. No. Well, Mr. Stone drew it and I supervised it.

Mr. KENNEDY. Is Mr. Stone from your office?

Mr. FITZGERALD. Mr. Stone is associated particularly with Mr. Klayman and both of them are associated with me.

Mr. KENNEDY. In your office you, Stone, and Klayman, who were to receive the fee, drew up this agreement. It was drawn up under your supervision, why didn't you specifically include attorney's fees?

Mr. FITZGERALD. I don't know why we didn't. The question of fee is stated there. I assume at that time we thought that was sufficient. There was no secret about the fee.

Mr. KENNEDY. Did you submit a bill to the company?

Mr. FITZGERALD. No. That I can't tell you. I shouldn't say we didn't. I don't know. I know that Mr. Klayman particularly discussed this with Mr. Green. I am not certain whether or not a bill was sent to the company or not.

Mr. KENNEDY. Do you have a copy in your Winchester file?

Mr. FITZGERALD. No, I haven't.

Mr. KENNEDY. Let me ask you this: How could you arrive at a specific figure as to what your work for the Teamsters would amount to prior to your doing the work? How could you arrive at the figure of \$35,000 prior to your doing any of this work?

Mr. FITZGERALD. I think, Mr. Kennedy, that is a matter of judgment. We had done considerable work on it and we felt that there was considerable work more to be done on it and the figure of \$35,000 was agreed upon mutually between Mr. Klayman and Mr. Green. When I learned about it, I ratified it.

Mr. KENNEDY. You say that the agreement was made between Mr. Klayman and Mr. Green. Mr. Green was to receive the loan. You were working supposedly, from what you state here, for the Teamsters. This was money to be paid for work done by the Teamsters, and yet we can't find any evidence even from your testimony that this was ever discussed with the Teamsters, for whom you were supposedly doing this work.

Mr. FITZGERALD. I don't see anything particularly wrong with that. If the Teamsters were paying it, that would be a different matter. But if the borrower was paying it, I think the borrower was particularly concerned with how much money would be charged. The setting of this fee and the setting of all the fees—and I don't wish to argue about it—but I think I can place a certain value on my services and I think Stone and Klayman can set a certain value on theirs.

The CHAIRMAN. Let me ask you this question. You were actually the attorney for the Teamsters. That is correct?

Mr. FITZGERALD. For the health and welfare fund and at the same time Mr. Stone and Mr. Klayman were both acting with me.

The CHAIRMAN. Your firm?

Mr. FITZGERALD. It is not a firm. They are associates.

The CHAIRMAN. You and your associates?

Mr. FITZGERALD. That is right.

The CHAIRMAN. If you were going to require the borrower to pay all the legal fees, isn't it proper and certainly ethical, and doesn't ethics require, that you disclose that to your client and the amount of the fee?

Mr. FITZGERALD. I wouldn't say so, Mr. Chairman. I think it is a matter of judgment. If the hindsight is better than foresight, if I knew that this inquiry was going to be made about it, it would have made a difference. The mere fact that this fee was paid, there was no attempt to hide it.

The CHAIRMAN. As lawyer to lawyer—

Mr. FITZGERALD. I am talking as lawyer to lawyer.

The CHAIRMAN. I am too, now. As lawyer to lawyer, if you are representing the Teamsters and the welfare fund, any money that you get from the borrower must be made known to your client. Isn't that correct?

Mr. FITZGERALD. I can't answer that question definitely but I am not going to disagree with you. I would like to find out about it.

The CHAIRMAN. All right. I may say sometimes arrangements are worked out whereby the other side pays the attorney fees and pays all of the costs and there is nothing wrong in that?

Mr. FITZGERALD. That is right.

The CHAIRMAN. There is one thing in my judgment, and I think I am right about it, that those facts must be disclosed to your client.

Mr. FITZGERALD. I am not going to disagree with you, Mr. Chairman. In my judgment under these circumstances I might feel it wouldn't make any difference.

The CHAIRMAN. You may have felt that way. I am saying I have no right as a lawyer to represent you, and then get money from the other side without making that fact known to you and without your approval. I think we agree on it.

MR. FITZGERALD. That is right. I am not going to change the fact.

THE CHAIRMAN. All right.

MR. KENNEDY. Mr. Fitzgerald, in the escrow agreement it states here that charges of the escrow agent and all expenses and fees incurred by second parties in connection with and in performance of this transaction in the aforementioned mortgage shall be paid by first parties, and the escrow agent shall draw upon the escrow fund for payment of same.

Was your fee paid out of the escrow account?

MR. FITZGERALD. No; it wasn't.

MR. KENNEDY. In fact it was handled in a most devious manner, was it not?

MR. FITZGERALD. No; I don't think so, Mr. Kennedy. In the light of circumstances—

MR. KENNEDY. Will you explain how you received it?

MR. FITZGERALD. Yes. In the light of circumstances that followed it might be capable of that type of interpretation. However, in the first place it was our intention that money be paid out of the escrow account and now it occurs to me, Mr. Chairman, that may have taken care of the objection that the chairman has here.

Senator McClellan, may I say this to you? That may have taken care of the objection, what we are talking about now, that you had.

THE CHAIRMAN. I am not making an objection. I am just declaring what I know about the ethics of the profession.

MR. FITZGERALD. That is right. When this escrow agreement was drawn, it was provided in paragraph 7 of the escrow agreement that all the fees and the charges including the charges of the escrow agent would be paid out of the escrow fund. I think that is exactly what we had in mind at that time. If that had been the case, Mr. Chairman—and I am answering Mr. Kennedy's question but referring to you—if that had been the case, then the health and welfare fund would have known the amount of the fee. It would have been made known to them because it would have been an abstraction from the escrow account. That is correct.

THE CHAIRMAN. They might have found out later that way. But in the escrow agreement, if you provided for it that way, and the welfare fund of the Teamsters signed the escrow agreement, then they had knowledge of it?

MR. FITZGERALD. That is right.

THE CHAIRMAN. But you do not say in the escrow agreement specifically, nor do you state the amount?

MR. FITZGERALD. That is right.

MR. KENNEDY. Nor is it mentioned in any of the minutes of any of the meetings?

MR. FITZGERALD. No, that is true.

MR. KENNEDY. Then the third thing, of course, is that it was not handled that way?

MR. FITZGERALD. That is what I was going to cover, Mr. Kennedy, in answer to your question. After the culmination of this deal and the money was deposited—and I am generally relying on hearsay, but I think it is reliable—that it was the intention to obtain the money from the escrow account, and Mr. Green and the representatives of the company, as I understand it from Mr. Klayman, did not want to

abstract that money from the welfare, or from the escrow account, in view of the fact that they had a deal they were closing with the General Motors Co. on a piece of property in the general area of the Winchester Village. They had, as I remember it, acquired this land in May 1955.

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

Mr. KENNEDY. Maybe we could let Mr. Eickmeyer summarize it, unless you have it exactly.

Mr. FITZGERALD. I think so. If I haven't, he can correct me. This I have gotten mostly from Mr. Klayman. And they had an option, or I should say that they had acquired some property with a down payment, and the General Motors Corp. had an option on it, which was executed some time in May 1955, and was to run until February 1956. Mr. Green, according to my understanding, talked to Mr. Klayman, and said "Instead of taking this out of the escrow account, why can't you people wait until this deal is closed with the General Motors?"

I know definitely, of my own knowledge, that Mr. Klayman discussed this matter with me, and I told him that I could not see anything wrong about it. We discussed the fact that the escrow agreement provided that it be paid out of that. It was agreed between us, as lawyers, that that provision in the escrow agreement, in section 7, was a permissive provision and not a mandatory provision. So we stood on that basis. They had first said, I believe to Mr. Klayman, that General Motors was going to exercise it any day. Mr. Klayman contacted them some time around the first part of December, and said, "Well, this escrow agreement has not been executed."

I should say "The option has not been exercised by the General Motors, and we should get our fee."

I think at that time Mr. Green suggested to Mr. Klayman, so that we would have full protection on the fee, that he would assign not the option but the proceeds of the option, proceeds of the sale of the property under the option, to myself and Mr. Klayman so that when General Motors did exercise the option, eventually we would have security for our fee. That, I understand, was done.

Now, in February, General Motors did not exercise the option, and it was extended from February 28, 1956, to July 10, 1956. At that time, according to my information, the option was exercised, and I gave a power of attorney to Mr. Klayman to handle my end of it. He went to Flint and met with Mr. Green and met with Brownell and Gault, the attorneys for the General Motors Corp.

At that time, a check was delivered to Mr. Green for in excess of \$60,000 or \$65,000, and right at the time Mr. Green obtained the cashier's check and made a cashier's check payable to Mr. Klayman and myself for the \$35,000 or \$34,010, something around that amount.

Mr. KENNEDY. That was in July—

Mr. FITZGERALD. And at the same time we gave to General Motors. Klayman gave to General Motors, an assignment of the assignment of the proceeds.

Mr. KENNEDY. That was in July of 1956?

Mr. FITZGERALD. That is what they advised me.

Mr. KENNEDY. That is about 8 months after this deal had been consummated?

Mr. FITZGERALD. That is right.

Mr. KENNEDY. After the loan had been made?

Mr. FITZGERALD. That is right.

Mr. KENNEDY. This served also, Mr. Fitzgerald, to keep the whole transaction most secret, did it not?

Mr. FITZGERALD. Well, I don't think so, Mr. Kennedy.

Mr. KENNEDY. That is what the practical result of it was, was it not?

Mr. FITZGERALD. No, I don't think so. That wasn't my intention, at least.

Mr. KENNEDY. I am not talking about your intention, I am saying as a practical matter—

Mr. FITZGERALD. Well, no. What inference you draw depends upon what side of the table you are sitting on. As far as I am concerned, there was no reason to keep it secret. When I received my check from Klayman, I made a deposit of it in the bank.

Mr. KENNEDY. You received a cashier's check.

Mr. FITZGERALD. A cashier's check from Klayman for \$15,750.

Mr. KENNEDY. Nobody would know that that had in turn come from Mr. Green. You received a cashier's check from the man who worked in your office.

Mr. FITZGERALD. I know, but the attorneys for General Motors—anyone that wanted to find out about it did not have to go down in a well and dig around. They would merely have to go to the attorneys for General Motors. There were people by the name of Grubb, I understand, who were at that meeting, and they were paid at the same time. I don't think there is anything sinister about that.

Mr. KENNEDY. Did you tell the escrow agent that you were handling the matter in this fashion?

Mr. FITZGERALD. No.

Mr. KENNEDY. Did you ever tell the escrow agent that you were to receive a fee?

Mr. FITZGERALD. I don't think I did, and I don't think I was under any duty to tell the escrow agent that.

Mr. KENNEDY. My only point is, Mr. Fitzgerald, is that really nobody knew that you were going to receive the fee, except Abe Green, Klayman, your partner, yourself, and Stone.

Mr. FITZGERALD. No, I don't think that's true, because anyone that would read the escrow agreement would know we were going to receive a fee.

Mr. KENNEDY. It does not say anything in here about attorney's fees.

Mr. FITZGERALD. It says "fee." If they didn't add the word attorney is something I can't tell you about now.

Mr. KENNEDY. You can tell us about it, because you drew it up.

Mr. FITZGERALD. I helped to draw it up. But the fact that it does not say attorney's fee does not mean we were trying to hide it. If we were trying to hide an attorney's fee and trying to act in a sinister manner, Mr. Klayman would not have taken an assignment in the first place, he would not have gone to General Motors, he would not have talked to the attorneys for General Motors, he would not have gone to a bank and gotten a cashier's check. And when he gave me my cashier's check, I would not have deposited it in the regular way in my bank.

Mr. KENNEDY. I think we just proved it. General Motors would certainly know nothing about your arrangement on the purchase of this land.

Mr. FITZGERALD. Certainly anyone who would ask about it—and incidentally, I was never asked by any of the staff about this transaction, and I am not complaining about it, but I was never asked by the staff about this transaction until just now, or until you asked me on the telephone.

Mr. KENNEDY. But the facts remain that the only individuals who knew about the fee were yourself, Max Klayman, Stone, and the Green interests?

Mr. FITZGERALD. No, I don't agree with you on that.

Mr. KENNEDY. Who else knew about it?

Mr. FITZGERALD. Well, I don't know who else knew about it. But I know that everybody who had anything to do with the case was in a position to know about it. What they knew, I don't know.

Mr. KENNEDY. We talked to the trustees and they said they never knew about it, at least the employer trustees.

Mr. FITZGERALD. If they did not know about it, they did not read the escrow agreement and must have thought that this legal work was being done for nothing. Certainly these employee trustees or no one else is going to do that much work for nothing.

Mr. KENNEDY. Can you tell me anyone else who knew about it, Mr. Fitzgerald, other than you, your partners, and the people who received the fee?

Mr. FITZGERALD. About the fact that—

Mr. KENNEDY. About the fact that you received \$35,000.

Mr. FITZGERALD. Well, I don't know that. I don't know what they knew. I know that there was no intention on my part and no effort on my part to hide the fee from anybody, as is disclosed by the facts.

Mr. KENNEDY. What work did you actually do, Mr. Fitzgerald, for the \$35,000?

Mr. FITZGERALD. Well, the first thing we did was we made an inspection of the topographical map or chart.

Mr. KENNEDY. All right, you looked at the map.

Mr. FITZGERALD. Now, don't make it that simple, Mr. Kennedy. I don't like your inference.

Mr. KENNEDY. All right. You examined the topographical map.

Mr. FITZGERALD. You make it appear as though it is just a road-map or something. That isn't so.

Mr. KENNEDY. All right.

Mr. FITZGERALD. I was a prosecutor myself and I know what you can do with those things.

Mr. KENNEDY. Shall I put it in your language? You examined the topographical map?

Mr. FITZGERALD. Right.

Give me just a minute. I will find this in just a moment.

Now, when you say "we," or what did I do, I might say that most of this was, from myself, in a supervisory capacity, or a lot of it was, because there were three people involved, Mr. Klayman, myself, and Mr. Stone.

So when you say "What did you do," I hope you are considering the plural, because it all came under our work.

Now, first of all, we examined the topographical map and then we made at least one visit and I believe—I think Mr. Klayman may have made more visits—to Flint, inspecting the property.

Mr. KENNEDY. Did you ever go out and look at the property?

Mr. FITZGERALD. What?

Mr. KENNEDY. Did you go out to look at the property?

Mr. FITZGERALD. Yes.

Mr. KENNEDY. You went out?

Mr. FITZGERALD. I did, yes.

Mr. KENNEDY. During this period of time?

Mr. FITZGERALD. During that period of time. I am sure I did. And we checked into all the experience of the developers. They furnished at that time, for our inspection, quite a bit of material about the big developments, 4 or 5 developments, that they had had along these lines. Mr. Klayman, I know, consulted with several people who were in the land developing business as to the capabilities and capacities of this particular organization as developers. And then—

Mr. KENNEDY. Just on that. Do you have any documents there on their background and experiences, the developers?

Mr. FITZGERALD. Well, at that time we did. Now, most of it was in the possession of the Winshall Co., or of the Winchester Land Co. I know we saw—I know there were 4 or 5 developments that they had prior to this time on the east side of the city of Detroit.

Mr. KENNEDY. You don't have anything at this time?

Mr. FITZGERALD. According to my recollection, no.

Mr. KENNEDY. All right.

Mr. FITZGERALD. We made a thorough check and study of the law on the thing. We had a title search made, which was checked. And then we drew up all the legal papers. We had any number of conferences on it.

Mr. KENNEDY. Wait a minute. All the legal papers, what would that consist of? The escrow agreement?

Mr. FITZGERALD. Well, the legal papers eventually. Incidentally, this was not just done in the course of a conference. We had several conferences over this thing. We had several conferences over the question of the appraisal. We had what boiled down finally to a mortgage or mortgage note and the escrow agreement. I don't want to be limited to that, but I am giving you my offhand recollection of it.

Mr. KENNEDY. Is that what you did?

Mr. FITZGERALD. Well, yes, over a period from, I would say, some time in August until October when this loan was granted.

Mr. KENNEDY. I have made notes as you told me. That consists of examining the topographical map. You made several visits; you looked into the experience of the developers; you had consultations; you looked up the law; you searched the title; and you drew up the escrow agreement and the mortgage.

Mr. FITZGERALD. That is right.

Mr. KENNEDY. And you charged \$35,000 for that?

Mr. FITZGERALD. No, we didn't. No, we didn't.

Mr. KENNEDY. I am asking you, what did you do, then?

Mr. FITZGERALD. That was all of the work done up to the time the loan was granted. From that time on——

Mr. KENNEDY. Let me ask you this: Did you get personal financial statements from the individuals?

Mr. FITZGERALD. We saw, if I recall—when you talk about financial statements, I am not positive on that. But no, I don't want to say we did, and I don't want to say we did not see any financial statements. But we knew the financial institutions they were doing business with. We knew that they had been——

Mr. KENNEDY. Did you check with those banks?

Mr. FITZGERALD. I believe a check was made.

Mr. KENNEDY. Do you have any letters that you wrote to the bank?

Mr. FITZGERALD. No.

Mr. KENNEDY. Well, where are the financial statements?

Mr. FITZGERALD. I don't know. I don't say that there was financial statements in the sense that you are talking about, but what I do say is that the big thing in the land developing business, and no matter if a man was worth \$10 million, his capacity and capability as a land developer is the most important thing, and his experience. That was what we were chiefly concerned about.

Mr. KENNEDY. You would want to know what his financial status was and, to find that out, you get a financial statement.

Mr. FITZGERALD. At that time, I believe everybody was satisfied. I know that I was satisfied of the financial stability of these people.

Mr. KENNEDY. Where are the documents?

Mr. FITZGERALD. I have no documents on it.

Mr. KENNEDY. If you are representing the Teamsters Union, that would be one of the first things you would get, a financial statement.

Mr. FITZGERALD. Everything was checked out.

Mr. KENNEDY. Where are the documents on it?

Mr. FITZGERALD. I have no documents on it at this time. Everything that we asked for at that time was offered for our inspection.

The CHAIRMAN. Mr. Fitzgerald, you dealing with a million dollars from a pension fund.

Mr. FITZGERALD. That is right.

The CHAIRMAN. You are going to make a loan.

Mr. FITZGERALD. That is right.

The CHAIRMAN. You expect to handle that money in a businesslike way and on the basis of sound business principles.

Mr. FITZGERALD. That is right.

The CHAIRMAN. Isn't the very first thing you would do when you go to make loans to individuals is to get a financial statement from them?

Mr. FITZGERALD. This was not a loan, Mr. Chairman, to an individual. This was a loan to a land developing company.

The CHAIRMAN. But it was a partnership, and, therefore, the loan was to individuals.

Mr. FITZGERALD. That is right.

The CHAIRMAN. Well, it was to individuals.

Mr. FITZGERALD. That is right. I am certain that at that time a check was made of their financial standing and I think satisfactory proof was offered at that time.

The CHAIRMAN. I would say this, in handling union welfare and pension funds, there certainly ought to be a check. A loan certainly of

that dimension ought to be handled just as strictly as a bank would handle it. You are dealing with trust funds here, money that is set aside to pay pensions with, and the welfare of workers. It should have been handled with every safeguard. You agree with me on that?

Mr. FITZGERALD. Oh, I will agree with you on that; yes.

The CHAIRMAN. All right. Incidentally, there is one thing I forget to mention. There were two independent appraisals made of this property, too, do you have those?

Mr. FITZGERALD. The committee staff, I believe, has those. They got copies of them from the health and welfare fund. I asked the health and welfare fund to turn everything over to them some time ago.

Mr. KENNEDY. They, of course, were appraisals of what the land would be worth if this project went through, and everything was successful.

M. FITZGERALD. That is true.

Mr. KENNEDY. They were not appraisals of the land as it was worth at that time.

Mr. FITZGERALD. The land at that time was not raw land. It was engineered land. That is the way to put it. The appraisals were based on what the property would be worth on completion. I think you are right about that.

Mr. KENNEDY. You stated also, Mr. Fitzgerald, that you went out and inspected the land. At this meeting of October 1, 1955, it was stated by Mr. Babcock and Mr. Green who were present at the meeting representing Winshall & Associates, that the acreage was originally raw land but is presently what is called in the trade "engineered acreage." He stated further that considerable improvements had already been done on the land and that approximately \$1,200,000 had already been spent for the land and engineering, which was proceeding rapidly.

When you went out there did you see \$1,200,000?

Mr. FITZGERALD. No; I am glad you brought that up, Mr. Kennedy. With all due respect to this young gentleman, Mr. Babcock, I do not recall any statement made at that time that there was \$1,200,000 put in that land.

Mr. KENNEDY. I mean from the minutes.

Mr. FITZGERALD. Wait. May I complete it? I know it is in the minutes, but I don't want to do an injustice to someone even though it would be much easier for me to say that Mr. Babcock said that because he is in the minutes. I can't do that in justice to him.

Mr. KENNEDY. I am not questioning—

Mr. FITZGERALD. May I just say—

Mr. KENNEDY. Go ahead.

Mr. FITZGERALD. I will try to make it brief. My best recollection is that the representation made was that they had about \$200,000 or more in this land from the standpoint of the land and the engineering cost, and a lot of other stuff, exclusive of the time they had spent on it themselves. At that meeting there were a lot of figures kicked around, \$1 million and \$2 million and all of that sort of stuff, and we talked not only about the Winchester Land Co. in Flint, but the Winshall Development, in Clinton Township. It may be possible that whoever drew those minutes made a mistake on it. It may be possible that Mr. Babcock said that. But I think there is a transposition of that from something else. That is all I can say about it.

Mr. KENNEDY. I am talking not only about Mr. Babcock, but yourself. When you went out there, did you see \$1,200,000 worth of improvement?

Mr. FITZGERALD. I don't know much about land just looking at it, but certainly no, it didn't look like a million two hundred thousand dollars to me, and I don't think it possibly could have been that way at that time.

Mr. KENNEDY. What good did it do? You say you went out there and looked at the land, and now you say you don't know much about the land. Do you know much about examining a topographical map?

Mr. FITZGERALD. Not too much about it. I am a lawyer. I don't presume to be any expert on land. But I did the same thing that you or any other lawyer would do under the circumstances. I wanted to see the property that was in question.

Mr. KENNEDY. When you looked into their finances, Mr. Fitzgerald, did you find that their liabilities exceeded their assets by \$10,000?

Mr. FITZGERALD. I heard that testimony. I couldn't say that. I want to say this, however, Mr. Kennedy. The big thing we were concerned with at that time was the value of the land, whether it would make a good investment, and the experience and capabilities of the investors, what we based it on was upon the appraisals that we had from these two independent appraisers.

Mr. KENNEDY. Certainly to understand their capabilities Mr. Fitzgerald, you have to know about what their assets are and their liabilities. An examination of their liabilities and assets of that time would have indicated to you that their liabilities exceeded their assets by \$10,000.

Mr. FITZGERALD. Well, I don't recall that phase of it.

Mr. KENNEDY. You are getting \$35,000 for doing this, Mr. Fitzgerald.

Mr. FITZGERALD. I can't answer something on that. In the first place, I am not in the banking business. I could not make any expert judgment on a matter of that kind.

Mr. KENNEDY. That is why I don't understand why you were getting \$35,000 for it.

Mr. FITZGERALD. I think I have earned the \$35,000 and will earn it before this thing is over, because we have to work on this until the loan is retired.

Mr. KENNEDY. You say that——

Mr. FITZGERALD. I didn't get the \$35,000. I got \$15,000.

Mr. KENNEDY. You say there were two appraisals.

Mr. FITZGERALD. Two independent appraisals.

Mr. KENNEDY. We have only one appraisal. Do you have copies of the two appraisals?

Mr. FITZGERALD. Pardon me. I just have one. I have both appraisals from the file. Didn't Mr. Bellino get two appraisals on it?

Mr. KENNEDY. We have only one appraisal.

Mr. FITZGERALD. I will be glad to have you inspect it, but because it does constitute a legal file on the thing I would be happy to make a copy of it, but I will produce it for you so you will see it. Is that O. K.?

Mr. KENNEDY. Do you want to hand it up here now?

Mr. FITZGERALD. Yes; as long as you don't keep it.

Mr. KENNEDY. We will inspect it and hand it back to you. Just so a copy can be made. It will be returned to you.

Mr. FITZGERALD. It is not to me.

Mr. KENNEDY. It will be returned to you as the attorney for them.

Mr. FITZGERALD. I will give you both appraisals so you can distinguish between them.

Mr. KENNEDY. Mr. Fitzgerald, let me ask you, What authority did you have to waive the provisions of the escrow agreement?

Mr. FITZGERALD. I don't think I did, Mr. Kennedy. I don't think I waived it.

Mr. KENNEDY. What was the purpose of the letters, then, that you wrote of November 11, 1955?

Mr. FITZGERALD. Could I see the letters, please?

Mr. KENNEDY. Yes.

Mr. FITZGERALD. I will tell you what. If you want to use them for the purposes of the examination, I have a copy of one of the letters, and the other letter I have not, but I have Mr. Henson's testimony, if it is complete. Could I check it against the testimony?

Mr. KENNEDY. November 11, 1955.

Mr. FITZGERALD. That letter I am sure I have a copy of.

Mr. KENNEDY. Let us talk about that first. We can expedite it.

Mr. FITZGERALD. Yes, I am sorry. I have it.

Mr. KENNEDY. This letter says:

It has come to my attention that the aforementioned escrow agreement is not sufficiently inclusive to allow you to pay certain expenses of Winchester Village Land Co. incident to the improvements there contemplated. Since our agreement with them is such that all moneys received by virtue of sales of any part of the mortgaged premises be placed in the escrow, it was our intention that all expenses be paid from the escrow fund.

Why did you write that letter?

Mr. FITZGERALD. My recollection is that either Mr. Green or Mr. Winshall or somebody—Mr. Babcock, the attorney—came to me and stated that the escrow agent—that they had some talks with the escrow agent about whether or not some of these bills ought to be paid. This was very early in this transaction. To be frank with you, I have very little recollection of what it covered. When Mr. Schultz testified, I believe Mr. Schultz testified he did not know what bills it covered, it was miscellaneous bills. Frankly, Mr. Kennedy, I can't tell you. I am inclined to believe, however, from the letter that some of these bills came in there, investigation invoices came in not billed to the Winchester Village Land Co., but had come in billed to the Winshall Associates and different names were used. I think that was the chief cause of the difficulty. I am not certain about that.

Mr. KENNEDY. Why was it necessary to write the letter if they had the escrow agreement, and were following the escrow agreement? Why was it necessary for George S. Fitzgerald to write a letter to them?

Mr. FITZGERALD. You are asking me now 3 years later why it was necessary for me to write a letter and to be frank with you it is very difficult for me to answer, because Mr. Schultz even said, and I was hoping he could refresh my memory on it—that is, from his testimony—that he did not know what bills it covered. It covered miscellaneous bills. Frankly I can't recall that.

Mr. KENNEDY. The escrow agreement—

Mr. FITZGERALD. I think that letter has to speak for itself. I am not saying that to avoid answering. If he could not remember what bills it covered, Mr. Kennedy, surely I can't.

Mr. KENNEDY. That is my point. I do believe it should speak for itself. The escrow agreement under section (c) states that the contractor shall be entitled to payment on his contract upon the certificate of the supervising architect or engineer.

Mr. FITZGERALD. Yes.

Mr. KENNEDY. This letter allowed the escrow agent to pay bills that were submitted other than those that were certified by contractor or engineer.

Mr. FITZGERALD. No, that was not the intention of the letter. I don't see how it could be read into the letter.

Mr. KENNEDY. Let me read this to you:

It has come to my attention that the aforesaid escrow agreement is not sufficiently inclusive to allow you to pay certain bills of the Winchester Village Land Co. incident to the improvements therein contemplated. Since our agreement with them is such that all moneys received by virtue of sales of any part of the mortgaged premises to be placed in escrow, it was our intention that all expenses incurred incident to the improvement of said premises should be paid from escrow account.

Mr. Fitzgerald, this is what led to the bills of the Aero Co. being paid.

Mr. FITZGERALD. Mr. Kennedy, that is a very far-fetched idea, and I heard that testimony. This letter on November 11, 1955, in no wise, in my judgment, could be construed as a release to the escrow agent that they pay all kinds of bills. It would not to me if I was the escrow agent in any way. The escrow agent uses this apparently as their excuse, and I don't pay the escrow agent; if some bills presented to them turned out to be phony later on, how they would know about it. I don't know how I would know about it sitting over in the building—

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

Mr. KENNEDY. You would not have had a problem, Mr. Fitzgerald, if you had not written that letter. You told them to pay all bills.

Mr. FITZGERALD. No, no. The bills that this covered was miscellaneous invoices that was at that time. This was no coverall authority to the escrow agent, in my judgment.

Mr. KENNEDY. Mr. Fitzgerald, it clearly states that any bills that are submitted—

Mr. FITZGERALD. For the improvements of the land.

Mr. KENNEDY (continuing). Should be paid. This escrow agreement does not say that. This escrow agreement says—

on the certification of the supervising engineer or architect.

That is far different from this.

Mr. FITZGERALD. No, it would have to be within the spirit, if not the letter, at least in the spirit of the escrow agreement.

Mr. KENNEDY. If you had not written that letter, Mr. Fitzgerald, these bills would not have been paid.

Mr. FITZGERALD. Well, I don't agree with you, Mr. Kennedy.

The CHAIRMAN. If it wasn't to change the escrow agreement or to modify it, or to relax it, so to speak, what was the purpose of the letter?

Mr. FITZGERALD. Well, I can only say, Mr. Chairman, what Mr. Schultz said. I have no independent recollection of this. I am depending on the letter, and I am depending on Mr. Schultz' testimony. He said that this was made to cover miscellaneous bills that were presented at that time, and he did not recall what they were. Now, I don't know, because I never saw the bills.

The CHAIRMAN. Let me ask you this: The escrow agreement spoke for itself, didn't it? It set out the terms upon which the money was to be paid out.

Mr. FITZGERALD. That is right.

The CHAIRMAN. Then you say in this letter "Please accept this as your authority and direction."

He already had his authority and direction spelled out in the escrow agreement.

Mr. FITZGERALD. That is right.

The CHAIRMAN. Then this was to modify it or to extend it or expand it or something?

Mr. FITZGERALD. Well, it all depends on how it occurs to the individual.

The CHAIRMAN. He already had the authority and direction as provided in the escrow agreement.

Mr. FITZGERALD. Well, now, Mr. Chairman, the escrow agreement had not only the letter to contend with, but the spirit of it, just like the laws that you pass have not only the letter of the law but the spirit and the intent of Congress in making the law.

The CHAIRMAN. Well, O. K.

Mr. FITZGERALD. I think that covers this particular escrow agreement.

Mr. KENNEDY. I will ask you about the letter of December 9, 1955. I will ask you if this does not change the escrow agreement.

Mr. FITZGERALD. I don't know if I have that complete.

Mr. KENNEDY. This says:

You are authorized to release to the Winshall Associates \$100,000 for their use in picking up these tap privilege certificates in Clinton Township.

Mr. FITZGERALD. Does the letter start out—I think Mr. Henson read the whole letter or Mr. Schultz.

Mr. KENNEDY. December 9, 1955.

Mr. FITZGERALD (reading):

Pursuant to your telephone conversation of yesterday—
is that they way it starts?

Mr. KENNEDY. That is right.

Mr. FITZGERALD. I think the whole letter is here.

Mr. KENNEDY. Then it says:

You are hereby authorized to release to Winshall Associates \$100,000 for their use in picking up tap privilege certificates in Clinton Township.

Mr. FITZGERALD. All right.

Mr. KENNEDY. What authority did you have to do that?

Mr. FITZGERALD. Do you want me to explain the whole transaction?

Mr. KENNEDY. Let me ask you this:

"I have discussed this matter with my clients and it is our feeling."
Did you discuss this with the trustees?

Mr. FITZGERALD. I discussed, and since this matter has come up I have tried to recall, and it is my belief that I discussed this with one of the trustees, Mr. Frank Fitzsimmons, on the telephone. I did not discuss the entire details of the transaction with him, but my recollection is that I told him that the Winchester Land Co., or at least the copartnership with whom we were doing business, were having difficulty in Clinton Township.

Mr. KENNEDY. Did you discuss it with any of the employer trustees?

Mr. FITZGERALD. No, I am sure I did not.

Mr. KENNEDY. When you state in here "I discussed the matter with my clients," that is not correct?

Mr. FITZGERALD. Well, I did—I—do you mean the plural part of it isn't right?

Mr. KENNEDY. "I have discussed this matter with my clients" is not correct.

Mr. FITZGERALD. That perhaps is in error.

Mr. KENNEDY. And you released \$100,000 for work done in a different area, some 65 miles away, is that correct?

Mr. FITZGERALD. Well, it isn't as simple as that. I did not release it.

Mr. KENNEDY. I will let you explain it, but isn't that correct?

Mr. FITZGERALD. No, I don't think that I released it. That is why I wanted to explain it.

Mr. KENNEDY. Go ahead.

The CHAIRMAN. All right. Go ahead.

Mr. FITZGERALD. I want to explain it in the light of the testimony of the escrow agent that he could not see—not the escrow agent but the employee of the escrow agent—he could not see how helping a development 70 miles away could help Winchester Village. Along that time, and that was in December sometime, or prior to that, along about that time in Clinton Township, in Macomb County, these people who made the loan from the health and welfare fund had a development going, and Clinton Township—there was a lot of building going on on the east side. I am going to try to simplify this as much as I possibly can, in my layman fashion, as far as land is concerned.

Clinton Township had expanded beyond their capacities, not only of water but of sewer and drainage, as did most of those east side communities that were springing up under this building boom. Clinton Township found itself in a position where it had to refinance itself to the extent of about nine hundred or nine hundred and fifty thousand dollars in order to put in this sewer expansion.

Clinton Township, according to my understanding, would be able to raise \$500,000 to cover the cost of this expansion, by bonds; the other \$450,000 would have to be raised to assist the township, would have to be raised by the developers who were working in that area. And there was 3 or 4 big developers, one of whom was the Winshall Co.

They came to me—and I have found a memorandum which I am turning over to the committee. I would like to read it and then you can have it. This was given to me as just a memo at the time we had these several discussions of it.

Mr. KENNEDY. I don't see that this is answering the question at all.

Mr. FITZGERALD. Well, it will, in just a minute.

The CHAIRMAN. Go ahead.

Mr. FITZGERALD. I would like to abbreviate it, Mr. Kennedy, but I can't, and properly explain it.

The CHAIRMAN. All right. Go ahead.

Mr. FITZGERALD. Now, they gave me this memorandum stating that it was necessary for Clinton Township to get this help financially, or all of the projects, including their own in Clinton Township would fall, would collapse, because Clinton Township could not provide sewers. They represented to me that if that happened, if Clinton Township could not provide sewers because they could not raise the money, all these big developments would fall, including their own, and, as a consequence, all of the builders would also collapse. The road contractors who were putting in roads and who had done a considerable amount of work would collapse.

The material men would be left hanging. And if that happened, the Winchester Village in Clinton Township would likewise collapse. They further represented that if that happened, if that entire thing went to pieces, then that would be the end of their development in the Flint area, that is, the Winchester Village on which we had the mortgage.

The CHAIRMAN. Mr. Fitzgerald, I notice this letter was written December 9, 1955. The loan was made when? October of what date?

Mr. FITZGERALD. October 1955.

Mr. KENNEDY. October 11.

The CHAIRMAN. That is less than 2 months after this million dollar loan was made. According to your testimony now, the whole thing was about to collapse?

Mr. FITZGERALD. That is right.

No, no, no. Oh, no, no; oh, Mr. Chairman, no. I am talking about this development in Clinton Township.

The CHAIRMAN. That was a different thing than what you had made this million dollar loan on?

Mr. FITZGERALD. That is right. But this whole Winchester development in Clinton Township would collapse, because Clinton Township could not adequately supply sewage facilities.

The CHAIRMAN. Let me ask you this. I am trying to follow you. Suppose Clinton Township collapsed. Where was your obligation to go in there and bail it out, or the obligation of the escrow agent to bail it out?

Mr. FITZGERALD. If Clinton Township collapsed, Mr. Chairman, the Winchester Village project would have collapsed right around our ears.

The CHAIRMAN. Why should it?

Mr. FITZGERALD. Because the builders that were involved in the Clinton Township development, the material men, and the road contractors, and the sewer contractors, and everything else, that were being used in Clinton, were the same sewer contractors being used in Winchester.

The whole project in—if there was a collapse of the Clinton Township project, not only the Winchester Co. itself, but all of the people with whom they did business, and their credit and everything else, would have stopped immediately.

The CHAIRMAN. All right. Within 2 months after this loan was made, the loan was in jeopardy.

Mr. FITZGERALD. Because of this.

The CHAIRMAN. All right. It was in jeopardy.

Mr. FITZGERALD. It could have been in jeopardy because of that. Yes. I am not going to disagree. It is not because of anything out in Winchester, but because of this.

The CHAIRMAN. Up to that time, only \$500,000, I believe, of the money had actually been advanced.

Mr. FITZGERALD. That is right.

The CHAIRMAN. Still \$500,000 or half of it was in escrow.

Mr. FITZGERALD. Yes.

Mr. KENNEDY. Only \$500,000 had come from the Teamsters to the escrow agent, but hardly any of that had been paid out as of that time.

The CHAIRMAN. I did not quite understand it.

I noticed the \$500,000. Now, if I understand you correctly, up to that time, within less than 2 months, when you ran into this distressing situation where you had to divert the \$100,000 up to another project, less than \$500,000 had actually been spent.

Mr. FITZGERALD. I can't say that. I can only go by the records. I am not going to disagree with the records.

The CHAIRMAN. Can you tell us how much had been paid out as of that time?

Let's get the real picture as to what the situation was up to that time. Up to this December 9 letter, how much money had actually been paid into the escrow agent, and how much had he actually paid out on this loan? Can you tell us?

Mr. HENSON. There had been \$500,000 paid into the escrow fund, sir.

The CHAIRMAN. The welfare fund of the Teamsters had actually paid to the escrow agent \$500,000?

Mr. HENSON. Yes, sir; that is right.

The CHAIRMAN. The loan was for \$1 million?

Mr. HENSON. That is right.

The CHAIRMAN. So \$500,000 of the loan was still in the treasury of the welfare fund?

Mr. HENSON. Yes, sir.

The CHAIRMAN. Now, what happened to the \$500,000 that had been paid to the escrow agent?

Mr. HENSON. Most of this amount, sir, was used to purchase the land.

The CHAIRMAN. I am talking about up to the 9th of December. What was the status or the balance of that \$500,000 that had not been paid out?

Mr. HENSON. Offhand, sir, without a chance to check actually, I would say approximately \$100,000 would remain in the escrow fund.

The CHAIRMAN. In other words, \$400,000 had been paid out as of that time?

Mr. HENSON. Yes, sir. You see, the terms of the agreement provided that the land contract—they had to buy the land with this first deposit. They used \$370,000 to buy the land, some cows, and a bull.

Mr. KENNEDY. They did not even own the land.

Mr. HENSON. The Winchester Village Land Co., sir, did not own the land that was pledged as security for the loan. They used the proceeds of the Teamsters loan to gain clear title to the land.

The CHAIRMAN. How much did they have to pay out of this amount they borrowed to get title to the land?

Mr. HENSON. About \$350,000, sir.

The CHAIRMAN. About \$350,000. That is what they paid for the land?

Mr. HENSON. This was the unpaid balance.

The CHAIRMAN. How much had they paid on the land before that?

Mr. HENSON. \$35,000.

The CHAIRMAN. Do you mean that 1,200-and-some-odd acres only cost about \$385,000?

Mr. HENSON. That is right, sir.

The CHAIRMAN. Is that your testimony now, from your examination of the records?

Mr. HENSON. Yes, sir. This is speaking of the 1,270 acres, approximately.

The CHAIRMAN. That is what I am talking about, the 1,270 acres that the escrow agreement covered.

Mr. HENSON. Yes, sir.

The CHAIRMAN. Now, then, the point I wanted to make, Mr. Fitzgerald, I mean, the thing that, on its face looks bad to me, after you had bought the land for them, and that is in effect what you had done, and then you saw the whole thing was about to collapse, it looks to me like it would signal to you right then and there that it was a bad bargain that had been made, and you would start to retrench to save that money.

Mr. FITZGERALD. No, Mr. Chairman. We are looking at it through the eyes of 1958. I was trying to look at it back in those days. There was a building boom on, and there was a lot of money invested. What Mr. Henson says may be exactly true. I am not going to dispute him, because he has been a CPA and over these books, and I have not. My understanding, however, is that they had about \$140,000 in this land, according to the representations that were made to me, and about \$60,000 in the engineering. That is not in accord with what you just said, so I am in no position to argue that out with you.

The CHAIRMAN. I want you, Mr. Henson, to review what you have said and review your records. I want it exact. I don't want to be unfair in any way at all. I want you to get what the records really reflect.

Mr. FITZGERALD. Mr. Chairman, I can't argue with it.

Mr. KENNEDY. He can clarify the situation about the difference in figures.

Mr. FITZGERALD. You don't have to clarify it for me. I know he is testifying under oath and not attempting to tell an untruth.

The CHAIRMAN. I am not charging that. I do want to be as accurate as we can from what the records reflect.

Mr. HENSON. There was a payment of approximately \$109,000 made relative to land adjacent to the Teamsters' property. If you will recall, sir, from the testimony the other day, this had to do with the land that was pledged to a Daniel Levine and others as security for a \$200,000 loan. This was not related to the 1,270 acres of land.

The CHAIRMAN. In other words, some of this money was used to buy some more land or pay off the indebtedness on some other land.

Mr. HENSON. No, sir. I am trying to explain Mr. Fitzgerald's figure of approximately \$200,000 paid for the land, and point out that \$109,000 related to land not pledged to the Teamsters.

Mr. KENNEDY. They said they had made improvements and spent money on lands, that land was land that was not covered by the Teamsters. It was an adjoining piece of land.

Mr. HENSON. That is right.

Mr. KENNEDY. That is where they had spent their money.

Mr. HENSON. That is right.

Mr. KENNEDY. They had gotten a \$200,000 loan and pledged that land in connection with that loan.

Mr. HENSON. That is right.

Mr. KENNEDY. This had nothing to do with the Teamsters' land, Mr. Chairman, so the figures that he gave to the committee are correct figures. He spent a good deal of time checking them.

The CHAIRMAN. As to the Teamsters' land. The figures you gave you say now you are confident are accurate?

Mr. HENSON. Yes, sir. In a few moments I can give you the exact figures.

The CHAIRMAN. In round numbers they are accurate.

Mr. HENSON. Yes, sir.

The CHAIRMAN. You may get the exact figures and supply them for the record.

(The information referred to follows:)

Downpayment on purchase of 1,270 acres.....	\$35, 000. 00
Initial survey and road costs.....	24, 791. 40
Total.....	59, 791. 40

The CHAIRMAN. Senator Ives.

Senator IVES. I would like to back up a little bit and check up on something. I think this dissertation started out because Mr. Fitzgerald challenged the statement of Mr. William Schultz, assistant secretary of the Abstract & Title Guaranty Company of Detroit, Mich.; isn't that right? Some statement that Mr. Schultz made that you differed with. In your opinion, what was it? What was it that he said that you did not agree with?

Mr. FITZGERALD. Senator Ives, he said that he could not see how this property 70 miles away could in any way affect the property in Flint.

Senator IVES. That is what I thought. Let me ask you a question. I take it that the Abstract & Title Guaranty Company of Detroit, Mich., is an outfit of good reputation; is it not?

Mr. FITZGERALD. Oh, yes. Yes; that is why we chose them as the escrow agent.

Senator IVES. I figured you would not choose them unless they were all right. In this particular field they have a good idea of the value of property, haven't they?

Mr. FITZGERALD. Well, I think in their organization there are men who have a good idea of the property.

Senator IVES. Certainly; there may be several assistant secretaries, but an official with the title of assistant secretary should have an idea. Moreover, he would not be expressing himself to this committee under oath unless he pretty nearly knew what he was talking about.

Mr. FITZGERALD. No, I think you misunderstood my statement, Senator Ives.

Senator IVES. I wish to get your statement clearly.

Mr. FITZGERALD. I don't want it to have the appearance that Mr. Schultz categorically having a knowledge of all the facts made a statement that it could not affect the Winchester deal. I said he said it could not affect the Winchester deal but I do not believe that when he said it that Mr. Schultz was in the possession of the facts that I was attempting to recount to the committee. That was all. I think Mr. Schultz is a very fine gentleman, and I am not—I don't know how good a real estate man he is.

Senator IVES. The point I am making is that he said it and he said it under oath.

Mr. FITZGERALD. That is right.

Senator IVES. And the company he represents is probably one of the best companies in that section of the country.

Mr. FITZGERALD. That is right, and he probably meant it.

Senator IVES. That ought to be sufficient authority.

Mr. FITZGERALD. Not for me.

Senator IVES. Maybe not for you, but it ought to be for us.

Mr. FITZGERALD. I don't think so, Senator Ives. I am not trying to lessen his ability. He probably knows more about land than I do, but I don't think that Mr. Schultz—it is only opinion evidence anyway, and I don't want to say. I know he gave it in good faith.

Senator IVES. Wait a minute.

Mr. FITZGERALD. I don't think he was in possession of all the facts.

Senator IVES. He undoubtedly gave his opinion in good faith, a company like that should have some idea of the values concerned here.

Mr. FITZGERALD. Now that you have reached a point, let me cover my letter.

Senator IVES. I have not reached a point at all. I am trying to talk about the testimony of Mr. Schultz.

Mr. FITZGERALD. All right. Let us talk about Mr. Schultz. I wrote this letter, and there has been an attempt by Mr. Schultz, rightly or wrongly, to make it appear that a letter of mine made a complete change in the agreement. I would like to read the first paragraph of the letter to you.

The CHAIRMAN. All right.

Mr. FITZGERALD (reading) :

Pursuant to our telephone conversation of yesterday relating to the tap certificates in Clinton Township, Macomb County, Mich., you are hereby authorized to release to the Winshall Associates \$100,000 for their use in picking up these tap privilege certificates.

Let me stop there for just a moment, if I may. They were going to pick up these tap privilege certificates according to their understanding with us. When they picked them up they were going to take them to a bank and they were going to borrow money on the tap certificates, and the money that they borrowed would be approximately \$100,000, and they would return it to the escrow account. That was our understanding. That was covered in this agreement that I tried to read to you. But this was a temporary arrangement to save any collapse of this particular transaction.

Now, to bear out what I say to you was my understanding, here is the next sentence in the letter:

It is understood that what mechanics you may use—
this is to the title company—

It is understood that what mechanics you may use in connection with the payment of the money to them—

meaning the Winchester Co.—

or to the proper receiving agency, and what method may be used for the repayment of this money into the fund is left to you as the escrow agent and the Winchester Land Co.

Senator IVES. So far as that is concerned, that has nothing to do with what Mr. Schultz testified.

Mr. FITZGERALD. Except, Mr. Ives, or Senator—

Senator IVES. "Mister" is all right. I am not fussy about that.

Mr. FITZGERALD. I am sorry. Except that we did set up, or that is, we asked the escrow agent to set up machinery, that would cover not only the payment of the money to them, but would cover the repayment of the money to the escrow account when this crisis was over.

Senator IVES. On top of everything, Mr. Schultz gave the testimony he did. That stands as far as I am concerned. I have great faith in that company.

Mr. FITZGERALD. So have I. So have I. We still do business with them.

The CHAIRMAN. Let me ask you, was that \$100,000 ever repaid?

Mr. FITZGERALD. No, no, Mr. Chairman. As we have since found out, it was not. All I can tell you is what I have since learned. That \$100,000 instead of being returned, and they told us this later on in the winter of 1957, they said that money, when they got the \$97,000, and we were raising Cain with them about their whole conduct—this thing came to a climax in the winter of 1957—we said to them, here is a matter where \$100,000 was released and was to be paid back, and the escrow agent and yourselves were to work out the mechanics of that thing. They said, "Well, it was put back into the land. It was put back into the Winchester Development." I said, "Did it go into the escrow account?" They said "No." When they borrowed this money on the tap certificates from the Manufacturers' Bank, according to what they told me—again it is hearsay—

Mr. KENNEDY. Mr. Fitzgerald—

Mr. FITZGERALD. Wait a minute. Can I say this, and then I am through. When they borrowed the money, they should have deposited it in the escrow account. They put it in the Manufacturers' Bank in the account of the North American Development Co., and according to them used the money for the development of Winchester Village. That is all.

The CHAIRMAN. Now, let me ask one question. How much is the welfare fund going to lose in this transaction?

Mr. FITZGERALD. Personally, Mr. Chairman, I don't think—and I am not a real-estate expert or land expert—I don't think the welfare fund is going to lose money. I think from the advice that we have been given, the welfare fund is going to make a considerable profit on it. Before that is done, it is going to take a period of 3 or 4 years because Flint is presently a depressed area because of the automobile situation.

The CHAIRMAN. As of now, if you foreclose that mortgage, how much will you lose?

Mr. FITZGERALD. Well, Mr. Henson—again I am in a field where I don't belong, but I am perfectly willing to answer it.

The CHAIRMAN. All right, if you don't feel competent.

Mr. FITZGERALD. I can't. I am only guessing.

Mr. KENNEDY. Have you had an appraisal made of the land that is left?

Mr. FITZGERALD. Not yet; no.

Mr. KENNEDY. Well, we have. The land as it is left, Mr. Chairman—

The CHAIRMAN. You are talking about that part now that has not been released to the purchasers?

Mr. KENNEDY. That is right. According to the appraisal by Mr. Lawrence L. Cook of Flint, Mich., who has been in the real estate appraisal business since 1929 and has done appraisal work for various government agencies, namely the city of Flint, the State of Michigan, and also the United States of America in recent years, he states:

From as careful a study of this problem as time would permit, it is my belief that the present fair value of the balance of the mortgaged property is \$351,400, bearing in mind that no value was given to the disposal plant or to a speculative value.

Both of these points have been mentioned above. There is a disposal plant on the property, Mr. Chairman, that is serving the sewerage facilities for the property that has already been sold.

Mr. FITZGERALD. I believe, Mr. Kennedy, that is worth about a quarter of a million dollars. Maybe less, I don't know. Again I am not sure. I have not attempted to set any values on it. But I think it should be held in mind, Mr. Chairman—

Mr. KENNEDY. I don't think you said \$250,000 unless you have some evidence or information on it. Do you know how much it cost to build?

Mr. FITZGERALD. I have to get the figures. About \$78,000.

Mr. KENNEDY. \$78,000.

Mr. FITZGERALD. I think so.

Mr. KENNEDY. About 75 percent of its capacity now is going to the property that has already been sold by the Teamsters.

The CHAIRMAN. On the face of it, it looks like—

Mr. FITZGERALD. I don't believe that, Mr. Chairman.

The CHAIRMAN. On the face of it from these figures it looks like the Teamsters are out around \$700,000 or close to it.

Mr. FITZGERALD. Mr. Chairman, this is—

The CHAIRMAN. I am talking about the interest that is due on the loan. You get a million dollars, and you have \$60,000 interest due as of now.

Mr. FITZGERALD. The first thing you have to remember is that we are in a depression as far as the mortgage and building market is concerned, and particularly as far as the Flint area is concerned. So it would be impossible for us to say that is going to be the loss. If we were in normal times and with proper work being put on it by people that know their business, I don't think there will be any loss. I believe there will be a substantial profit.

Mr. KENNEDY. If you go into the land and sewerage business.

Mr. FITZGERALD. We are not going into the land business. First, we have to deal with the foreclosure, and then we have to let the future take care of itself in trying to get people to come in there and develop it.

Mr. KENNEDY. Are the Teamsters going to start running a sewage plant?

Mr. FITZGERALD. No.

Mr. KENNEDY. You are going to have to dispose of it. Are you going to start developing land in Flint, Mich.?

Mr. FITZGERALD. No; we can't do that. I am in no position to say what can be done until after we explore the situation.

Mr. KENNEDY. I would like to go back for a moment. Did you get an agreement with them on this \$100,000 for the tap certificates in Clinton Township? Did you get an agreement that they would pay the money into the escrow account?

Mr. FITZGERALD. No. That was to be done by the escrow agent according to my letter.

Mr. KENNEDY. It does not specifically state so.

Mr. FITZGERALD. Yes; it does.

Mr. KENNEDY. Where does it state in the letter, Mr. Fitzgerald, that the escrow agent is to make an agreement such as you have described?

Mr. FITZGERALD. "It is understood what mechanics you may use in connection with the payment of the money to them or to the proper receiving agency and what method may be used for the repayment of this money into the fund is left to you as the escrow agent and the Winchester Land Co."

Mr. KENNEDY. Where did you inform them, in the letter, that this money was to be paid into the escrow account?

Mr. FITZGERALD. I do that there.

Mr. KENNEDY. Where?

Mr. FITZGERALD. You have to read it in its complete context.

Mr. KENNEDY. You read it to me. Where do you tell them to make this agreement?

Mr. FITZGERALD. "It is understood what mechanics you may use in connection with the payment of the money to them"—meaning the Winchester Land Co.—"to the proper receiving agency and what method may be used for the repayment of this money into the fund is left to you as the escrow agent and the Winchester Land Co." It was their responsibility to draw up the contract.

Mr. KENNEDY. You said you had some agreement, Mr. Fitzgerald, whereby the \$100,000 would go into the escrow account. Where did you inform them, in the letter, that you had such an agreement?

Mr. FITZGERALD. The letter speaks for itself, and that is about as far. I would assume if you gave an escrow agent those instructions, he would reach an agreement and reduce it to writing.

Mr. KENNEDY. Did you ever see that was done, Mr. Fitzgerald?

Mr. FITZGERALD. No; I did not. That was the duty of the escrow agent.

Mr. KENNEDY. You wrote them the letter. You waived the provisions of the contract.

Mr. FITZGERALD. Whether I did or not is another matter.

Mr. KENNEDY. Wait a minute, Mr. Fitzgerald. The escrow agreement says that the money is to be spent on this land. It doesn't say

anything about Clinton Township. You wrote the letter waiving the agreement.

Mr. FITZGERALD. If there was a temporary waiver, we waived it, but the agreement was that it was to be paid back.

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

Mr. KENNEDY. The agreement—you say you made a verbal agreement. Where did you ever tell anybody that this agreement had been made.

Mr. FITZGERALD. Which was to be set up by the escrow agent and the Winchester Land Co. That was left entirely to them.

Mr. KENNEDY. Where was the letter you wrote to the trustees, telling them you had waived the provisions?

Mr. FITZGERALD. We didn't write any letter to the trustees, because I didn't think that was any waiver of the terms of the escrow agreement.

Mr. KENNEDY. You just said you thought it was a temporary waiver, Mr. Fitzgerald.

Mr. FITZGERALD. Not a temporary waiver. If I used the word "waiver," I misspoke myself. It was a temporary arrangement in order to save this whole transaction.

Mr. KENNEDY. Mr. Fitzgerald, the agreement states specifically that the money is to be used for Winchester Village, the development of that land. You gave them money to go into Clinton Township, some 60 miles away.

Mr. FITZGERALD. Mr. Kennedy, you have to put your own interpretation on it and I have to put mine. In my interpretation, it did not constitute any waiver.

Mr. KENNEDY. It isn't a question of interpretation. I want to find out where you wrote a letter to the trustees and told them about this waiver.

Mr. FITZGERALD. I told you there was no such waiver done, because there was no waiver in my estimation. It was all a matter of my own legal judgment or my judgment as an attorney.

Mr. KENNEDY. It would appear to me, as we have gone along so far, Mr. Fitzgerald, that you were much more interested in the rights of the recipients of the loan than you were of the Teamsters Union. Every agreement that you made was for the benefit of the recipient of the loan, and nothing for the benefit of the Teamsters.

Mr. FITZGERALD. No, that isn't true, and that isn't the way I felt and it isn't they way I acted. But it all depends on what side of the table you are sitting on when you say those things.

Mr. KENNEDY. When you allowed them to use the money for the Clinton Township, did you inquire or find out what the financial status of Clinton Township was?

Mr. FITZGERALD. No, other than to know that I had been out to Clinton Township and I had seen the tremendous developments, and I know that apparently if they did not have the money, they certainly had unlimited credit, because they were building roads and sewers, and houses going up and everything else.

Mr. KENNEDY. Did you know what the mortgage was at that time?

Mr. FITZGERALD. On what?

Mr. KENNEDY. The Clinton Township.

Mr. FITZGERALD. No; I wouldn't know that.

Mr. KENNEDY. The mortgage, Mr. Fitzgerald, was \$700,000 at the time you allowed them to use \$100,000.

Mr. FITZGERALD. That is possible. That is possible.

Mr. KENNEDY. Is that correct?

Mr. HENSON. Yes, sir; according to Mr. Winshall.

Mr. KENNEDY. The releases of the property, under the escrow agreement, Mr. Fitzgerald, were to be handled through the escrow agent.

Mr. FITZGERALD. Right.

Mr. KENNEDY. According to the testimony that we have had, these releases were not handled in that fashion. Were the releases handled through your office, Mr. Fitzgerald?

Mr. FITZGERALD. Partly through my office. Let me say that no one in the health and welfare fund, and no one in my office, including myself personally, ever authorized the Winshall Co. or any of the copartners to release any of this property without going through the escrow agent and paying the \$1,500.

Mr. KENNEDY. They had to get the releases from the Teamsters or from your office, did they not?

Mr. FITZGERALD. That is correct.

Mr. KENNEDY. Could you tell the committee why you gave them these releases, then?

Mr. FITZGERALD. Well, I had no personal knowledge of it, but I will have to go back and try to reconstruct it for you, if you want me to.

Mr. KENNEDY. What I am trying to find out is this: You say that the Winshall Development Co.—

Mr. FITZGERALD. I would like to find out about this, too, although I can't impute to anyone in my office or anyone in the health and welfare fund any improper motive in what they did.

Mr. KENNEDY. Mr. Chairman, can I just explain the seriousness of this situation? Under the escrow agreement, the money was to be paid, \$1,500 and up, for each lot that was sold, and as the escrow agent released this property to the Winshall Development Co., the Winshall Development Co. would pay either the \$1,500 or the \$3,000 to them, which, in turn, was to be given back to the Teamsters. When the Winshall Development Co. repaid this money, the escrow agent would then release this property. The escrow agent did not release the property. The Teamsters' Union, through Mr. Fitzgerald's office, evidently released the property.

The result has been that they should have received \$1,200,000, which should have been returned to the Teamsters, which was never returned to the Teamsters because this agreement was not followed.

The CHAIRMAN. Mr. Fitzgerald, were you supposed to be the attorney and supervise the legal aspects of this transaction all the way through?

Mr. FITZGERALD. That is correct. My office was.

The CHAIRMAN. What arrangement was made whereby the escrow agent could be bypassed on these releases?

Mr. FITZGERALD. There was no arrangement made, Mr. Chairman.

The CHAIRMAN. How did it happen?

Mr. FITZGERALD. That is what I wanted to tell Mr. Kennedy. I don't know. But I have been trying to reconstruct it. When I say I don't know—positively. I think that the answer to this could be

made by Mr. Green or by the Winshall Co. I know, and I have heard two versions of it, and it is all hearsay, that Mr. Green, according to what I get, delivered some releases to one of the gentlemen in my office. This man took them down to the welfare fund. The welfare fund employee went around and had the releases signed. According to the gentleman in my office, that was the last he heard of the transaction.

According to the employee of the welfare fund, he brought them back and gave them to this same gentleman or left them in this gentleman's office.

Mr. KENNEDY. In your office?

Mr. FITZGERALD. In my general office; yes. But left them in this lawyer's office. Whether someone came and took those releases without any authority is one matter. But even if they got possession of the releases, Mr. Chairman, they had absolutely no right to put these releases through without taking them to the escrow agent, depositing them, and, as they got a release, got \$1,500 for the release.

The CHAIRMAN. That is correct.

Mr. FITZGERALD. That is right.

The CHAIRMAN. I mean the way the transaction was set up, it is perfectly obvious now that this loan would have been repaid if it had had proper supervision, and the escrow agreement had been carried out.

Mr. FITZGERALD. That is right.

The CHAIRMAN. But instead, a million dollars plus that should have come back went in some other direction. These folks, this welfare fund, are left holding the bag.

Mr. FITZGERALD. I don't think they will be. I don't think they will be.

The CHAIRMAN. Well, as of now, it is.

Mr. FITZGERALD. As of now, it is. When I ask you to look at it in the eyes of 1955, I have to, by the same token, look at it through the eyes of 1958.

The CHAIRMAN. O. K.

Senator IVES. Mr. Fitzgerald, I would like to know what you are going to do about this violation of contract.

Mr. FITZGERALD. The first thing we have done is we have started a foreclosure action. Let me say this: We have—and I am not even attempting to supervise this part of the action, but my office, through an attorney in Flint, has started a foreclosure action, which is No. 1. We have started a foreclosure in equity rather than a foreclosure on the law side of the court in Michigan. No. 2, we have attempted, through an attorney, Allen Schmeir, in Detroit, Mich.—he has been handling most of the work or all of the work, as a matter of fact, and supervising it—to reconstruct this thing, find out where we are going, find out what the whole picture is, and then we will go from there.

Senator IVES. We are pretty nearly telling you what the picture is.

Mr. FITZGERALD. I am not finding fault with some of the things that have come to light here. As a matter of fact, this transcript is enlightening to me.

Senator IVES. What do you expect to get out of this investigation, and apparently that is what it is, which you are talking about?

Do you expect to recapture anything through this investigation where this violation was concerned?

Mr. FITZGERALD. I think so.

Senator IVES. How much?

Mr. FITZGERALD. Well, I couldn't tell you that, because I am not qualified in the land business. But we certainly appreciate some of the efforts of the staff in bringing some of those things to light.

Mr. KENNEDY. You are welcome, Mr. Fitzgerald.

Senator IVES. Well, we have tried to clear it up as best we could. You are not cooperating very much. You know, you remind me of Barney Baker, as an attorney.

Mr. FITZGERALD. Senator Ives, if you want—

Senator IVES. Just a minute. I don't want to insult you in any way, shape, or manner.

Mr. FITZGERALD. I think you are. You are certainly way out of line with me on that. I have tried to give you, to the best of my recollection, everything.

Senator IVES. All right.

The CHAIRMAN. Proceed, Mr. Kennedy.

Mr. KENNEDY. Then you don't have any idea how they received these releases?

Mr. FITZGERALD. I honestly don't, except, Mr. Kennedy, when it got in their hands, even if it got in their hands by mistake, it was their duty and obligation to deliver them to the Abstract Co. and to pay the money before they sent these releases out.

Mr. KENNEDY. Wasn't it also your obligation to see that this was not done, Mr. Fitzgerald?

Mr. FITZGERALD. Well, yes, but of course, sometimes you can't protect yourself from a type of thing like this. That would be the last thing that I would assume that they would do.

Mr. KENNEDY. You had the releases, evidently, or you sent them down to the Teamsters to sign them. Certainly you had an obligation to follow up and see that they were returned to the escrow agent.

Mr. FITZGERALD. Well, you say I did. My office did, yes, and I did, I suppose.

Mr. KENNEDY. You told us originally you got \$35,000 for the work that you did on this.

Mr. FITZGERALD. That is right.

Mr. KENNEDY. Who in your office, then, did this?

Mr. FITZGERALD. I just told you. I am informed by Mr. Prebenda, when I checked up, that Mr. Prebenda got the releases from Mr. Green. Somehow they got to the health and welfare fund. Then I was informed by Mr. Duane Johnson that he had them signed and that he brought them back and put them in Mr. Prebenda's office. That is as far as I know.

Mr. KENNEDY. Mr. Fitzgerald, you don't have any idea at the present time as to what money you will receive out of this property in this foreclosure proceedings?

Mr. FITZGERALD. Well, of course, in the foreclosure proceedings I do not tell you at this time on it.

Mr. KENNEDY. You talked earlier about the Teamsters making a profit. What did you mean by that?

Mr. FITZGERALD. Well, I say that we can't stop at merely the foreclosure proceedings, that we have to go ahead with this project, because it is an ideal development up there.

It would be, if handled properly.

Mr. KENNEDY. Then you are going to invest more money in it?

Mr. FITZGERALD. I don't know whether that eventually will happen or not. But I know this, that there has to be a recovery made, and there will be.

Mr. KENNEDY. When you say, then, that you will make a profit on this, you have no facts to back your statement up, do you?

Mr. FITZGERALD. I would have to refer you to Mr. Allen Schmier on that, who can give you the picture.

Mr. KENNEDY. I want to make sure when you state that you could make a profit on this, or that the Teamsters could make a profit on this, you have no facts to back that up?

Mr. FITZGERALD. I have no experience with which to back it up. I am only telling you what—no, that is true.

Mr. KENNEDY. Are the Teamsters planning to go into the land development business in Flint, Mich.?

Mr. FITZGERALD. I don't think so; no.

Mr. KENNEDY. Are you going to build a water plant there?

Mr. FITZGERALD. I don't know, Mr. Kennedy, what will be done. That is out of my field. That would have to be handled by someone else.

Mr. KENNEDY. Could I ask Mr. Henson a question?

Mr. Chairman, we not only have the appraisal of the land—

The CHAIRMAN. Let's have that appraisal made an exhibit.

Did you get this appraisal, Mr. Henson?

Mr. KENNEDY. One of the staff members got it. But it is sworn to.

Mr. FITZGERALD. Mr. Chairman, could I have my appraisals back?

I guarantee I will give them a complete photostat.

The CHAIRMAN. Yes; you may have them.

Mr. FITZGERALD. Which one, Mr. Bellino, don't you have?

The CHAIRMAN. The appraisal that the staff has had made may be made exhibit No. 130, for reference.

(Document referred to was marked "Exhibit No. 130" for reference and may be found in the files of the select committee.)

Mr. BELLINO. This is all we have [indicating].

Mr. FITZGERALD. Do you mean you didn't get photostatic copies of those?

Mr. BELLINO. That is right.

Mr. FITZGERALD. I am sorry. I will see that you get photostatic copies.

Mr. KENNEDY. In addition to this appraisal, do we have further information regarding that land out there, as far as the water supply is concerned?

Mr. HENSON. Yes, sir.

Mr. KENNEDY. What is the situation?

Mr. HENSON. At the present time, the Gaines Township Board of Governors has refused to issue building permits at the request of the Michigan State Department of Health because of an inadequate water supply.

Mr. KENNEDY. Could I read a couple of paragraphs more from this, Mr. Chairman?

The CHAIRMAN. I have just made it an exhibit.

Mr. KENNEDY. Yes; I want to point something out.

I am informed that permits for new houses proposed in Winchester Village have been denied because of the limited water supply and pumping facilities, and that the present sewage-disposal plant is limited to about 300 more houses. I also find that new and completed houses are being offered for sale at the present time for about \$1,500 less than the original asking price. There are about 20 uncompleted houses in the project on which all work has been stopped.

From records secured from the Guaranty Title & Mortgage Co., which reflect those of record in the office of the register of deeds for Genesee County, Mich., I believe that the original mortgage covering 1,270 acres and that releases to date reduces the land covered by said mortgage to approximately 1,074 acres, which is a little larger than stated.

I am firmly convinced that the remaining acreage should be treated as farmland because of the present demand for houses, the limited utilities stated above, and the cost of platting, engineering, etc., prohibits the immediate sale for other purposes.

So the 19 cows and the bull, Mr. Chairman—

Mr. FITZGERALD. I don't think that is the final chapter in the story, Mr. Chairman. I don't want to get into it, except to say that there is an answer on this water plant, there is an answer on the board of health, which I know can be supplied by the people who handled that transaction.

Mr. KENNEDY. Mr. Chairman, we have an advertisement in the paper, the Flint Journal, Sunday, September 7:

Winchester Village. You saw it for \$15,600, and now you can own it for just \$14,490.

Mr. FITZGERALD. Is that an acre?

Mr. KENNEDY. That is for the homes out at Winchester.

Mr. FITZGERALD. Well, actually, Mr. Kennedy, I am advised that that is the type of home that will go out there, because it is a working-man's home. I don't know.

The CHAIRMAN. The committee will take a recess until 2 o'clock.

Mr. FITZGERALD. Am I excused now, Mr. Chairman?

Mr. KENNEDY. We have some other matters.

(Whereupon, at 12:25 p. m., with the following members of the committee present: Senators McClellan and Ives, recessed to reconvene at 2 p. m., the same day.)

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.

TESTIMONY OF GEORGE S. FITZGERALD—Resumed

The CHAIRMAN. Mr. Fitzgerald, we have some other witnesses here. You are going to be here anyway, so we are going to let you stand aside for the afternoon and try to hear these other witnesses so they can get back. There is just one question I think we should ask you about, if you know:

What became of the cows that they bought out there? What happened to them? Are they still a part of your security? What is the story about them?

Mr. FITZGERALD. Well, Mr. Chairman, I don't know anything about the cows, except what I heard. I understand, although I have cer-

tainly made an inquiry because I was very interested in it, I understand—I hate to go into a long-winded explanation of this thing—the cows that were on that property, and I am telling you what I have been told—

The CHAIRMAN. I think it is a matter that we ought to clear up for the record. Maybe they will help to repay the loan.

Mr. FITZGERALD. All I can tell you is give you hearsay testimony on it.

The CHAIRMAN. You don't know whether or not you have them as collateral, or what they are worth.

Mr. FITZGERALD. I know they are not collateral and never would be considered collateral, but I guess they were purchased from the original owner. This property was owned by a Civil War Governor of Michigan, and this was quite—

The CHAIRMAN. Were they purchased along with the land?

Mr. FITZGERALD. That is, and it was kept in that condition as a promotional deal as far as these people were concerned, I found out later. I understand since that time that the cows have been sold, or whatever happened to them, and the money went back into the fund of the Winchester Land Co.

The CHAIRMAN. It did not go back into the pension fund or welfare fund?

Mr. FITZGERALD. No. In the first place, we know nothing about that, although it is an interesting factor.

The CHAIRMAN. Thank you very much. Let's have the next witness.

Mr. FITZGERALD. Mr. Chairman, I don't want to take up your time, but do I understand that I will not be called for the rest of the afternoon, in case I do have to leave?

The CHAIRMAN. That is correct. You wouldn't be called the rest of the afternoon. We will resume with your testimony tomorrow.

All right, thank you very much.

Call the next witness.

Mr. KENNEDY. Mr. John E. Rogers.

I might say before he comes, Mr. Chairman, that we are going into a different phase of the investigation.

The CHAIRMAN. All right. Come forward. 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. ROGERS. I do.

TESTIMONY OF JOHN E. ROGERS

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

Mr. ROGERS. John E. Rogers. I live at Grovespring, Mo. I am a truckdriver on construction work.

The CHAIRMAN. Thank you very much. You waive counsel?

Mr. ROGERS. Yes, sir.

The CHAIRMAN. All right, Mr. Kennedy.

Mr. KENNEDY. Mr. Chairman, over the period of the work of this committee we have had statements by Mr. Hoffa, and when his chief assistant, Mr. Harold Gibbons, appeared, we also had numerous statements by him as to their faith and confidence in the democratic pro-

cedures in the Teamsters Union. We went extensively into the situation involving Mr. Harold Gibbons' election as president of joint council 13 in St. Louis. Mr. Gibbons had many statements to make at that time regarding democratic procedures. We saw at that time the violation of the constitution and the fact that the constitution was waived by Mr. Hoffa, by the executive board, in the appointment of these so-called officers of local 447, the Carnival Workers' local.

The next few witnesses will be in connection with union democracy, where union members have been deprived of their rights, and where the waiver of the constitution was not carried out as it was in the case of the election of Mr. Harold Gibbons.

The CHAIRMAN. All right. Proceed.

Do you have some 3 or 4 witnesses on this particular phase of it?

Mr. KENNEDY. Yes. These witnesses this afternoon, Mr. Chairman, will be from Missouri, will be within the balliwick of Mr. Harold Gibbons and Mr. James Hoffa.

Mr. Rogers, you have been a member of local 245 in Springfield, Mo.; is that correct?

Mr. ROGERS. Yes, sir.

Mr. KENNEDY. For how long?

Mr. ROGERS. Since 1939.

Mr. KENNEDY. 1939?

Mr. ROGERS. Yes, sir.

Mr. KENNEDY. You are working on construction work?

Mr. ROGERS. Yes, sir.

Mr. KENNEDY. Could you tell us what happened in 1950 regarding local 245?

Mr. ROGERS. In 1950, local 245 was placed under trusteeship by the international union. Our local officers were removed, and officers appointed to replace them.

Mr. KENNEDY. The local secretary-treasurer at that time was Mr. E. J. Barrett?

Mr. ROGERS. Yes, sir.

Mr. KENNEDY. That is B-a-r-r-e-t-t?

Mr. ROGERS. Yes, sir.

Mr. KENNEDY. Did the international come in and make an audit of the local's books?

Mr. ROGERS. Yes, sir.

Mr. KENNEDY. What did they find?

Mr. ROGERS. They found the local about \$25,000 in debt.

Mr. KENNEDY. Did they find that there had been a mishandling of union funds?

Mr. ROGERS. Yes, sir.

Mr. KENNEDY. So they stepped in and put the local under trusteeship; is that right?

Mr. ROGERS. Yes, sir.

Mr. KENNEDY. And they removed Mr. Barrett?

Mr. ROGERS. Yes, sir.

Mr. KENNEDY. Did they find Mr. Barrett to be "incompetent, neglectful of his duties," is that right?

Mr. ROGERS. That was the words of the auditor, yes, sir.

Mr. KENNEDY. And that dues, initiation fees, et cetera, were not deposited in the bank as they should have been?

Mr. ROGERS. Yes, sir.

Mr. KENNEDY. And that many bills remain unpaid, is that right?

Mr. ROGERS. Yes, sir.

Mr. KENNEDY. And it was because of Barrett's incompetency that the local union became heavily indebted?

Mr. ROGERS. Yes, sir.

Mr. KENNEDY. We have a copy of the audit report, Mr. Chairman, in connection with this.

The CHAIRMAN. Did you ever see a copy of the audit report?

Mr. ROGERS. Yes, sir; I saw the original books.

The CHAIRMAN. You saw the original?

Mr. ROGERS. Yes, sir.

The CHAIRMAN. Could you identify this for us, this photostatic copy, please, sir?

(The document was handed to the witness.)

Mr. ROGERS. They are copies of the original books.

The CHAIRMAN. That is a copy of the audit?

Mr. ROGERS. Yes, sir.

The CHAIRMAN. It may be made exhibit No. 131.

(The document referred to was marked "Exhibit No. 131" for reference and may be found in the files of the select committee.)

Mr. KENNEDY. In February of 1950, was one Verl Nickels placed in charge of the local?

Mr. ROGERS. Yes, sir.

Mr. KENNEDY. That is N-i-c-k-e-l-s, is that right?

Mr. ROGERS. Yes, sir.

Mr. KENNEDY. Was there subsequently an election held?

Mr. ROGERS. Yes, sir, along about 1951, the latter part of the year, I believe.

It may have been 1952. I am not for certain.

Mr. KENNEDY. Was Mr. Nickels elected to secretary-treasurer?

Mr. ROGERS. Yes, sir, secretary-treasurer and business representative.

Mr. KENNEDY. How long did he remain in as secretary-treasurer?

Mr. ROGERS. Well, when we were placed under trusteeship in 1950, he was appointed to that position. He held that position all the way through. When we had our election, he was elected to the position and continued to hold it until September 1954.

Mr. KENNEDY. Until 1954. What was the financial status of the union when it was under Mr. Nickels' control?

Mr. ROGERS. During the control of Mr. Nickels, the local paid off the \$25,000 indebtedness incurred by Mr. Barrett. We also accumulated the revenue to purchase the land and build a building to the cost of approximately \$50,000. When they removed Verl Nickels, the local was out of debt, except for seven, eight, or maybe nine hundred dollars current bills. We had four or five thousand dollars in the bank.

Mr. KENNEDY. So it thrived financially under his direction and control?

Mr. ROGERS. Yes.

Mr. KENNEDY. And Mr. Nickels had been elected by the local membership in 1951 or 1952?

Mr. ROGERS. Yes, sir.

Mr. KENNEDY. You say it was put back in trusteeship in 1954?

Mr. ROGERS. Yes, sir.

Mr. KENNEDY. For what reason was it put back in trusteeship?

Mr. ROGERS. I do not know.

Mr. KENNEDY. Did the international inform the union members why their union had been placed in trusteeship?

Mr. ROGERS. I was not at the meeting that they held to place the local back under trusteeship. The members that were there said that they gave them no reason. Verl Nickels told me that the reason that was given to him was that he had been instrumental in having the newspaper published in Springfield for a group of dissident members of the Joplin, Mo., local.

Mr. KENNEDY. There was another group in Joplin, Mo., revolting against its leadership?

Mr. ROGERS. Yes, sir.

Mr. KENNEDY. And he had helped or assisted them by having a newspaper published?

Mr. ROGERS. Yes, sir.

Mr. KENNEDY. And he understood that was the reason why the local was placed in trusteeship?

Mr. ROGERS. That was the reason he gave me, yes, sir.

Mr. KENNEDY. Who was made trustee?

Mr. ROGERS. Harold Gibbons.

Mr. KENNEDY. Did he come into the local himself?

Mr. ROGERS. No, sir.

Mr. KENNEDY. Who did he send in?

Mr. ROGERS. Richard Kavner.

Mr. KENNEDY. Did you understand anything about the background of Mr. Kavner?

Mr. ROGERS. No, sir. I just knew that Mr. Kavner was from St. Louis.

The CHAIRMAN. He was not from St. Louis?

Mr. ROGERS. He was from St. Louis.

Mr. KENNEDY. Mr. Chairman, we have here a letter making Mr. Harold Gibbons the trustee.

Mr. Tierney, who has been sworn, obtained it.

The CHAIRMAN. Have you been sworn, Mr. Tierney?

Mr. TIERNEY. I have not.

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

Mr. TIERNEY. I do.

TESTIMONY OF PAUL J. TIERNEY

The CHAIRMAN. Be seated. You are a member of the staff of this committee?

Mr. TIERNEY. I am, Mr. Chairman.

The CHAIRMAN. Have you examined the records of this local in St. Louis?

Mr. TIERNEY. That came from the international records here in Washington.

The CHAIRMAN. You have examined the international records with respect to this local that the witness has been testifying about?

Mr. TIERNEY. That is right.

The CHAIRMAN. I hand you a photostatic copy of a letter. State if you can identify it and, if so, where you procured it.

Mr. TIERNEY. I can identify it, Mr. Chairman; it is a letter of September 24, 1954, to Mr. Harold J. Gibbons, from Einar O. Mohn, acting for the general president of the Teamsters, appointing Mr. Gibbons as trustee. This is a photostatic copy of the letter obtained from the records of the International Brotherhood of Teamsters in Washington by subpoena.

The CHAIRMAN. That letter may be made exhibit No. 132.

(The document referred to was marked "Exhibit No. 132" for reference and may be found in the files of the select committee.)

TESTIMONY OF JOHN E. ROGERS—Resumed

Mr. KENNEDY. There was some question also, or they raised a question that Mr. Nickels was drinking, is that right?

Mr. ROGERS. Yes, sir.

Mr. KENNEDY. Was he drinking to excess?

Mr. ROGERS. To my knowledge, not to excess, no, sir.

Mr. KENNEDY. And the union was thriving?

Mr. ROGERS. Yes, sir.

Mr. KENNEDY. Was making money during that period of time?

Mr. ROGERS. Yes, sir.

Mr. KENNEDY. All the officers were removed by Mr. Gibbons?

Mr. ROGERS. By Mr. Kavner, yes, sir.

Mr. KENNEDY. Under Mr. Gibbons' direction?

Mr. ROGERS. Yes, sir.

Mr. KENNEDY. Did they place anybody in there to run the local for them?

Mr. ROGERS. Yes, sir. They brought in E. J. Barrett.

Mr. KENNEDY. That is Mr. Barrett, who had been removed in 1950 for incompetency?

Mr. ROGERS. Yes, sir.

Mr. KENNEDY. For mishandling of the money?

Mr. ROGERS. Yes, sir.

Mr. KENNEDY. They brought him back in and placed him in charge of the union?

Mr. ROGERS. Yes, sir.

Mr. KENNEDY. Where had he been in the interim time?

Mr. ROGERS. Well, he had worked several places. I think for the last year or so he had been at Joplin, Mo.

The CHAIRMAN. Is this the same Barrett that they removed because he let the local get in debt, and so forth?

Mr. ROGERS. Yes, sir.

The CHAIRMAN. Is he the one that the auditor wrote about as being incompetent, with malfeasance in office, and so forth?

Mr. ROGERS. Yes, sir.

The CHAIRMAN. Had he improved any in the interim?

Mr. ROGERS. I couldn't tell you about that, sir.

The CHAIRMAN. You saw no sign of it, I guess?

Mr. ROGERS. No, sir.

Mr. KENNEDY. Was there anybody else put in charge of the local, anybody else made officers?

Mr. ROGERS. There was a Howard James, and, later, there was Frank Wainwright and A. J. Round.

Mr. KENNEDY. There was a Mr. James, a Mr. Round, and a Mr. Wainwright?

Mr. ROGERS. Yes, sir.

Mr. KENNEDY. That is Branch Wainwright?

Mr. ROGERS. I think so, yes.

Mr. KENNEDY. What was Mr. Wainwright's background in this period?

Mr. ROGERS. I only knew Mr. Wainwright from February 1954 when he came into Missouri as an organizer for the Missouri-Kansas Conference of Teamsters.

Mr. KENNEDY. What year was that?

Mr. ROGERS. February 1954.

Mr. KENNEDY. What had he done prior to that time? Do you know?

Mr. ROGERS. He had been in Kansas City. I couldn't say.

Mr. KENNEDY. You don't know what his background or experience had been?

Mr. ROGERS. No, sir.

Mr. KENNEDY. You don't know what unions he had been working with?

Mr. ROGERS. I think he was working in local 541, a construction local in Kansas City. But I couldn't say for sure.

Mr. KENNEDY. He had never been working in your local?

Mr. ROGERS. No, sir.

Mr. KENNEDY. Do you know if he had ever been arrested?

Mr. ROGERS. No, sir; I heard that he was, but I could not say as to when or what for.

Mr. KENNEDY. Did you know he had been arrested 13 times at least?

Mr. ROGERS. No, sir; I did not know that.

Mr. KENNEDY. For burglary, larceny, assault with intent to rob, felonious assault, and receiving stolen property. Did you know that?

Mr. ROGERS. No, sir.

Mr. KENNEDY. That he was convicted for burglary, convicted for larceny, and a third conviction for assault with intent to rob?

Mr. ROGERS. No, sir.

Mr. KENNEDY. That is the other individual. Did Mr. Wainwright play an important role in your local?

Mr. ROGERS. Now?

Mr. KENNEDY. Yes.

Mr. ROGERS. He controls our local now.

Mr. KENNEDY. And he was placed in there by Mr. Gibbons during the period or time Mr. Gibbons was trustee?

Mr. ROGERS. Yes, sir.

Mr. KENNEDY. I might ask, Mr. Tierney, Mr. Chairman, what the records show of Mr. Wainwright's criminal record.

The CHAIRMAN. Do you have that information, Mr. Tierney?

Mr. TIERNEY. Yes, sir; I do, Mr. Chairman.

The CHAIRMAN. You may state what it is.

Mr. TIERNEY. Wainwright has an extensive record. It includes some 13 arrests on charges of investigation of burglary, larceny, assault with intent to rob, felonious assault, receiving stolen property. He was convicted for burglary and larceny, for which he was fined and for assault with intent to rob.

The CHAIRMAN. How many convictions has he out of the 13?

Mr. TIERNEY. Three convictions.

The CHAIRMAN. For what offenses?

Mr. TIERNEY. Burglary, burglary and larceny, and assault with intent to rob.

The CHAIRMAN. What was the date of the last conviction?

Mr. KENNEDY. 1949.

The CHAIRMAN. When was he placed in charge of this local, 1954?

Mr. TIERNEY. 1954; that is correct.

The CHAIRMAN. How much time did he serve?

Mr. TIERNEY. It does not appear that he served any time. He was fined in each of these instances. He was placed on 1 year's probation in 1934.

Mr. KENNEDY. And 2 years in 1950.

The CHAIRMAN. This photostatic copy from which you are testifying may be made exhibit 133.

(The document referred to was marked "Exhibit 133" for reference and may be found in the files of the select committee.)

Senator IVES. I would like to know whether this gentleman has had his full rights of citizenship restored to him, or weren't they taken away at the time he was convicted?

Mr. KENNEDY. We don't have that information.

Senator IVES. I think that is rather important.

The CHAIRMAN. They were convicted of a felony and that automatically takes away the citizenship.

Mr. KENNEDY. Would you tell us what happened in 1954? Barrett came in. When did Mr. Wainwright come in?

Mr. ROGERS. Wainwright was already there. He was working there as an organizer from the Missouri-Kansas Conference.

Mr. KENNEDY. Of which Mr. Harold Gibbons is the president; is that right?

Mr. ROGERS. I believe so.

Mr. KENNEDY. When did he come in and take an active role in your local?

Mr. ROGERS. Some time after Mr. Barrett came in.

Mr. KENNEDY. Did you know anything about Mr. A. J. "Doc" Round?

Mr. ROGERS. No, sir; only that he had been an organizer for the Missouri-Kansas Conference in Joplin, Mo.

Mr. KENNEDY. What about the individuals while Nickels was running the union, the individuals that worked under him? They were just removed from their jobs?

Mr. ROGERS. They were removed from office. They were forced to leave town. They were not allowed to work any place else.

Mr. KENNEDY. What do you mean by that?

Mr. ROGERS. They were removed from the office as officers. They were still members of the local, but they could not find work any place in town.

Mr. KENNEDY. How would that be? Why couldn't they find work?

Mr. ROGERS. It is simple if the union tells somebody not to hire them.

The CHAIRMAN. It is what?

Mr. ROGERS. It is very simple. If the union tells a company not to hire you, you don't go to work.

Mr. KENNEDY. Is that what happened to these individuals?

Mr. ROGERS. Yes.

Mr. KENNEDY. You say they had to leave town because they could not get work?

Mr. ROGERS. Yes.

Mr. KENNEDY. How do you know the union told the companies that?

Mr. ROGERS. I know Verl Nickels had a job and then he lost it.

The CHAIRMAN. Was Nickels elected? Were these officers you are talking about elected by the members?

Mr. ROGERS. Yes, sir.

The CHAIRMAN. These were the elected officers?

Mr. ROGERS. Yes, sir.

The CHAIRMAN. And the others we have been talking about here, were those that were appointed over you?

Mr. ROGERS. That replaced them, yes sir.

Senator IVES. How were these officers elected?

Mr. ROGERS. By the membership.

Senator IVES. What kind of a ballot? Did you have a secret ballot?

Mr. ROGERS. Yes.

Senator IVES. It was satisfactory to you?

Mr. ROGERS. Yes, sir.

Senator IVES. Have you ever suffered in any such way so that you have been deprived of work?

Mr. ROGERS. I have just been kept from working is all.

Senator IVES. That is what I mean. How long have you been kept from working?

Mr. ROGERS. I have had 4 weeks' work this year.

Senator IVES. And the union has kept you from working?

Mr. ROGERS. Yes, sir.

Senator IVES. What reason has the union kept you from working?

Mr. ROGERS. If they keep you from working long enough, maybe I will give up and go some place else and take my membership with me. I would transfer to some other local and I would not be eligible to run for office in my local.

Senator IVES. And you can transfer and still get work?

Mr. ROGERS. Yes, sir.

Senator IVES. They can't in any way object to your getting work under those conditions or prevent you from getting work?

Mr. ROGERS. Sure they can. They can stop me from any place I go.

Senator IVES. Any place you go?

Mr. ROGERS. Yes, sir.

Senator IVES. Then you are powerless to do anything in your defense, aren't you?

Mr. ROGERS. Yes, sir.

Senator IVES. It is a fine situation.

Mr. ROGERS. I can take it up with the international.

Senator IVES. Do you think you would get anywhere doing that?

Mr. ROGERS. Well, they issued me a withdrawal and it took me 4 months one time, and I took it up with the international and I got back. I had my membership restored. Of course, I would lose 4 or 5 months work each time.

Mr. KENNEDY. When was that?

Mr. ROGERS. In 1955.

Senator IVES. Let me ask him a question in this connection, Mr. Counsel. I am not quite through with him. I want to get his opinion on something.

What do you think an open shop in the Teamsters would do? Do you think you could have such a thing?

Mr. ROGERS. In an open shop?

Senator IVES. An open shop, not a union shop; an open shop. I am just curious. Do you think it would work, or do you think the Teamsters would use such force that it would require all the workers to belong to the Teamsters?

Mr. ROGERS. I think that if any union had the economic power with a company, and a company was of such a nature that regardless of whether you had a closed shop or open shop, you would have a closed shop.

Senator IVES. In other words, what you mean is, I assume, that the local police authorities would not be sufficient to take care of a situation such as I am referring to?

Mr. ROGERS. I think—

Senator IVES. They would use force in one way or another, wouldn't they?

Mr. ROGERS. I think any company would rather go along with a union than to have trouble with them.

Senator IVES. Which union, Teamsters, you mean?

Mr. ROGERS. Any union.

Senator IVES. I can understand how a company would prefer to have a contract with a good union and have a union shop with a good union. I can understand all of that. What I am driving at is this Teamsters situation. I have asked you a very direct question. You are penalized and a lot of others are penalized in one way or another, some directly and some indirectly, because they are not in good favor among the Teamsters. I have asked you the question if you think an open shop affecting the Teamsters would be possible. I am framing it a little bit differently now; I am saying "would be possible."

Mr. ROGERS. I don't hardly understand how you mean it.

Senator IVES. I mean this. At the present time you have a union shop.

Mr. ROGERS. Yes.

Senator IVES. There are union shop contracts made.

Mr. ROGERS. Yes, sir.

Senator IVES. In other words, what I am driving at—

Mr. ROGERS. Would it be any different if you had an open shop? Is that what you mean?

Senator IVES. It would be very different if you had an open shop in some ways because you would not have to belong to a union to obtain work. Do you think it is possible?

Mr. ROGERS. Yes, it is possible.

Senator IVES. Do you think you could do it with the Teamsters?

Mr. ROGERS. I doubt it, but it is possible.

Senator IVES. You carried out my thought in the matter. In other words, you figure anybody working with the Teamsters will have to belong to the Teamsters.

Mr. ROGERS. Yes, sir.

Senator IVES. Anybody in that kind of work will have to be a member of the union.

Mr. ROGERS. Yes, sir.

Senator IVES. Otherwise they will be in trouble.

Mr. ROGERS. Yes, sir.

Senator IVES. All right, go ahead.

Mr. KENNEDY. During this period when you were deprived of a job, why didn't you go directly to the employer and try to get a job?

Mr. ROGERS. I tried that.

Mr. KENNEDY. What happened?

Mr. ROGERS. They said they were hiring through the union.

The CHAIRMAN. Said what?

Mr. ROGERS. Hiring through the union. They called the union when they wanted men.

Mr. KENNEDY. So you have to go to the union prior to getting a job.

Mr. ROGERS. That is right.

Mr. KENNEDY. And not directly to the employer.

Mr. ROGERS. That is right.

Mr. KENNEDY. And when you applied to the union what did they say?

Mr. ROGERS. No work.

Mr. KENNEDY. Is that what happened to these other gentlemen that had to leave town?

Mr. ROGERS. Yes, sir.

Mr. KENNEDY. They were just told there was no work?

Mr. ROGERS. Yes, sir.

Mr. KENNEDY. And if they went to the employer, the employer would tell them that they would have to go through the union?

Mr. ROGERS. Yes, sir.

Mr. KENNEDY. When they were telling you no work, do you know other individuals who were receiving work?

Mr. ROGERS. Yes, sir.

Mr. KENNEDY. Had they had less time in the union than you had; less seniority?

Mr. ROGERS. Yes, sir.

Mr. KENNEDY. So there is no question there was discrimination against you?

Mr. ROGERS. No question.

Mr. KENNEDY. And there is nothing you can do about it?

Mr. ROGERS. Not a thing.

Mr. KENNEDY. Would you tell the committee about the nominations for the officers and the election that was to be held in your local?

Mr. ROGERS. We had nominations set up for the month of May.

Mr. KENNEDY. Of what year?

Mr. ROGERS. Of this year. They have five nomination meetings scheduled. One at Lebanon, Mo., and four at Springfield, Mo. The first meeting was at Lebanon.

Mr. KENNEDY. You will have to give us the names again. What is the first one?

Mr. ROGERS. The first meeting was held at Lebanon, Mo.

Mr. KENNEDY. Go ahead.

Mr. ROGERS. The meeting was opened by A. J. Round and the regular order of business dispensed with and turned over to Mr. William Schneider for nominations.

Mr. KENNEDY. Would you explain about the nominations then? Did your group nominate people?

Mr. ROGERS. Yes, sir. At first there were motions made to have two business representatives. First they made a motion that the term of office be for 5 years. Then they made the motion or the motion was made that the union have two elected business agents. One of them would be the president and business representative, and the other would be a secretary-treasurer and business representative. On the question I asked for a secret ballot vote on that motion. First they refused it. I was ruled out of order by Mr. Schneider. I asked that the nominations be suspended for a month to give the membership time to decide how many business agents they were going to have elected.

Previous to that we had never elected but one business representative in our local. I was ruled out of order on that motion. I made the motion that we only have one business representative and I was ruled out of order on that motion due to the fact that Mr. Schneider said that I did not make the business agent be a member of the executive board which under our international constitution he does not have to be.

Senator IVES. May I raise a question there? I would like to know who these business agents are that you are talking about. Are any of them former criminals?

Mr. ROGERS. I could not say that.

Senator IVES. You don't know anything about their background?

Mr. ROGERS. No, sir.

Senator IVES. The reason I raise these points is that we found so many situations existing in the Teamsters where you have criminals or former criminals holding such offices that I am just wondering. That is my chief criticism of the Teamsters. You could have the greatest union in this country if your leadership really wanted it to be. I don't mean in force or anything like that. I mean in influence generally speaking. Influence for good in organized labor. But you are not going to have it the way you are situated.

Mr. KENNEDY. Would you tell us what happened, then, at the meeting for nominations?

Mr. ROGERS. We started nominations. Mr. Schneider called for nominations for president, vice president, secretary treasurer, recording secretary, and three trustees. After nominations were closed, they selected a committee who went down to one of the cars, removed a file cabinet of the records and checked the eligibility of the members who had been nominated to see whether they were eligible according to the international constitution to be nominated and to be put on the ballot for election.

Mr. KENNEDY. Were some of the men ruled as ineligible?

Mr. ROGERS. Yes, sir.

Mr. KENNEDY. Prior to nominating people for these offices, couldn't you find out who was eligible and who was not eligible?

Mr. ROGERS. No, sir.

Mr. KENNEDY. They would not tell you?

Mr. ROGERS. No.

Mr. KENNEDY. So you would nominate people and you would not know whether they would be ruled ineligible after you nominated them?

Mr. ROGERS. You could find out after they were nominated.

Mr. KENNEDY. But you could not find out before that?

Mr. ROGERS. No. Well, you could find out on an individual probably if you went out to the office and asked him if so and so was eligible.

Mr. KENNEDY. They did not put out any list as to who was eligible and who was not?

Mr. ROGERS. That is right.

Mr. KENNEDY. You nominated people and found out later they were ineligible?

Mr. ROGERS. Yes.

Mr. KENNEDY. They were declared to be ineligible by the local officers?

Mr. ROGERS. Yes.

Mr. KENNEDY. Did this continue at the other meetings? There were five meetings?

Mr. ROGERS. Yes, sir.

Mr. KENNEDY. They never told you during this period of time who was eligible and who was ineligible?

Mr. ROGERS. No, sir.

Mr. KENNEDY. What was your attitude? Did you try to find out for a list?

Mr. ROGERS. One member asked Mr. Schneider if they could have a list at the next meeting and he assured them that they would. At the next meeting he said he thought they meant a list of those nominated who were eligible.

Mr. KENNEDY. So, he never gave you a list?

Mr. ROGERS. No, sir.

Mr. KENNEDY. Were there people who were nominated but who were declared ineligible? Is that right?

Mr. ROGERS. That is right.

Mr. KENNEDY. Did you object to all of this procedure?

Mr. ROGERS. There were objections made, yes, sir.

Mr. KENNEDY. What happened?

Mr. ROGERS. They explained that it was all in accordance with the international constitution.

Mr. KENNEDY. How many members in your local, approximately?

Mr. ROGERS. Approximately 1,200.

Mr. KENNEDY. How many were declared to be eligible afterwards?

Mr. ROGERS. Afterwards there were 53 members found to be eligible.

The CHAIRMAN. Eligible for what?

Mr. ROGERS. To be nominated for elections.

The CHAIRMAN. Fifty-three were eligible?

Mr. ROGERS. Yes, sir.

Mr. KENNEDY. Out of 1,200?

Mr. ROGERS. Yes, sir.

The CHAIRMAN. What made the others ineligible?

Mr. ROGERS. Their failure to have their dues paid on or before the first business day of each month for 2 years preceding nomination.

The CHAIRMAN. For 2 years?

Mr. ROGERS. Yes, sir.

The CHAIRMAN. They have the checkoff in some places, do they not?

Mr. ROGERS. Yes, sir.

The CHAIRMAN. Some of these people did not pay their dues. They were withheld from their wages by their employers.

Mr. ROGERS. That is right.

The CHAIRMAN. Under contract, is that correct?

Mr. ROGERS. Yes, sir.

The CHAIRMAN. In other words, the payday was made on the first of the month, and then it takes a day or two to get down to the union treasury.

Mr. ROGERS. Yes, sir, several days sometimes.

The CHAIRMAN. Those people are declared ineligible?

Mr. ROGERS. Yes, sir.

The CHAIRMAN. Notwithstanding the money being withheld from their paychecks?

Mr. ROGERS. That is right.

The CHAIRMAN. Are they not permitted to vote?

Mr. ROGERS. They are permitted to vote, but they are not permitted to run for office.

The CHAIRMAN. So, if a fellow is on a checkoff system, he is just ineligible to run for office.

Mr. ROGERS. According to the constitution he should go down and pay a month in advance in addition to this checkoff, thereby he would be eligible if the company failed to remit those dues by the 1st of the month.

Mr. KENNEDY. That is the new constitution.

Mr. ROGERS. Yes, sir.

Mr. KENNEDY. You did not even find out who was eligible in this list of 53 until after everybody had been nominated?

Mr. ROGERS. We got that list after the board of monitors stopped the election. That was a new list that was made up the following month that the election was to be held. My name was on that list. It would not have been if the list were published in the month that we were to have the election in or the month we were to have nominations.

Mr. KENNEDY. The list of those ineligible was not published during this period of time?

Mr. ROGERS. No, sir.

Mr. KENNEDY. Were you nominated for office?

Mr. ROGERS. Yes, sir.

Mr. KENNEDY. Were you found to be ineligible?

Mr. ROGERS. Yes, sir.

Mr. KENNEDY. Why were you found to be ineligible?

Mr. ROGERS. Failure to have my dues paid by the first day of the month.

Mr. KENNEDY. How long a period of time had you had your dues paid up?

Mr. ROGERS. According to the records I failed to pay my June dues in 1956 until about the 5th of July or the 7th of July.

Mr. KENNEDY. Almost 2 years before.

Mr. ROGERS. Yes, sir.

Mr. KENNEDY. But the election was held at the end of June, is that right?

Mr. ROGERS. It would have been; yes, sir.

Mr. KENNEDY. June of 1958?

Mr. ROGERS. Yes, sir.

Mr. KENNEDY. So you just missed by 4 or 5 days?

Mr. ROGERS. Yes, sir.

Mr. KENNEDY. Didn't they waive the constitution for you?

Mr. ROGERS. No, sir.

Mr. KENNEDY. I thought Mr. Hoffa and Mr. Gibbons and the executive board would waive the constitution. They did not waive the constitution?

Mr. ROGERS. Not that I know of; no, sir.

Senator IVES. May I ask in that connection, Mr. Chairman, what elections are involved in this matter? All elections?

Mr. ROGERS. No; only elections in the local union. You mean on—

Senator IVES. This question of meeting these certain requirements.

Mr. ROGERS. All elections.

Senator IVES. Delegates to conventions and local officers, and everything, is that right?

Mr. ROGERS. I think in the last constitution the delegates to the international conventions changed some.

Senator IVES. Do you know how?

Mr. ROGERS. No, sir. I don't recollect.

Senator IVES. Thank you.

Mr. KENNEDY. Were some of the oppositions to the incumbent officers eliminated completely, by this ruling of being ineligible?

Mr. ROGERS. Yes, sir; several.

Mr. KENNEDY. Can you tell us about that?

Mr. ROGERS. Well, they would just check and tell them they were ineligible to run, that they were not in compliance with the international constitution.

Mr. KENNEDY. For instance, I see for president there were four people nominated, Wainwright, Harcourt, Starr, and Clinton. Is that right?

Mr. ROGERS. I believe it is; yes, sir.

Mr. KENNEDY. And how many of those were declared ineligible?

Mr. ROGERS. I think 2 of them out of the 4.

Mr. KENNEDY. Harcourt and Clinton; is that right?

Mr. ROGERS. Yes, sir.

Mr. KENNEDY. So Mr. Wainwright only had one person in opposition to him?

Mr. ROGERS. Yes, sir.

Mr. KENNEDY. And Mr. Starr, he is an older man, is he not?

Mr. ROGERS. Yes, sir.

Mr. KENNEDY. What about the vice president; there were six individuals nominated for vice president?

Mr. ROGERS. Probably 3 or 4 of those that were ineligible.

Mr. KENNEDY. In that case, there was the incumbent officer and everybody was eliminated but one of his opposition?

Mr. ROGERS. I believe so.

Mr. KENNEDY. And the secretary-treasurer? Mr. Round was nominated?

Mr. ROGERS. All his opposition was eliminated by being not eligible.

Mr. KENNEDY. So he ran unopposed?

Mr. ROGERS. Yes, sir.

Mr. KENNEDY. Then the recording secretary? They had about six individuals.

Mr. ROGERS. I think they only ended up with one that was eligible, and they rechecked and I don't think he was eligible.

Mr. KENNEDY. What about the trustees?

Mr. ROGERS. There were several nominated on those, and I don't remember how many were eligible.

Mr. KENNEDY. Six of those were eligible out of about eight. So the opposition to the incumbent officers, the people who had been appointed in there, was drastically restricted, was it not, by this ruling?

Mr. ROGERS. Yes, sir.

Mr. KENNEDY. Did you make an appeal to the monitors?

Mr. ROGERS. There was an attorney that made an appeal to the union, and to the monitors.

Mr. KENNEDY. What happened?

Mr. ROGERS. The board of monitors sent an investigator in to Springfield, Mo. He investigated the conditions. As I understand later, the board of monitors asked Mr. Hoffa to cancel the nominations and cancel the upcoming election.

Mr. KENNEDY. That is the status of it at the present time?

Mr. ROGERS. Well, they also asked him to issue a list of all eligible members and that is the status. They have issued the list, and that is it.

They also asked to have the books audited by Price Waterhouse.

Mr. KENNEDY. Have they gone into auditing the books?

Mr. ROGERS. Yes, sir.

Mr. KENNEDY. They have sent somebody down to audit the books?

Mr. ROGERS. It is my understanding then from the newspaper accounts that they did send in the auditors and Wainwright and Round refused to let them audit the books.

Mr. KENNEDY. How long ago was that?

Mr. ROGERS. A week or two, I don't remember exactly.

Mr. KENNEDY. So they have not been able to audit the books?

Mr. ROGERS. Not that I know of, no, sir.

Mr. KENNEDY. Did you have a janitor who was keeping the building?

Mr. ROGERS. Yes, sir.

Mr. KENNEDY. How long had he been with the Teamsters?

Mr. ROGERS. He had been a member for about 20 years or more.

Mr. KENNEDY. He was retired, was he?

Mr. ROGERS. Yes, sir. He was disabled, as far as working for the truckline where he had worked, and when he reached 65 he retired. Members hired him out at the hall, then, after he retired from the trucklines.

Mr. KENNEDY. Was he removed as janitor?

Mr. ROGERS. Yes, sir.

Mr. KENNEDY. On whose orders?

Mr. ROGERS. The letter that removed him was signed by A. J. Round.

Mr. KENNEDY. For what reason did he remove him as janitor?

Mr. ROGERS. They just said they didn't need him.

Mr. KENNEDY. Did they replace him?

Mr. ROGERS. Yes, sir.

Mr. KENNEDY. With whom did they replace him?

Mr. ROGERS. With Carl Cates.

Mr. KENNEDY. C-a-t-e-s?

Mr. ROGERS. Yes, sir.

Mr. KENNEDY. Do you know anything about his background?

Mr. ROGERS. Not prior to the time that he came to the union.

Mr. KENNEDY. Do you know what experience he had had?

Mr. ROGERS. No, sir.

Mr. KENNEDY. Do you know where he had been for the previous 22 years?

Mr. ROGERS. I had heard that he had been in jail.

Mr. KENNEDY. Do you know he was in jail in the State penitentiary from 1935 to 1956?

Mr. ROGERS. No, sir, I did not know that.

Mr. KENNEDY. He had been convicted three times.

Mr. ROGERS. I did not know that when he came to work.

Mr. KENNEDY. So they removed this man Scott who had been in the Teamsters some 20 years, retired from his other job because of disability, who came to work as a janitor. They let him go and replaced him with this Mr. Carl Cates, is that right?

Mr. ROGERS. Yes, sir.

Mr. KENNEDY. And Carl Cates has a record consisting of three convictions for violation of the national motor vehicle theft act, forgery, and first degree robbery, and who had spent from 1935 to 1956 in the Missouri State Penitentiary.

The CHAIRMAN. Mr. Tierney, have you checked this man's record?

Mr. TIERNEY. Yes, Mr. Chairman.

The CHAIRMAN. You have heard the statement of counsel. Is that correct?

Mr. TIERNEY. That is correct, Mr. Chairman.

The CHAIRMAN. You have his record there, have you?

Mr. TIERNEY. His record may be made exhibit No. 134.

(The document referred to was marked "Exhibit No. 134" for reference and may be found in the files of the select committee.)

The CHAIRMAN. Do you mean they took a fellow who had been loyal and working there, and just kicked him out and brought in this convict?

Mr. ROGERS. Yes, sir.

The CHAIRMAN. Had this convict ever been a member of that local before?

Mr. ROGERS. Not that I know of, sir.

The CHAIRMAN. I guess he had not been in very good standing, or maybe he was, for all that period of time from 1935 to 1956. I just don't quite understand how people operate that way. You dues-paying members just have no control at all?

Mr. ROGERS. We have no say in our local in Springfield.

The CHAIRMAN. All you can do is just pay dues and keep your mouth shut?

Mr. ROGERS. Yes, sir, if you want to work.

The CHAIRMAN. If you want to work. Well, most people want to work, don't they?

Mr. ROGERS. Yes, sir.

The CHAIRMAN. All right.

Mr. KENNEDY. What are you going to do, Mr. Rogers, in view of the fact that you can't get a job?

Mr. ROGERS. Well, I will keep trying. I will take it up with the international.

Mr. KENNEDY. Mr. Hoffa?

Mr. ROGERS. Mr. Gibbons, Mr. Hoffa, whoever is in charge.

Mr. KENNEDY. Mr. Gibbons was running the local, was he not?

Mr. ROGERS. Yes, sir. I have usually corresponded with Mr. English on these matters.

Mr. KENNEDY. Are they doing something about it?

Mr. ROGERS. Yes, sir. They always have.

Mr. KENNEDY. That was back in 1955?

Mr. ROGERS. Yes, sir.

Mr. KENNEDY. Since then, have they done anything about it?

Mr. ROGERS. I have not contacted them lately.

Mr. KENNEDY. What area does your local cover besides Springfield?

Mr. ROGERS. It covers about 12 or 13 counties, I believe.

Mr. KENNEDY. In that area around Springfield?

Mr. ROGERS. Yes, sir.

Mr. KENNEDY. A number of other cities and towns?

Mr. ROGERS. Yes, sir, small towns.

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

The CHAIRMAN. Thank you very much.

Call the next witness.

Mr. KENNEDY. Mr. Wainwright.

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. WAINWRIGHT. Yes, sir.

TESTIMONY OF BRANCH WAINWRIGHT, ACCOMPANIED BY COUNSEL, DANIEL J. LEARY

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

Mr. WAINWRIGHT. My name is Branch Wainwright. I live at Buffalo, Mo. I am a representative of Teamsters Local Union 245, Springfield, Mo.

The CHAIRMAN. Thank you very much, sir. Do you have counsel with you?

Mr. WAINWRIGHT. I do.

The CHAIRMAN. Counsel, will you identify yourself, please?

Mr. LEARY. Daniel J. Leary, Joplin, Mo., a member of the Missouri bar.

The CHAIRMAN. Thank you.

Mr. KENNEDY. Mr. Wainwright, how long have you been with this local?

Mr. WAINWRIGHT. I respectfully decline to answer and assert my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

Mr. KENNEDY. Mr. Wainwright, did Mr. Harold Gibbons, who testified here, know of your criminal record and background when he placed you in this position of authority in this local union?

Mr. WAINWRIGHT. I respectfully decline to answer and, assert my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

The CHAIRMAN. Did Mr. Gibbons appoint you? Is he the one responsible for you having this job?

Mr. WAINWRIGHT. I respectfully decline to answer and assert my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

The CHAIRMAN. Do you know what I think Congress is going to do?

I think it is going to assert its privilege and pass some laws to deal with your type. I hope it does. And I think it will. I think you are just simply asking for it.

Senator IVES. Mr. Chairman, may I interrupt there?

The CHAIRMAN. Senator Ives.

Senator IVES. I am not sure that those laws would hold up under some rulings of the Supreme Court, but I am definitely positive that the Congress still has the authority to submit constitutional amendments, and I think those constitutional amendments might be approved by three-quarters of the States.

The CHAIRMAN. Well, they are asking for it. Go ahead.

Mr. KENNEDY. The international placed this local in trusteeship in 1954. Can you tell us why it was put in trusteeship?

Mr. WAINWRIGHT. I respectfully decline to answer and assert my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

Mr. KENNEDY. Could you tell the committee why Mr. Nickels was removed when the union was doing well, financially?

Mr. WAINWRIGHT. I respectfully decline to answer and assert my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

Mr. KENNEDY. Can you tell us why Mr. Barrett was put in there after his bad record, and subsequently you were placed in charge of the local?

Mr. WAINWRIGHT. I respectfully decline to answer and assert my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

Mr. KENNEDY. Isn't it correct that Mr. Howard James, who was in there, had formerly been an assistant business agent to Floyd Webb, in local 823, in Joplin, Mo.?

Mr. WAINWRIGHT. I respectfully decline to answer and assert my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

Mr. KENNEDY. Mr. Wainwright, could you tell us what conversations you had with either Mr. Gibbons or Mr. Hoffa in connection with the election that was to be held at your local?

Mr. WAINWRIGHT. I respectfully decline to answer and assert my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

Mr. KENNEDY. And who was it arranged with at the international level to rule all of these individuals ineligible to run for office?

Mr. WAINWRIGHT. I respectfully decline to answer and assert my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

Mr. KENNEDY. Could you tell the committee why the constitution was not waived in this case, as it was waived in the case of Mr. Harold Gibbons, so that he could gain control of joint council 13 in St. Louis?

Mr. WAINWRIGHT. I respectfully decline to answer and assert my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

Mr. KENNEDY. Isn't it correct that the constitution is used by Mr. Hoffa and Mr. Gibbons and those under him at the international level for their own purposes, that it will be enforced when it will help them, and it will not be enforced where that will help them?

Mr. WAINWRIGHT. I respectfully decline to answer and assert my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

Mr. KENNEDY. And isn't this situation in Springfield, Mo., a perfect example when you compare it with what happened in St. Louis with joint council 13?

Mr. WAINWRIGHT. I respectfully decline to answer and assert my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

Mr. KENNEDY. Could you tell the committee if that is the reason—so that you could continue to control the local—that you would not tell the rank and file who was eligible to run for office?

Mr. WAINWRIGHT. I respectfully decline to answer and assert 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. Wainwright, about the removal of Frank Scott as the janitor at the local?

Mr. WAINWRIGHT. I respectfully decline to answer and assert my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

Mr. KENNEDY. Could you tell us about his replacement with Mr. Carl Cates?

Mr. WAINWRIGHT. I respectfully decline to answer and assert my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

Mr. KENNEDY. Isn't it a fact that the reason Mr. Cates replaced Mr. Scott was that you knew him from the time that he was in the penitentiary?

Mr. WAINWRIGHT. I respectfully decline to answer and assert 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 much money you received from the local union?

Mr. WAINWRIGHT. I respectfully decline to answer and assert my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

Mr. KENNEDY. What salary or expenses you received, Mr. Wainwright?

Mr. WAINWRIGHT. I respectfully decline to answer and assert my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

Mr. KENNEDY. That is all for now.

The CHAIRMAN. Is your name Branch Wainwright?

Mr. WAINWRIGHT. Yes, sir.

The CHAIRMAN. Branch M. or Branch Milton?

Mr. WAINWRIGHT. Yes, sir.

The CHAIRMAN. Apparently you have been arrested about 35 or 40 times. You got a year's probation for burglary.

Mr. KENNEDY. There are some repeats. We believe about 13 times.

The CHAIRMAN. You got 2 years for felonious assault with intent to rob. That is the 6th of November 1950. But most of your arrests seem to be for burglary. Is that so?

Mr. WAINWRIGHT. I respectfully decline to answer and assert my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

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

The CHAIRMAN. Yes.

Senator IVES. I would like to know if your citizenship rights have been restored.

Mr. WAINWRIGHT. I respectfully decline to answer and assert my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

Senator IVES. That is an odd comment to make in the light of the question. All right.

Mr. KENNEDY. What was it in your background or experience, Mr. Wainwright, that made Mr. Gibbons select you?

Mr. WAINWRIGHT. I respectfully decline to answer and assert my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

The CHAIRMAN. Have you been stealing from this union?

Mr. WAINWRIGHT. I respectfully decline to answer and assert my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

The CHAIRMAN. That seems to be your special talent from this record here. I just wondered if you were put in there for that purpose. Were you?

Mr. WAINWRIGHT. I respectfully decline to answer and assert my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

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

The CHAIRMAN. All right, stand aside. Call the next witness.

Mr. KENNEDY. Now, Mr. Chairman, we will go into another local in Joplin, Mo., and also an election that was held in that city, also under the control of Mr. Hoffa, and in the Missouri-Kansas Conference under the control of Mr. Gibbons. I would like to call as the first witness Mr. Amos Reniker.

The CHAIRMAN. Mr. Reniker, come around.

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. RENIKER. I do.

The CHAIRMAN. Be seated. State your name, your place of residence, and your business or occupation, please, sir.

TESTIMONY OF AMOS E. RENIKER

Mr. RENIKER. Amos E. Reniker, 2019 Adele, Joplin, Mo., employed by Armour & Co., as a truck driver.

The CHAIRMAN. You waive counsel, do you?

Mr. RENIKER. I do, sir.

The CHAIRMAN. Thank you very much.

Mr. KENNEDY. You spell your name R-e-n-i-k-e-r?

Mr. RENIKER. Right, sir.

Mr. KENNEDY. Your first name is Amos?

Mr. RENIKER. That is right.

Mr. KENNEDY. You are a truck driver for Armour & Co.?

Mr. RENIKER. Armour Packing Co. out of Kansas City.

Mr. KENNEDY. You have been in local 823 of the Teamsters for how long?

Mr. RENIKER. Since 1941.

Mr. KENNEDY. Has there been a dissident group in the Teamsters Union, Local 823?

Mr. RENIKER. There has, sir.

Mr. KENNEDY. For how long has that existed?

Mr. RENIKER. Since 1954, early March.

Mr. KENNEDY. Who has been in control of the local?

Mr. RENIKER. Mr. Floyd C. Webb.

Mr. KENNEDY. How long has he been running the union?

Mr. RENIKER. Since about 1937.

Mr. KENNEDY. Could you explain to the committee what happened, that this dissident group sprang up? Could you give the background of that?

Mr. RENIKER. First I would like to say that any statement I made here is and has been under oath in the past or deposition. Anything that I might say here I certainly hope doesn't hurt the Teamsters Union as a union, but as for the individuals, I don't vouch for them.

Senator IVES. Mr. Chairman, may I comment there? I want to assure the witness, and I think I speak for the feeling of the committee, that we have no desire whatever to hurt the Teamsters Union as a union. What we are trying to do is help you clean house.

Mr. RENIKER. I realize that, sir.

Senator IVES. So you will enjoy the respect you should enjoy in this country.

The CHAIRMAN. All right, sir.

Mr. RENIKER. To begin with, in May of 1953, there was a Clyde Buxton working for the Roadway Express in Miami, Okla.

Mr. KENNEDY. That is C-l-y-d-e, B-u-x-t-o-n?

Mr. RENIKER. That is right. They had a disagreement or a grievance, you should call it, I guess, and they sent it in to the international union to Mr. Hoffa, and he immediately sent the grievance back to Mr. Webb and as a recurrence of that there was a beating.

The CHAIRMAN. A what?

Mr. RENIKER. A beating.

The CHAIRMAN. You say a meeting or a beating?

Mr. RENIKER. Beating—b-e-a-t-i-n-g.

Mr. KENNEDY. They sent in a complaint, and it was signed by 13 of them, is that right?

Mr. RENIKER. I believe that was the correct number.

Mr. KENNEDY. They sent in a complaint to Mr. Hoffa about the way the union was being run as applied to them.

Mr. RENIKER. Yes, sir.

Mr. KENNEDY. Mr. Hoffa after receiving this sent it back to Mr. Floyd Webb, is that right?

Mr. RENIKER. Yes, sir.

Mr. KENNEDY. And the leadership of the local against whom the complaint had been made.

Mr. RENIKER. Yes, sir.

Mr. KENNEDY. Then what occurred after that? The petition was signed not only by Clyde Buxton, but by Jess Cawthorn; is that right?

Mr. RENIKER. Yes.

Mr. KENNEDY. J-e-s-s, C-a-w-t-h-o-r-n?

Mr. RENIKER. Right, sir.

Mr. KENNEDY. Plus these other people?

Mr. RENIKER. Yes, sir.

Mr. KENNEDY. Now would you tell us?

Mr. RENIKER. After this beating—

Mr. KENNEDY. You have to describe what happened in the beating.

Mr. RENIKER. I wasn't there. I did not see any of the beating. I am only going to describe what was told to me by Mr. Buxton, and what actually developed in a National Labor Relations Board hearing.

Mr. KENNEDY. We have the information here that we can place in the record. Could you tell briefly what you were informed happened?

Mr. RENIKER. We were informed—

Mr. KENNEDY. Which information led you to your action later on?

Mr. RENIKER. Yes. In other words, you are wanting to find out what started the dissension and what started the argument within our local structure, is that right, sir?

Mr. KENNEDY. Please.

Mr. RENIKER. That was the reason. The beating took place in Miami.

Mr. KENNEDY. Miami, Okla.

Mr. RENIKER. Yes. They are members of local 823, of Joplin. Those being brothers of our own organization they came to some of us fellows and told us of the beating and of the discrimination and showed us the papers of which the National Labor Relations Board had given their findings. So we felt obligated as upright union members to ask of our local business representative and president what happened and why it happened. We were flatly told that it was none of our business.

Mr. KENNEDY. Who told you that?

Mr. RENIKER. Mr. Webb.

Mr. KENNEDY. That was at a union meeting?

Mr. RENIKER. That was at a union meeting.

Mr. KENNEDY. Did you get up at a union meeting and ask?

Mr. RENIKER. I did. I asked him about it and he told me it was none of my business. Later on they got in an argument between Mr. Pat Kennison, and Mr. Hodges, and Mr. Webb to clarify those men's

position. Mr. Webb being the president, Mr. Hodges the secretary-treasurer of our local union, and Mr. Pat Kennison not an elected officer, but appointed assistant business agent. They decided to fire Pat Kennison, and we had a big union meeting in the fall of 1954.

Mr. KENNEDY. Let us go back a little bit.

Mr. RENIKER. Correction. That is in the fall of 1953.

Mr. KENNEDY. Prior to that time did you ever go to Mr. Webb and try to get an explanation other than at the meeting?

Mr. RENIKER. Yes.

Mr. KENNEDY. What conversation did you have with him then?

Mr. RENIKER. The only thing he said to me is that he sent them down there to take care of them.

Mr. KENNEDY. Wait a minute. Got them to take care of them. Explain the question you asked Mr. Webb. To take care of who?

Mr. RENIKER. To take care of Mr. Buxton.

Mr. KENNEDY. Who had been beaten?

Mr. RENIKER. Yes.

Mr. KENNEDY. You went to him and asked him why?

Mr. RENIKER. I went to him and asked him about the deal and asked him why and if he had sent Mr. Kennison down there. I couldn't believe it.

Mr. KENNEDY. Mr. Kennison had come to you in the meantime and said he had been sent down there?

Mr. RENIKER. Yes, sir.

Mr. KENNEDY. He told you he had been sent down there by Mr. Webb to beat that man up?

Mr. RENIKER. Yes.

Mr. KENNEDY. He told you that?

Mr. RENIKER. Yes.

Mr. KENNEDY. So you went to Webb?

Mr. RENIKER. I went to Webb.

Mr. KENNEDY. Tell us what Webb said.

Mr. RENIKER. He said, "Yes; I sent Pat to take care of the boss, and he was going to take care of some of the rest of them if they didn't keep their mouth shut."

Mr. KENNEDY. Did he say how it was going to happen? What was going to be the result?

Mr. RENIKER. Not at that particular conversation—not at that conversation did we go into that; no.

Mr. KENNEDY. Would you tell us if subsequently he told you?

Mr. RENIKER. Subsequently—may I bring you up to date on this, sir?

Mr. KENNEDY. All right.

Mr. RENIKER. I don't want all this confused with the circuit court case back in Missouri, which is not settled as yet. To begin with, in the interim we had this meeting and they decided to dispose of Mr. Kennison as a business representative and were discussing giving him a withdrawal card. At that meeting things got kind of out of hand, and one of the members—who it was I do not recall at the present time—made a motion that there be a committee appointed out of the rank and file to investigate this situation, the situation being the argument between Mr. Kennison, Mr. Hodges, and Mr. Webb, and the other conditions in the union. It so happened that I was appointed by the

members there as 1 of the 11-man committee, and was appointed as chairman of that 11-man committee. So we started a routine investigation, and we called Mr. Webb, Mr. Hodges, and all those others connected with the investigation, Mr. Kennison, into a room and asked them questions. They granted us that power as a committee. Again the subject of the beating of Buxton came up, and in the questioning I asked Mr. Webb, "Did you send Pat Kennison down to Miami to take care of the boys down there?" referring to the Roadway situation. He said, "Yes; I did, but he didn't do what I wanted to do. What I wanted was some funerals, and there are going to be some if you guys don't keep your nose out of it." That was told to under oath by at least 2 or 3 other men besides myself in a court case in Jasper County.

Mr. KENNEDY. But you heard him distinctly say that?

Mr. RENIKER. I did, sir.

Mr. KENNEDY. He said he had sent this man down, and that he didn't go as far as he wanted, that he wanted a funeral?

Mr. RENIKER. Yes, sir.

Mr. KENNEDY. And that there would be more, unless you kept your nose out of it?

Mr. RENIKER. Yes, sir.

Senator IVES. May I interrupt there? I am curious to know whether Mr. Webb or either of the other gentlemen to whom you referred in connection with him, had criminal records.

Mr. RENIKER. Sir, to my knowledge I don't believe that there is any of our officers of our local union who has any records, to my knowledge.

Senator IVES. Has any criminal record?

Mr. RENIKER. Has any criminal record to my knowledge. If so, it is not to my knowledge, and I have heard no rumors of such.

Senator IVES. I thought Mr. Webb's statement with respect to the funerals might almost indicate that he had something in the background of that nature.

Mr. RENIKER. It might have been in that line of thinking. I took it as that.

Senator IVES. Usually people don't make those threats unless they have something of that kind in their past.

Thank you.

Mr. KENNEDY. Would you continue, please?

Mr. RENIKER. After this meeting in the latter part of 1953, we were going to have an election and we were going to nominate certain officers, and we wanted to have a free and democratic election. Actually, there were certain dissenting members of the union who wanted a change. Democratically we felt we were entitled to that, and under the constitution of the Teamsters we felt we were entitled to it.

But apparently they had no intention of making any change, because they didn't allow us to have any election at that time. So, in March of 1954, we were, during that period of time, heckling back and forth, and accusations flying back and forth from both sides, but in March of 1954 we filed a petition with the court in the civil court, asking them to remove or restrain Mr. Webb from the control of the union.

In our injunction suit we were granted a temporary injunction suit, which was later dissolved by agreement and went over into a civil suit in court. On the date, which was March 6 of 1954, that we filed this suit, that evening—I want you gentlemen to bear with me on this because I cannot prove that my home was bombed by the Teamsters Union, nor am I trying to prove it. I am merely stating the facts as they were and as they happened at that time. We filed that suit in the morning, and that evening my home was bombed. I was out to a going-away party for one of the officials of Armour & Co. who was retiring, and was called from that party to my home. There had been a bomb placed outside of my window.

It didn't do too much damage to the house, so apparently it was set there not to harm too many people but possibly to scare me. Later on that night I received three calls, warning me that that was just a taste, that the next time they would blow me to hell. I ignored those warnings and went on with the lawsuit.

MR. KENNEDY. Was anybody else's home bombed? Were there any other bombs?

MR. RENIKER. Yes. Mr. Alexander's home had been bombed previously to mine. He is another one of the dissenting members who is a plaintiff in this lawsuit.

Then we went on into court and went through what you gentlemen are probably more familiar with than I—to me it was amazing—the stipulations and the motions which we tossed about. But we came to an agreement that—the judge rendered this decision—that to the international union he would give them an opportunity to clean their face, and if they would give us a free and democratic election within a period of approximately 90 days, that then we would go on and he would render a decision in this suit one way or another.

There is a lawyer present, Mr. Leary, who is much more familiar with the legal technicalities of this, because certainly I am not a lawyer, and there are a lot of stipulations and motions I don't understand. But I am giving you my version of this suit as passed on to me by our lawyer back in Joplin, Mo.

MR. KENNEDY. Has the local been placed in trusteeship at this time?

MR. RENIKER. Yes. It was placed in trusteeship the day we filed the suit.

MR. KENNEDY. Who was made the trustee?

MR. RENIKER. At that time, Mr. Kavner. I beg your pardon, sir. Mr. Hoffa was made the trustee.

MR. KENNEDY. Mr. James Hoffa was appointed?

MR. RENIKER. James R. Hoffa, who then was the vice president of the International Teamsters.

MR. KENNEDY. Who did he appoint to run the local?

MR. RENIKER. He appointed a gentleman by the name of Mr. Kavner, who came in to Joplin to take over the local union. Our attorney investigated Mr. Kavner. Something transpired between the judge and the lawyers, and the only thing that I know is the judge said that he was an unfit person to control the union, and he was removed at the judge's request.

THE CHAIRMAN. Removed by the court?

MR. RENIKER. Yes; at the judge's request. He was removed.

MR. KENNEDY. Had there been any specifics about his activities in any particular area?

Mr. RENIKER. One that was very recent at that time, I think the judge was possibly using, was the fact of the Wichita situation, and also what the judge stated was his criminal record, of which I have no knowledge of, other than what I heard.

Mr. KENNEDY. He is, Mr. Chairman, one of the chief assistants to Mr. Gibbons, and about whom we have had considerable testimony already.

So who was sent in to replace him?

Mr. RENIKER. Mr. Keul.

Mr. KENNEDY. His name is Carl Keul?

Mr. RENIKER. Right.

Mr. KENNEDY. Did he remain active in the local, then?

Mr. RENIKER. Sir, I don't know how active Mr. Keul was because only at a hearing held in the Hotel Connor was about the only time that I ever had any experience in meeting or talking to Mr. Keul.

Mr. KENNEDY. Who was running the local then?

Mr. RENIKER. Mr. Webb.

Mr. KENNEDY. Mr. Webb was back in running the local?

Mr. RENIKER. Mr. Webb had never been out of the local.

Mr. KENNEDY. He has run the local under Mr. Hoffa, then?

Mr. RENIKER. Yes, sir. He has never been out of the local.

Mr. KENNEDY. The local was put in trusteeship. Mr. Hoffa took over as trustee, and Mr. Webb then continued to run the local?

Mr. RENIKER. I think it was necessary that Mr. Webb continue to run the local, Mr. Kennedy. He was familiar with the contracts, of which Mr. Keul was not familiar with the contracts and the local situation. I think that is possibly why they left Mr. Webb in there.

Mr. KENNEDY. But Mr. Webb continued to run the local?

Mr. RENIKER. Yes.

Mr. KENNEDY. And the objections you had at that time were against Mr. Webb, were they not?

Mr. RENIKER. Yes, sir.

Mr. KENNEDY. Would you explain what happened about your attempt to get an election?

Mr. RENIKER. Well, they agreed in this court stipulation that they would have this election, and Mr. Hoffa notified the local union that they would have this election. They had the nominations, and we set up a group of rank and file from almost every town that was covered by local 823, and we nominated our slate. We did considerable amounts of running around over the territory from one town to another. If you gentlemen are not familiar with it, local 823 covers quite a few towns in the tristate area.

We covered some of the out-of-town boys to see how they felt, and, naturally, trying to get things set up so that we felt we could have a change in the officers. We published a paper in regards to the election, and we went at it in a way where we felt like we might stand a chance to compete against the officers who were in there.

Everything was going along just fine until about 4 or 5 days before the appointed time, which was August 1, 1954. I received a letter from Mr. Hoffa, or, I should say that letter carried Mr. Hoffa's printed signature. It was that I was not eligible to run, and that the election had been postponed indefinitely. The reason that I was not eligible to run was because I was considered in arrears of my dues, and yet

for several years I had been on the checkoff system, and never before prior to the election or the promised election it should be, had I ever been notified that I wasn't eligible to run for any office, because we naturally presumed, because we were forced on to the checkoff system in lieu of our contracts—and by using the word force it may sound pretty stout, but they just told us that we had to sign these cards, and they handed them to us, and we all signed them, and they hold the money out of our paycheck, which is held out the first day of every month—and we felt we were eligible because we had nothing to do with paying our dues.

They put us on the checkoff system. The fact is I was on the checkoff system before I even knew it. It was in the contract. It is in our contract that we be on the checkoff system. We are on the checkoff system. So we naturally felt that through the laws of agencies that if the company was an agent appointed by the international union to collect our dues, that we should have been in good standing. But Mr. Hoffa rendered a decision contrary, so, consequently, we didn't have any election, and we bypassed that election.

Mr. KENNEDY. You were all declared ineligible, then, all of the opposition slate?

Mr. RENIKER. Every one of the opposition slate was declared ineligible.

Mr. KENNEDY. And this was a letter sent by Mr. Hoffa; is that right?

Mr. RENIKER. It is my understanding from the other members of the slate that they did receive a letter.

Senator IVES. May I ask a question?

I would like to ask the witness if, in his opinion, this was a situation that was deliberately set up to prevent opposition, apparent opposition such as he established there with his slate, from holding office?

Mr. RENIKER. Well, naturally—

Senator IVES. I gather from what has been said here this afternoon that there are some members of the union that paid their dues in advance in such a way that they were always up in their dues; is that correct?

Mr. RENIKER. Yes.

Senator IVES. They were always eligible?

Mr. RENIKER. You have that privilege.

Senator IVES. But you didn't know anything about that setup?

Mr. RENIKER. I didn't know anything about it. I was told that I could do that after I was—I said, "I want to be eligible, I might want to hold an office in this thing some day."

Senator IVES. In other words, the whole thing was geared to prevent you from holding office, and your associates; is that correct?

Mr. RENIKER. I don't know if that is correct, but that is my opinion.

Senator IVES. I am going to ask you another question, because the farther we get into this thing and the farther we go into this whole labor-relations question, the more pertinent it becomes. In your opinion and in your judgment would it be possible to have an open shop in the Teamsters Union?

Mr. RENIKER. Sir, on the first part of your question, yes, it is possible.

Senator IVES. Yes; it would be possible. All things are possible, according to the good book. But I mean do you think it could actually operate.

Mr. RENIKER. I would say this, I am a unionman and I don't believe in open shop. I don't believe it is necessary.

Senator IVES. I am not asking you that question whether you like open shops or not. It so happens that I happen to favor the union shop myself. But I am asking you this: Do you think it would be at all possible to have an open shop with respect to the Teamsters?

Mr. RENIKER. Yes; it is possible. I hope it isn't probable, though.

Senator IVES. How are you going to do it?

Mr. RENIKER. Well, that is beyond my scope of thinking and beyond me as a rank and file. I don't know how you are going to do it.

Senator IVES. I just wondered whether it was possible.

Mr. RENIKER. But I am not for open shop, as I stated before.

Senator IVES. Well, I am not for an open shop, either. I am not for an open shop in any labor organization. That is not the question. The question is whether it is possible or feasible to do that where the Teamsters are concerned.

Mr. RENIKER. I think it is possible.

Senator IVES. But you don't think it could be done?

Mr. RENIKER. I can't see any benefit in it in an open shop by the Teamsters.

Senator IVES. You don't see any benefits?

Mr. RENIKER. No.

Senator IVES. Well, I do, certainly. It would mean simply that those people that thought they were being treated unfairly the way you were in the particular instance you are talking about wouldn't have to belong to the union.

Mr. RENIKER. I am not mad at unionism. I am just mad at a few individuals.

Senator IVES. All right. But the way to clean things up is to stay out of the union. Then they will clean up automatically?

Mr. RENIKER. Yes; but you might kill unionism and then you have your other problems.

Senator IVES. All right. I am not in favor of killing unionism. After all, I am strongly in favor of unionism. Don't you forget that. But I am trying to figure out how you gentlemen in the Teamsters who want to clean house can get at it so you can do that. Have you ever thought of that?

Mr. RENIKER. I thought that was the object of this committee.

Senator IVES. That we were going to clean house for you?

Mr. RENIKER. Yes.

Senator IVES. I wish we could. We would do quite a job, if it was left to us. Haven't you any ideas how you can do it?

Mr. RENIKER. I have them, but they are all illegal.

Senator IVES. All right.

The CHAIRMAN. I present to you here a photostatic copy of a letter. I will ask you if that is the letter you received from Mr. Hoffa declaring you ineligible to run for office.

(Document was handed to the witness.)

Mr. RENIKER. That is it. It is a photostatic copy thereof.

The CHAIRMAN. It may be made exhibit No. 135.

(Document referred to was marked "Exhibit No. 135" for reference and may be found in the files of the select committee.)

The CHAIRMAN. Mr. Tierney, you have in your hand photostatic copies of what?

Mr. TIERNEY. I have photostatic copies of letters from James R. Hoffa to various members of local 823, the Teamsters, in Joplin, Mo., which advises them they are ineligible as nominees for office in the local.

The CHAIRMAN. Do you have there also a list of those who were declared eligible? Where did you obtain these records?

Mr. TIERNEY. I obtained these records from the trustee files relating to this local.

The CHAIRMAN. All right. This group of letters and the list of eligibles and ineligibles may be made exhibit No. 136, all of them, in bulk, for reference.

(Documents referred to were marked "Exhibit No. 136" for reference and may be found in the files of the select committee.)

Mr. KENNEDY. How many, Mr. Tierney, were declared to be eligible?

Mr. TIERNEY. Seven were declared to be eligible.

Mr. KENNEDY. Those were the incumbent officers who paid their own dues?

Mr. TIERNEY. Yes, sir.

Mr. KENNEDY. The only ones who were eligible were those who were working for the union who paid their own dues; and people who were on the checkoff system were not eligible for office.

Mr. TIERNEY. That is correct.

Mr. KENNEDY. Who presided at the nomination meeting in early August of that year? Wasn't it Vice President Hoffa?

Mr. RENIKER. Mr. Hoffa was there, and it seems to me that he is the one who presided, but I am not sure.

Mr. KENNEDY. Was Mr. Gibbons there also?

Mr. RENIKER. Mr. Gibbons was there.

Mr. KENNEDY. Did they make any statement in favor of Mr. Gibbons, or Mr. Webb?

Mr. RENIKER. Oh, definitely.

Mr. KENNEDY. What did he say about him?

Mr. RENIKER. He praised Mr. Webb, telling the rank and file that he was a very hard worker for the organization, and that he had known him for several years, and he felt he was doing an awful good job in Joplin, and that there had not been anything ever proven or anything. All there was was a bunch of idle accusations, and that he thought we should feel that we were fortunate in having a man like Mr. Webb.

Mr. KENNEDY. It was quite an advantage, was it not, for Mr. Webb to be placed in control of this local by Mr. Hoffa and Mr. Gibbons during this period of time, an advantage as far as you people were concerned who were trying to get rid of him?

Mr. RENIKER. It was an advantage to him definitely.

Mr. KENNEDY. Certainly Mr. Gibbons or Mr. Hoffa had not placed in control of the local an objective third party who was trying to make a decision, not taking one side or another in connection with this controversy.

Mr. RENIKER. You think in other words they should have appointed a neutral party to control the local.

Mr. KENNEDY. As far as your opposition and your complaint.

Mr. RENIKER. Yes, we felt the same way.

Mr. KENNEDY. You said earlier you thought that maybe Mr. Hoffa made the only decision possible in putting Mr. Webb in charge of the local. Certainly a neutral third party could be placed in charge of the local and then an election held, a selection by the rank and file membership as to who they wanted as their leader. Don't you think that would have been a better way to handle the matter?

Mr. RENIKER. I thought it would have been, but they did not do it that way.

Mr. KENNEDY. Now, Mr. Chairman—

The CHAIRMAN. Mr. Tierney, I hand you another photostatic copy of a document. Will you state what it is?

Mr. TIERNEY. This is a photostatic copy of the minutes of the meeting, special meeting of local 823, August 1, 1954, which is a special nomination meeting conducted by trustee James R. Hoffa.

The CHAIRMAN. Those minutes may be made exhibit No. 137.

(The minutes referred to were marked "Exhibit 137" for reference and may be found in the files of the select committee.)

Mr. KENNEDY. Mr. Chairman, I would like to call Mr. Tierney to give a background about this meeting so that we can understand and put in correct perspective the statement that Mr. Gibbons made regarding Mr. Webb and your support, and the fact that Mr. Hoffa placed Mr. Webb in control of this local during this period of time. I think it is important to get the background of this situation and Mr. Webb's activity.

The CHAIRMAN. All right. The committee will take a 2-minute recess.

(Present at the time of taking the recess: Senators McClellan and Ives.)

(Short recess.)

(Present at resumption of the hearing: Senators McClellan and Ives.)

The CHAIRMAN. The committee will come to order.

Mr. KENNEDY. Mr. Tierney, we had some testimony regarding the beating that took place at Miami, Okla. Will you give us the background? The National Labor Relations Board made an investigation. There were also some civil suits.

Mr. TIERNEY. That is correct.

Mr. KENNEDY. Will you give us the background and what happened and what the National Labor Relations Board finding was?

Mr. TIERNEY. I will.

Mr. KENNEDY. This should be kept in mind in context of the statements of Mr. Harold Gibbons at this meeting, and statements that he made subsequently, and also the fact that James Hoffa kept Floyd Webb in control of this local.

The CHAIRMAN. All right, proceed.

Mr. TIERNEY. Following the petition of these 13 rank and file members to Mr. Hoffa and his return to Mr. Webb, and Mr. Webb's supposed investigation of it, 2 of the signatories were fired by Roadway Express, Inc.

The CHAIRMAN. That is a trucking company?

Mr. TIERNEY. That is the trucking company.

Mr. KENNEDY. Two of those who signed the petition were then fired by their employer.

Mr. TIERNEY. By their employers.

Mr. KENNEDY. How many people had been beaten up?

Mr. TIERNEY. One person was beaten up. Walter Buxton.

Mr. KENNEDY. How had he been beaten?

Mr. TIERNEY. With a ball-peen hammer.

Mr. KENNEDY. Had he gone to the hospital?

Mr. TIERNEY. Yes.

Mr. KENNEDY. All right.

Mr. TIERNEY. Following their discharge, Buxton and Cawthorn, two of the signatories to this petition, filed an action with the National Labor Relations Board charging unfair labor practices on the part of both companies, Roadway Express Co. and the union, local 823 in Joplin. There were extensive hearings, witnesses examined, cross-examined, and evidence submitted. They made findings in fact which I will summarize here.

Following submission of this letter, approximately 2 weeks following the submission of the petition, in April 1953, Ray Kaylor, who was a union steward, told that the signatories, Carl Rundell and R. E. Simmons and Ralph Hayes to take their names off the petition or they would be fired. On May 1, 1953, which was several weeks after the petition had been sent in, Floyd C. Webb, the president of local 823, and Pat Kennison, an assistant business agent of the local, questioned one Ralph Hayes, who had also signed the petition concerning his signing this petition, and asked him if he didn't think he had done wrong in signing the petition. Hayes replied that he had not. Webb and Kennison then took Hayes' union book from him, and because of the rules then in effect at the time, that prohibited him from working.

On May 8, 1953, Walter Buxton, who also signed the petition, was met at the terminal in Miami, Okla., where Roadway Express was located, by Kennison and one Harris Powell. They questioned Buxton concerning signing the petition, a fight developed and Powell beat Buxton unconscious with a ball-peen hammer.

On July 20, 1953, Pat Kennison, who was then an assistant business agent to Floyd Webb, the president of the local, told the Roadway safety supervisor, an official of Roadway, Inc., W. C. Turner, that as long as Roadway kept Buxton and Jess Cawthorn on the payroll, the company could expect hell from the union.

On July 22, 1953, local 823 called a 24-hour strike ostensibly because men servicing trucks for Roadway were nonunion. However, a memorandum written by Kenneth McLinn, manager of Roadway's Miami terminal, reflects that he contacted Webb to find out what this strike was all about, and Webb stated that Kennison had already discussed with Mr. McLinn off the record what it was about, and that Webb during his discussion with McLinn repeatedly talked about Buxton, Hayes and their attitudes; Buxton and Hayes being two of the individuals who signed the petition. Roadway Express then discharged Jess Cawthorn, one of the signers of the petition, for failing to report to work on July 25, 1953. The National Labor Relations Board examiner concluded that Cawthorn was actually dis-

charged because of the pressure by union officials Webb and Kennison and not because of Cawthorn's failure to report for work, since there was undisputed evidence before the National Labor Relations Board that he had picked up his pay at Roadway's offices on July 25, 1953, and was told by McLinn, who is the manager of the terminal for Roadway, to report for his run as usual.

On June 30, Buxton, the second of the signators, was summarily discharged for carrying firearms. The examiner in connection with that found that Buxton had carried a gun openly for a week with permission of local law enforcement officers to protect himself against further attack by union officials, as he had formerly been subjected to.

Mr. KENNEDY. So, in summary, they found they had been fired because of the pressure of the union.

Mr. TIERNEY. That is right.

Mr. KENNEDY. And that was because of the fact they signed this petition.

Mr. TIERNEY. That is right.

Mr. KENNEDY. Objecting to the way the union was being operated.

Mr. TIERNEY. That is right.

Mr. KENNEDY. Then what happened? What was the result?

Mr. TIERNEY. The result was that NLRB finding against the company and the union required the union to make Buxton and Cawthorn whole by paying back wages. As a result of it, the union paid a total of \$4,825.14, and the company paid \$4,825.14.

Mr. KENNEDY. So the union actually had to pay money in connection with this.

Mr. TIERNEY. Yes.

Mr. KENNEDY. In firing these individuals. This was taken out of union funds?

Mr. TIERNEY. That is correct.

Mr. KENNEDY. And it was in connection with the making of this petition?

Mr. TIERNEY. That is correct.

The CHAIRMAN. That record from which you are testifying may be made exhibit 138.

(The document referred to was marked "Exhibit 138" for reference and may be found in the files of the select committee.)

Mr. KENNEDY. What else occurred?

Mr. TIERNEY. Following his assault, Buxton filed an action in tort against local 823, and certain officers thereof, including Webb, Harris, Powell, and one Merrill Petty. He sued the local and thereafter the local settled with him, and they agreed to pay \$4,000 in settlement.

Mr. KENNEDY. Is that in connection with his being beaten?

Mr. TIERNEY. That is in connection with his being beaten with a ball peen.

Mr. KENNEDY. Did they settle?

Mr. TIERNEY. Yes.

Mr. KENNEDY. How much did they pay?

Mr. TIERNEY. \$4,000 out of union funds in settlement of that. In that connection we have a financial report here showing that \$4,000 was disbursed by the union to United States District Court 1036 which is the number of the case.

Mr. KENNEDY. So, in fact, they admitted by these payments of these moneys of getting members of their own union fired from their jobs because of opposition to the local officers, and that they had been responsible for ordering the beating of one of their own members, and in view of that, paid how much in union funds in connection with that?

Mr. TIERNEY. The total was \$9,825.

Mr. KENNEDY. Some \$9,825 of union funds was paid; is that correct?

Mr. TIERNEY. That is correct.

Mr. KENNEDY. This was all ordered and instructed by Mr. Floyd Webb, and was found to have been so by the National Labor Relations Board?

Mr. TIERNEY. That is correct.

Mr. KENNEDY. By their settlement they made an admission of that?

Mr. TIERNEY. Yes, sir.

Mr. KENNEDY. This was the same Floyd Webb that Harold Gibbons spoke about at the meeting; is that correct?

Mr. RENIKER. That is right.

Mr. KENNEDY. Did he explain to the membership that they had to make those payments in connection with the beating and the wrongful firing of these individuals?

Mr. RENIKER. No, there was no explanation made in that regard, and it was not even mentioned.

Mr. KENNEDY. Was Mr. Webb at the meeting called a messiah?

Mr. RENIKER. Not by Mr. Gibbons. That was by Mr. Keul.

Mr. KENNEDY. Mr. Keul?

Mr. RENIKER. Yes.

He said if there ever was a messiah for labor, it was Mr. Webb. He made that statement. Also Mr. Hoffa told the rank and file, "I want you gentlemen to bear in mind that this meeting was called for nominations." and it kind of threw us to a tremendous disadvantage to have the international vice president and the trustee of the organization, plus men in the organization like Harold J. Gibbons come into Joplin, speaking to the rank and file, and admiring the activities and the individuals of those who we had contested in court. Mr. Hoffa made the statement there that the case was finished in Joplin, and there had not been anybody charged with anything; there had been no convictions, and that the officers were not found guilty of anything, and the accusations were false. And at that time, and still to this date, the court case is still being held in abeyance, and there has not been any decisions rendered pro or con, and there would have been nobody convicted in a civil case because it was a civil case and not a criminal case.

Mr. KENNEDY. Actually, you had won the case on who was responsible for the beating and the case on the wrongful discharge.

Mr. RENIKER. Well, we had one point of the case, sir. We had not won the case yet.

Mr. KENNEDY. Not your case that grew out of that, but on those two matters you had won.

Mr. RENIKER. Those we did; yes.

Mr. KENNEDY. I would like to have a comparison of Mr. Webb's attitude toward these people with Mr. Hoffa's and Mr. Gibbons' attitudes, who were controlling this local, toward these individuals who were in opposition to the local officials and to his own brother. What happened to him? Would you tell the committee about that?

Mr. TIERNEY. A brother of Floyd Webb, the president of local 823, Basil Webb, was charged in November of 1953 with grand larceny. That charge was brought against him in connection with his employment with Roadway Express, the same company with which the other was involved.

It was about having stolen some tires as a dockhand. On September 30, 1956, Basil Webb entered a plea of guilty to the charge of larceny, for which he received a suspended sentence. The company considered discharging Webb, and, in fact, thereafter really suspended him on March 13, 1954.

Mr. KENNEDY. Why? What was the reason that they did not discharge him?

Mr. TIERNEY. Well, Mr. McLinn, who was the manager of the terminal at the time, stated he had discussed this matter with Basil and with Floyd Webb, at which time Floyd Webb merely reprimanded his brother for committing this act and warned him against a recurrence.

Mr. KENNEDY. Was there a recurrence? Did anything happen at a later time?

Mr. TIERNEY. In March 1955 the company discovered that Basil Webb had falsified certain records, as a result of which he overcharged Roadway for work which he had performed. On March 29, 1955, Basil Webb was discharged by Roadway Express for dishonesty by Mr. McLinn. However, on April 2, 1955, a letter was sent to Mr. Basil Webb informing him that he had merely been suspended for 1 week.

Mr. KENNEDY. That was the total penalty, the suspension for 1 week?

Mr. TIERNEY. Yes.

Mr. KENNEDY. Was he suspended on the other offense?

Mr. TIERNEY. No.

Mr. KENNEDY. He wasn't suspended at all?

Mr. TIERNEY. They did suspend him on March 13, 1954.

Mr. KENNEDY. For how long?

Mr. TIERNEY. I don't have the records of how long it was.

Mr. KENNEDY. But he was not discharged as the other individuals were?

Mr. TIERNEY. No.

Mr. KENNEDY. He continued at his job?

Mr. TIERNEY. He did.

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

The CHAIRMAN. That is a case where the union interferes to protect a thief, is that right, to keep him from losing his job?

Mr. TIERNEY. That is what it amounts to, yes.

The CHAIRMAN. Even on the second offense?

Mr. TIERNEY. That is right.

The CHAIRMAN. And that is because he is a brother of this man Webb?

Mr. TIERNEY. That is right.

Mr. KENNEDY. But when their own membership tries to get something done in the local, the union leadership moves in and gets them suspended or fired from their jobs.

What happened, then? There was no election. Your slate was all ruled ineligible, and Mr. Hoffa called off the election entirely?

Mr. RENIKER. Right.

Mr. KENNEDY. What happened? Did you have an election?

Mr. RENIKER. They had an election in 1956, which was 2 years later, which we did not recognize, because, getting back again to this civil case, we were still in court, and they definitely were not holding the election to the satisfaction of the judge or the plaintiffs in the case.

Mr. KENNEDY. At this time, the judge had become ill, is that correct?

Mr. RENIKER. The judge did become ill, yes, but I don't know exactly whether it was at that time that he became ill or since the time they had that in 1956. I do not know the date that the judge became ill. But that is what is holding the case off at the time now.

Mr. KENNEDY. Did you nominate any slate?

Mr. RENIKER. No, sir; because we were advised not to do so by our attorney, because we did not recognize it as being a legal procedure within its own structure.

Mr. KENNEDY. Did Mr. Hoffa attend the meeting where this slate was nominated? That was on December 2, 1956.

Mr. RENIKER. I believe he did.

Mr. KENNEDY. Did Mr. Hoffa make a speech at that meeting?

Mr. RENIKER. Yes.

Mr. KENNEDY. What did he say?

Mr. RENIKER. Yes; he attended that meeting. I know now, because that was when Mr. Hoffa again came back and told them that the case was finished, that there wasn't anything to it; that none of the officers had been charged or found guilty of anything, and the charges brought by the dissident members were false, and the officers that were involved he felt sorry for them and their families because they had been falsely accused. Mind you, he is talking to the rank and file.

And in his statement he said that I as one of the dissenting members had cost the local union over \$70,000 in litigation fees. I felt pretty proud about that. I must have had something if it cost them \$70,000. Anyway, he made those statements to the rank and file. That was previous to the time they held their supposed nominations. All the time I sat restraining myself because that was my instructions of my counsel. At that time in that union meeting, Mr. Dan Leary, the attorney for the union was there, and he got up and made statements leading the rank and file to believe that it was all over.

At that time, I went down to the courthouse, because I didn't know but what maybe I had been crossed up by my own counsel and did not know whether the suit had been settled or not. I went down to the courthouse and checked the records and there it was, just as it had been. So when they made the statements that that suit was settled, and that they was going to put that back in local autonomy, it was a falsehood. Whether it was an intentional falsehood, I do not know, but it was definitely false, and it has proven so today.

Mr. KENNEDY. Did Mr. Hoffa say anything about taking action against you people who had brought this action?

Mr. RENIKER. Mr. Hoffa said they ought to throw me out of the union.

Mr. KENNEDY. That the local should throw you out of the union for bringing all of this trouble to the local?

Mr. RENIKER. Yes. And I was sitting there wishing they would.

Mr. KENNEDY. Has the trusteeship been lifted over the local?

Mr. RENIKER. The trusteeship at that particular meeting, according to Mr. Hoffa, was being lifted, and that was why they had the election.

Yet again, according to records, it was in April of 1958 when they finally recognized that the international union recognized and did lift the trusteeship of local 823.

Mr. KENNEDY. April of 1958?

Mr. RENIKER. Yes. That was 2 years, almost, or a year and so many months later.

Mr. KENNEDY. So you don't know whether it was at that time?

Mr. RENIKER. I don't know whether it was lifted or not.

All we have to go on when there is a trusteeship is they come in and say "You are under trusteeship," and there you are.

You don't know when you are going to get out or what. If they decide to come down tomorrow and take you out of trusteeship, the president has that power.

Mr. KENNEDY. Did you nominate or elect any representatives to the Miami convention?

Mr. RENIKER. We don't never have anything to do with any delegates. That automatically becomes your executive board and your officers. We do not elect any delegates to go to a convention.

Mr. KENNEDY. During the year 1957 did you elect any delegates?

Mr. RENIKER. No, sir.

Mr. KENNEDY. Mr. Reniker, we had an investigator out to see you in 1957; is that right?

Mr. RENIKER. Yes, sir.

Mr. KENNEDY. In September of 1957. After you talked to him, did you hear anything further regarding your conversations?

Mr. RENIKER. Quite a deal; yes. Mr. Tierney, the investigating attorney, was in Joplin investigating this situation for this committee. I had talked to Mr. Tierney at his request, first in our lawyer's office, because we felt that he might do us some good, and he wanted to know what was going on. So we told him. We showed him this testimony in court, and all of the proceedings, so on and so forth, that had happened in the past, which we have been discussing here.

Mr. Tierney left—I may stand correction on this date. I believe it was September 28th. I believe Mr. Tierney left on the 27th, and on the day of the 28th, in the morning, I was working over at Galena; I had just gotten through loading out the trucks. I had my suitcase. I started to get in my unit that I was driving that day and 4 men drove up, 2 of whom I knew. Mr. Bill Self came up to me, who is the brother of local 823, and I have known him for several years. He came up to me and said, "I want to talk to you." I said, "I got nothing to talk about. I am working."

"Well, by gosh," so on and so forth, "you will talk." At that time, then, the other three men crowded up around me. I was standing with my back up to the truck, with my right foot up on the fender. Bill Self stretched out and took ahold of my shirt. He said, "Now, if you don't quit talking about Mr. Hoffa, and quit talking to these Senate rackets investigators, and quit talking about Mr. Webb, we are going to make you an awful sorry boy."

I said, "Well, I don't know what you are talking about at the present time, because I have not been talking about them. But that is no sign I wouldn't talk about them, because I don't like the way things is going, and I have that right to say that."

When I said that, he made a pass at me, and the other guy made a pass at me, and in the deal one of them succeeded in hitting me, although they did not hurt me. They did not, certainly, get the job done they had anticipated, because it was very plain that the fellows had been drinking. And had they been sober they would have probably beat the tar out of me, which they wanted to do, but they did not succeed in the job.

There is three witnesses to that effect. The mayor of Galena, Kans., was there, and it happened on his property. He called the police and they came down there. I wouldn't prefer any charges against the boys. The Federal Bureau of Investigation stepped into the case and have complete records, complete files on it.

Mr. KENNEDY. Why didn't you prefer charges?

Mr. RENIKER. Well, now, that is a good question. I felt like if they didn't succeed that time, the next time they might succeed, so the best thing to do was to just leave it alone, get rid of it. I don't like the idea of people wanting to go around beating me up all the time, so I didn't file any charges against them, because it didn't make any difference anyhow. All that would have been done was they would have been fined \$25 and turned loose.

That is what happened in other cases, because I was a witness in other cases where they had done that.

Mr. KENNEDY. What is the status of the whole situation now? Do you feel discouraged about your efforts?

Mr. RENIKER. Well, no, I think we are making progress. I don't know which direction it is in, but we are going.

But, Mr. Kennedy, could I answer this gentleman's question over to the right? I have to call him a gentleman because I don't know what his name is.

The CHAIRMAN. This is Senator Ives.

Senator IVES. Call me mister, if you feel any better about it.

Mr. RENIKER. Well, you asked me a question a while ago that I answered rather quickly in regard to what did I think there was anything that could be done to help straighten this situation out, and I think I answered you in a rather—

Senator IVES. I think you misunderstood what I was driving at.

Mr. RENIKER. Yes, there is a lot that can be done through legislation, and that is the only way I can do it.

Senator IVES. You have to do it through legislation?

Mr. RENIKER. I think so.

Senator IVES. What would you do through legislation, while you are on that subject? That is what we are really after here.

Mr. RENIKER. What would I do? I don't think it would be fair. I have a lot of things I would like to do.

Senator IVES. Suppose you could do it, what would you do?

Mr. RENIKER. Well, it looks to me like the situation has gotten so big that when the rank and file can't take care of their own problems and don't have any say in their own problems, then there should be laws made to protect the rank and file.

Senator IVES. I doubt if you could do that on the Federal level very well. It would take pretty near an army to do that. That is one of the problems we had with the Taft-Hartley Act when the matter came up. Do you see what I mean?

After all, your teamsters are interstate, and they cover the whole country. After all is said and done, I don't want to see this thing done by force. That is the very thing that the Teamster leaders are now employing, and the thing that I deplore. It seems to me there is some peaceful way by which this thing can be handled.

If your leader, Mr. Hoffa, who sits back there, and with whom I have argued time and again on this question, would just see fit to get rid of some of these fellows that are running the show inside the union, I think that would go a long way toward straightening it out.

What do you think?

MR. RENIKER. I think it would, too. I have all the admiration in the world for Mr. Hoffa, and in lieu of the fact of the condition that I sit in at the present time. I still have admiration for Mr. Hoffa. I think he is one of the best unionmen and leaders that we have ever had.

Senator IVES. Except for that one thing.

MR. RENIKER. Well, yes, except for what we are discussing.

Senator IVES. He lets this thing be run by force in violation of the law. You just can't do those things. What can we do with regard to legislation? You are talking about having a police force throughout the country to look after this thing. What else have you got in mind?

MR. RENIKER. No, I am only talking about—I think if you take and control the money, you will take a lot of this racketeering out of it.

Senator IVES. In other words, make them report all the dues that are collected, all the initiation fees that are collected, all the special assessments that are collected, everything like that. Have them report to some agency in the Government; is that right?

MR. RENIKER. That is the way I feel about it.

Senator IVES. That would go along a long ways, wouldn't it?

MR. RENIKER. Yes.

Senator IVES. And have secret elections. That would go a long ways, wouldn't it?

MR. RENIKER. It should solve it.

Senator IVES. Well, I don't know that it would solve it completely, but it would go a long ways toward solving it.

MR. RENIKER. Look, I wouldn't have any objection if they have a free and democratic election. I don't have any objection if Mr. Webb is elected back in or who is elected back in.

Senator IVES. As long as it is done properly.

MR. RENIKER. As long as it is done proper. And if conditions had been different, I would have voted for Mr. Webb myself.

Senator IVES. And done periodically. You would have a time limit, wouldn't you, on the office holding?

MR. RENIKER. That is right.

Senator IVES. That is exactly what was in the Kennedy-Ives bill that was passed by the Senate. I think it would go a long ways towards helping you clean up.

MR. RENIKER. Yes, but somebody came along and cut somebody's throat on that one, didn't they?

Senator IVES. I don't know who did what. If you have any other ideas, we would appreciate them, because that is what we are hunting for from the standpoint of legislation.

MR. RENIKER. Well, I am speaking as one rank and filer. I think perhaps Mr. Hoffa put it right, I am a rabble rouser.

Senator IVES. You know, it takes rabble rousers now and then to get things done.

Mr. RENIKER. Well, I served my country and came back to face this situation, and I felt that when I was serving my country, I was fighting for a democratic condition, when I returned home.

Senator IVES. That was World War II, wasn't it?

Mr. RENIKER. Yes, sir. And it is just a difference in opinion. A lot of the rank and file don't have that opinion. I have had fellows tell me "What do you care what they do with the money?" Really, I don't care what they do with the money, but I would like to have a little bit of it for myself once in a while.

Senator IVES. I think we have covered the money angle, haven't we? What else have you in mind—anything?

Mr. RENIKER. There would not be anything else to it if they had free and democratic elections.

Senator IVES. You think it would take care of it, free and democratic elections and accounting of funds?

Mr. RENIKER. Yes. I think Mr. Hoffa would probably be reelected as president of the international union if he went out and got rid of his racketeers. Certainly I don't admire any man to come up here and take the fifth amendment because if a man takes the fifth amendment he has something to hide. I don't like to be in an organization as a rank and filer and be under men who sit and continuously take the fifth amendment. I don't think it is a very honorable organization that continues to tolerate some of that.

Senator IVES. That is the observation of some of us, too. I don't see how we can stop them to take the fifth amendment if they choose to do so. What we can do is perhaps pass some laws, as the chairman said, or a constitutional amendment as I have indicated may be necessary, to straighten this fifth amendment business out so people won't make a joke or travesty of it and abuse it as is being done at the present time. Thank you very much.

The CHAIRMAN. What do you think about having these ex-convicts put over you to boss you?

Mr. RENIKER. Well, I don't like it myself but there is nothing I can do about it.

The CHAIRMAN. I think we can do something about that.

Senator IVES. That was also in that Kennedy-Ives bill, to prevent that.

Mr. KENNEDY. I want to make sure we get the record clear. When you say you would like to get a little bit of the money yourself, I don't believe you meant illegally, would you?

Mr. RENIKER. No. There would not be any necessity for it illegally.

Mr. KENNEDY. It would be a question of having—

Mr. RENIKER. I am referring to the fact that some of these days I am going to get old and I would like to have a little bit of it for my future. The health and welfare fund has been dipped into as proven here before this committee.

Mr. KENNEDY. You would like to have a little of the money left that you have been paying your dues into?

Mr. RENIKER. That is what I was referring to.

Mr. KENNEDY. Not in the manner we have described here as to these people dipping into the union funds?

Mr. RENIKER. No. I am afraid they wouldn't allow me to do that anyway.

The CHAIRMAN. Thank you very much.

You and Mr. Rogers have dared to come up here and tell this committee the facts as you see them and believe them to be in your locals and if more of you rank and file members would have the courage to do that you would help us to help you clean up. I think you are to be commended.

Senator IVES. Mr. Chairman, I would like to comment on that, too. I want to thank the witness and the other witness to whom you referred for helping us out. You have indicated the opinion that some of us have with respect to legislation. I am sure that next year efforts will be made in the legislative field to go perhaps even further than was attempted this year.

I won't be a Member of the Senate next year but I am very sure the effort will be continued. I hope that effort will be fair. I hope it will be just. I hope it won't be aimed at crippling labor organizations. That is the thing of which I am fearful. I am strongly in favor of organized labor and I think anything that would cripple it in this country would be disastrous.

Mr. RENIKER. I don't think it is necessary to go that far. It can be straightened out.

Senator IVES. I don't either.

The CHAIRMAN. If you have not already done so, you give the staff of this committee the names of the fellows who assaulted you.

Mr. RENIKER. I only have two of them, sir. Bill Self and Bill Goddis.

The CHAIRMAN. Make a note of that, Mr. Counsel, and at the proper time we will take this up at a meeting of the committee. I want to find out whether people can do that and escape being convicted of contempt of the Senate of the United States.

Mr. RENIKER. I would be interested to find that fact out, too.

The CHAIRMAN. So you have given us the names of two of them. Who can supply the names of the other two?

Mr. RENIKER. I think your Federal Bureau of Investigation local agent can.

The CHAIRMAN. I understand the reason they accosted you, and started this argument with you and assaulted you, was because you had been talking to an investigator of this committee and that is the charge they made against you?

Mr. RENIKER. That is exactly it.

The CHAIRMAN. This would be a good time to find out. Thank you very much.

Mr. RENIKER. Thank you.

Mr. KENNEDY. Mr. Virgil L. Walters.

The CHAIRMAN. Mr. Walters come around, please, sir.

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. WALTERS. I do.

TESTIMONY OF VIRGIL L. WALTERS, ACCOMPANIED BY
COUNSEL, DANIEL J. LEARY

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

Mr. WALTERS. Virgil Lewis Walters, Joplin, Mo., representative of local 823, Joplin.

The CHAIRMAN. You have counsel present? Mr. Counsel, identify yourself for the record.

Mr. LEARY. Daniel J. Leary, Joplin, Mo., member of the Missouri bar.

The CHAIRMAN. Proceed, Mr. Kennedy.

Mr. KENNEDY. Mr. Walters, how long have you been an officer of local 823?

Mr. WALTERS. I respectfully decline to answer and assert my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

Mr. KENNEDY. Mr. Walters, I have one very important matter to discuss with you and that is in connection with the delegates that were supposedly elected to the convention in 1957. I would like to have you examine the minutes that are written up for the selection or election of those delegates.

The CHAIRMAN. You are the recording secretary, I believe, you said of this local, is that correct?

(Witness consulted with counsel.)

The CHAIRMAN. Isn't that what you said a moment ago?

Mr. LEARY. Mr. Chairman, may I query a moment? Did he not answer that he was a business agent?

The CHAIRMAN. I am not sure. I just asked him for clarification.

(The pending question was read by the reporter.)

The CHAIRMAN. Then you didn't say that you were recording secretary. I misunderstood you.

I hand you here the minutes, regular meeting, local 823, of May 5, 1957, at 2 p. m., and ask you to examine the minutes of that meeting and state if you identify them.

Mr. WALTERS. I do.

The CHAIRMAN. You do identify them?

Mr. WALTERS. Yes.

The CHAIRMAN. Then they may be made exhibit 139.

(Document referred to was marked "Exhibit No. 139" for reference and may be found in the files of the select committee.)

Mr. KENNEDY. Mr. Walters, I want to call your attention to the paragraph which reads:

Motion by John Starchman, that Floyd Webb, E. M. Hodges, and W. W. Kitts be sent as delegates to convention of international union in Miami, Fla., in September, second by Al Watkins, motion carried by unanimous vote.

Was that actually discussed at this meeting in May of 1957?

Mr. WALTERS. I respectfully decline to answer and assert my privilege under the fifth amendment to the Constitution of the United States not to be a witness against myself.

The CHAIRMAN. Is that a false record?

Mr. WALTERS. I respectfully decline to answer and assert my privilege under the fifth amendment to the Constitution of the United States not to be a witness against myself.

MR. KENNEDY. Isn't it a fact, Mr. Walters, that that paragraph did not appear in these minutes as they were first written up?

MR. WALTERS. I respectfully decline to answer and assert my privilege under the fifth amendment to the Constitution of the United States not to be a witness against myself.

MR. KENNEDY. Isn't it a fact that the matter of dealing with the election of the delegates was never taken up at this meeting, and that this paragraph that I have read was forged in at a later time?

MR. WALTERS. I respectfully decline to answer and assert my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

MR. KENNEDY. And isn't it correct that you erased an entirely different paragraph, where this paragraph appears, and then forged in that paragraph in connection with the selection of the delegates?

MR. WALTERS. I respectfully decline to answer and assert my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

MR. KENNEDY. Mr. Chairman, we have had this matter examined by the scientific lab at the Federal Bureau of Investigation. I would like to ask Mr. Tierney what the finding was in connection with that paragraph?

You can see from an examination of the minutes that there was an erasure, that whole paragraph was erased, and a paragraph substituted for the original paragraph.

THE CHAIRMAN. All right, did you have this document examined, this exhibit 139, by the FBI laboratory?

MR. TIERNEY. I did, Mr. Chairman.

THE CHAIRMAN. What is the result? Do you have the results of the finding?

MR. TIERNEY. I do. I might say at the outset I had discussed this matter with Mr. Walters in Joplin, at which time he told me that these erasures were made in order to permit him to place the names of the delegates in the order in which they were actually selected or the order in which the motions were actually made. With that in mind the examination was requested of the FBI. In that connection the report of the FBI reveals that none of the erased letters within this area conform to any of the names of Floyd Webb, E. M. Hodges, and W. W. Kitts, now set forth in the present paragraph.

The report further reveals that the erasures concluded with a signature of the recording secretary, similar to the signature which appears at the end of the minutes as they are presently constituted, which would indicate that the minutes concluded at that juncture where this paragraph was inserted.

MR. KENNEDY. So these paragraphs that read:

Motion by Crotts, to cancel meetings until first Sunday in October, second by Al Watkins, motion carried and motion made by W. W. Kitts to adjourn and seconded by John Starchman, motion carried, meeting adjourned—

were all placed subsequently and mere not in the original minutes.

MR. TIERNEY. That is right.

MR. KENNEDY. So the paragraph regarding the selection of the delegates as set up was not in the original minutes and the paragraph that said that they would not meet again in October, which would have been after the date of the election of the delegates or which would

have been after the date of the convention, was also put in subsequently?

Mr. TIERNEY. That is right.

Mr. KENNEDY. From the FBI report?

Mr. TIERNEY. That is right.

The CHAIRMAN. The FBI report, if you have it, may be made exhibit No. 140.

(Document referred to was marked "Exhibit No. 140" for reference, and may be found in the files of the select committee.)

Mr. KENNEDY. Will you tell us about that, Mr. Walters?

Mr. WALTERS. I respectfully decline to answer and assert my privilege under the fifth amendment not to be a witness against myself.

Mr. KENNEDY. Mr. Chairman, I would like to call Mr. Floyd Webb to see if he can throw some light on this.

The CHAIRMAN. Yes. Mr. Webb, will you come around and sit next to the witness. Will you be sworn, sir?

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. WEBB. I do.

TESTIMONY OF FLOYD C. WEBB, ACCOMPANIED BY HIS COUNSEL, DANIEL J. LEARY

The CHAIRMAN. You have something there to refresh your memory as to what your occupation is?

Mr. WEBB. I respectfully decline to answer and assert my privilege under the fifth amendment of the Constitution not to be a witness against myself.

The CHAIRMAN. You don't have a lawyer, do you?

Mr. WEBB. Yes, sir. [Witness indicates gentleman seated at his right.]

The CHAIRMAN. I can't get that thumb going into the record. Do you have an attorney?

Mr. WEBB. Yes, sir.

The CHAIRMAN. Let the record show the same counsel that appeared before with the preceding witness.

Do you occupy any position with a labor union?

Mr. WEBB. I respectfully decline to answer and assert my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

The CHAIRMAN. What is there about unionism that could possibly tend to incriminate you?

Mr. WEBB. I respectfully decline to answer and assert my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

The CHAIRMAN. There are some unions where it is a great credit, I think, to be a member. Is there something peculiar about the Teamsters Union that causes you to feel that you can't talk about your position with it without incriminating yourself?

Mr. WEBB. I respectfully decline to answer and assert my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

The CHAIRMAN. All right, Mr. Kennedy.

Senator IVES. Just a minute, Mr. Chairman. I would like to ask Mr. Webb a question.

The CHAIRMAN. Senator Ives.

Senator IVES. Is it not true that you are a friend of Mr. Hoffa?
(The witness conferred with his counsel.)

Mr. WEBB. Repeat your question, sir.

Senator IVES. I say, Is it not a fact that you are one of Mr. Hoffa's friends?

Mr. WEBB. I am a friend of Mr. Hoffa's; that is right.

Senator IVES. All right, then. Your taking this fifth amendment, especially when you come to your relationship with Mr. Hoffa, can do nothing but damage to Mr. Hoffa. Now, if you have any regard whatever for him, you had better not take the fifth amendment. That is all I want to comment. I am not asking you a question. I am telling you.

The CHAIRMAN. Proceed.

Mr. KENNEDY. How long have you been working with your friend Mr. Hoffa?

Mr. WEBB. I respectfully decline to answer and assert my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

Mr. KENNEDY. Have you consulted often about union affairs, you and Mr. Hoffa?

Mr. WEBB. I respectfully decline to answer and assert my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

Mr. KENNEDY. Was it his friendship toward you that led him to appoint you as trustee of this local, or his administrator of this local in Joplin?

Mr. WEBB. I respectfully decline to answer and assert my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

Mr. KENNEDY. He was trustee and he could appoint anybody that he wished. What was it about your background and experience that led him to select you to run the local for him?

Mr. WEBB. I respectfully decline to answer and assert my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

Mr. KENNEDY. Is it the fact that you sent a couple of people down to Miami, Okla., to beat somebody up with a hammer?

Is that correct? Is that the reason that he selected you?

Mr. WEBB. I respectfully decline to answer and assert my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

Mr. KENNEDY. Or was it the fact that you sent them down there to put this man in a funeral parlor?

Mr. WEBB. I respectfully decline to answer and assert my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

Mr. KENNEDY. Or was it your ability to talk so tough to the rank-and-file members that you would have them killed, too? Is that it, Mr. Webb?

Mr. WEBB. I respectfully decline to answer and assert my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

Mr. KENNEDY. Do you find that you can pretty well take care of a man if you send three men down with hammers to beat him up?

Do you think that you are always pretty successful in that operation?

Mr. WEBB. I respectfully decline to answer and assert my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

Mr. KENNEDY. Did you ever try to get into a fight just you against one other man or is it always two with a hammer?

Mr. WEBB. I respectfully decline to answer and assert my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

The CHAIRMAN. Are you a physical coward?

Mr. WEBB. I respectfully decline to answer and assert my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

Mr. KENNEDY. If that does not work, and the man continues to oppose you, Mr. Webb, is it a fact that you can then deprive him of his livelihood? Is that what Mr. Hoffa likes?

Mr. WEBB. I respectfully decline to answer and assert my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

Mr. KENNEDY. Also your willingness to go to an employer and order him to fire anybody that is opposed to you?

Mr. WEBB. I respectfully decline to answer and assert my privilege under the fifth amendment of the Constitution not to be a witness against myself.

Mr. KENNEDY. Then, Mr. Webb, if you get into difficulty or troubles, you can always get the union to pay the bills; is that right?

Mr. WEBB. I respectfully decline to answer and assert my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

Mr. KENNEDY. Isn't that correct? Isn't that what you did in this case, offer \$9,000 for getting people fired and for beating somebody up?

Mr. WEBB. I respectfully decline to answer and assert my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

Mr. KENNEDY. Then all your legal bills are paid for by the Teamsters, some \$70,000 of legal bills, according to Mr. Hoffa?

Mr. WEBB. I respectfully decline to answer and assert my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

Mr. KENNEDY. This is the kind of operation that he likes and wants to continue; is that right, Mr. Webb?

Mr. WEBB. I respectfully decline to answer and assert my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

Mr. KENNEDY. And then, in an election, an arrangement where you rule ineligible all of the opposition. The other two methods of beating people up and depriving them of their job; after that, the third possibility is to rule that all the opposition is ineligible; is that right, Mr. Webb?

Mr. WEBB. I respectfully decline to answer and assert my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

Mr. KENNEDY. Is this what Mr. Hoffa approves of?

Mr. WEBB. I respectfully decline to answer and assert my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

Mr. KENNEDY. And then even beyond that, if necessary, you forge the minutes of the meetings in order to elect delegates; is that correct?

Mr. WEBB. I respectfully decline to answer and assert by privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

The CHAIRMAN. Did you doctor those records?

Mr. WEBB. I respectfully decline to answer and assert my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

The CHAIRMAN. Is that your handwriting, those minutes?

Mr. WEBB. I respectfully decline to answer and assert my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

Mr. KENNEDY. Mr. Hoffa would approve of all this, would he not, because of the fact that these delegates voted for him in the election down in Miami?

Mr. WEBB. I respectfully decline to answer and assert my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

Mr. KENNEDY. This takes place within the Missouri-Kansas Conference of Teamsters, of which Mr. Harold Gibbons is president. Can you tell us what Mr. Gibbons has done about all this?

Mr. WEBB. I respectfully decline to answer and assert my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

Mr. KENNEDY. He stated he was against violence; that he was anxious to get criminal elements out of labor unions. Can you tell us why he has not taken some action in your case and in the case of Springfield, Mo.?

Mr. WEBB. I respectfully decline to answer and assert my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

Mr. KENNEDY. There has not been anything done in your union, has there, that has not been in the category of improper and illegal activities as we have gone into them before this committee?

Mr. WEBB. I respectfully decline to answer and assert my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

Senator IVES. Mr. Chairman, I would like to ask a question.

The CHAIRMAN. Senator Ives.

Senator IVES. I would like to ask the witness what he has against Mr. Gibbons?

Mr. WEBB. I respectfully decline to answer and assert my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

Senator Ives. All I want to do is to point out to you once more is that all you are saying is very harmful to Mr. Gibbons.

The CHAIRMAN. All right.

Mr. KENNEDY. Are you a friend of Mr. Gibbons?

Mr. WEBB. I respectfully decline to answer and assert my privilege under the fifth amendment of the United States Constitution not to be a witness against myself.

The CHAIRMAN. Is there anything further?

If not, stand aside.

The committee will stand in recess until 10:30 in the morning.

(Whereupon, at 4:30 p. m. the hearing was recessed, to reconvene at 10:30 a. m. Wednesday, September 10, 1958, with the following members present: Senators McClellan and Ives.)

INVESTIGATION OF IMPROPER ACTIVITIES IN THE LABOR-MANAGEMENT FIELD

WEDNESDAY, SEPTEMBER 10, 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 Karl E. Mundt, Republican, South Dakota.

Also present: Robert F. Kennedy, chief counsel; Jerome S. Adlerman, assistant 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; Walter J. Sheridan, investigator; James Mundie, investigator, Treasury Department; 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: Senators McClellan, Ives, and Mundt.)

The CHAIRMAN. Call the next witness.

Mr. KENNEDY. Mr. Fitzgerald, please.

TESTIMONY OF GEORGE S. FITZGERALD—Resumed

Mr. KENNEDY. We talked yesterday, just briefly, about the financial arrangements that you had with the union. Do you get paid by the joint council, is that correct?

Mr. FITZGERALD. That is correct.

Mr. KENNEDY. And do you represent various locals plus the Michigan Welfare Fund?

Mr. FITZGERALD. Well, I represent various locals, and I represent at times, or I have represented at times practically all of the Teamsters affiliates.

Mr. KENNEDY. That would be Joint Council 43, and you do represent locals 299 and 337, as I understand it?

Mr. FITZGERALD. You would include those, yes, be representations.

Mr. KENNEDY. And on occasion you get paid by them?

Mr. FITZGERALD. Yes, there have been times, some special occasions when I have been paid, I believe.

MR. KENNEDY. Mainly your fee comes from Joint Council 43?

MR. FITZGERALD. That is right.

MR. KENNEDY. What is the arrangement on the fee, and what do you receive from them?

MR. FITZGERALD. Well, I receive a \$600 basic retainer, and then I am paid for work other than—strike that for a moment. I am paid a basic \$600 retainer, which would be the same as a retainer for a lawyer for a corporation, for general consultation and things of that kind. Then I am paid in addition to that fees for special work that may be involved, that I believe goes beyond the scope of the retainer.

That arrangement incidentally, has persisted for some number of years.

MR. KENNEDY. Then do you have your other bills paid for by the Teamsters, your stenographic help and telegraph and all of that?

MR. FITZGERALD. Well, yes, I don't know when that started, but that could be considered or as a matter of fact the stenographic could be considered a part of the general retainer in one sense of the word.

Senator MUNDT. While the counsel is talking to the chairman, you left this \$600 hanging in the air. Is that per day, per week, or per year, or what?

MR. FITZGERALD. I am sorry, Senator. That \$600 is per month.

MR. KENNEDY. Now, you also bill them for your telephone and telegraph, is that right?

MR. FITZGERALD. I bill them for telephone and telegraph.

MR. KENNEDY. Do you bill—

MR. FITZGERALD. The bill for telephone and telegraph includes my own time, not only the specific bill that I have been paid for telephones, but my own time involved in work on the telephone.

MR. KENNEDY. Do you bill them for actual bills that you have for telephone and telegraph, and stenographic help?

MR. FITZGERALD. Well, now, do you mean, is my bill to the union confined to the bill for just telephone and telegraph that I receive from those utilities, is that what you mean?

MR. KENNEDY. That is correct.

MR. FITZGERALD. No, it isn't.

MR. KENNEDY. You bill them for something in addition to that?

MR. FITZGERALD. Well, I bill them for the time and the work that I do in connection with the telephone, and that bill includes the actual charge for telephone.

MR. KENNEDY. How do you determine what you are going to charge for telephone and telegraph, for instance? We noticed for a 5-year period that you charge some \$46,000 for telephone and telegraph from 1953 through 1957. On your tax returns you treated all of that money as income, but it was charged to the Teamsters Union as bills for telephone and telegraph charges, \$46,650.

MR. FITZGERALD. That is right.

MR. KENNEDY. And this was all treated by you as income in your income-tax return?

MR. FITZGERALD. That is right.

MR. KENNEDY. Could you explain that to the committee?

MR. FITZGERALD. I can explain it in this way: Let us say I bill them over a period of 5 years, \$46,000 for telephone and telegraph. That is what I received from the Teamsters on that, and I treated the entire

thing as income. Then, in making up my income-tax returns, I deducted the actual bills that I received from the telephone company as the expense.

Now, the difference over and above what I paid the telephone company for my actual expense and the total amount shown is payment to me for work that I have done that I would list under services rendered by the use or means of telephone. I might say a major portion of my operation is that.

Mr. KENNEDY. Did the Teamsters understand when they paid your bill that this is not for telephone and telegraph bills that you have accrued on their behalf?

Mr. FITZGERALD. I am sure they did. I am sure they did. Let me say something, Mr. Kennedy, I put a certain value on my services, and I have represented this Teamsters Union over a period of 25 years, and I am certain that the Teamsters are aware of the fact that a great majority of my work for that union has been done on the telephone or in connection with telephone, or matters discussed on the telephone.

Mr. KENNEDY. If that were true, I don't understand why you wouldn't put it down as "conferences on the telephone," instead of charging it to telephone and telegraph, \$46,000?

Mr. FITZGERALD. Do you want me to bill it your way?

Mr. KENNEDY. No.

Mr. FITZGERALD. I have been billing it this way for a number of years, and now let me say this to you: This has been going on for a period of years, and certainly if there was anything wrong with it they would have complained by this time.

Mr. KENNEDY. They knew about it, did they?

Mr. FITZGERALD. There isn't any question they knew about it, and if they didn't know about it I think they should ask me or they would have been the first ones to ask me.

Senator IVES. Mr. Chairman, I would like to ask Mr. Fitzgerald a question in that connection about the telephone charges and telegraph charges, and I think it covers both, does it not, that item?

Mr. FITZGERALD. Yes, telephone and telegraph, and the telegraph is not as large.

Senator IVES. I assume it is largely telephone?

Mr. FITZGERALD. That is right.

Senator IVES. In that connection, does any part of that telephone item include personal calls of your own, which cannot be construed by any stretch of the imagination to be dealing with Teamster business?

Mr. FITZGERALD. No; I would not say so. But I don't mean, now, that over a course of time, over a period of 25 years, that I would not have made personal telephone calls.

Senator IVES. Then you don't separate them?

Mr. FITZGERALD. Yes, I do. I don't have sufficient telephone—personal telephone calls that would make any difference.

Senator IVES. Do you use another telephone for personal matters?

Mr. FITZGERALD. No. What do you mean by personal telephone? This is—

Senator IVES. Suppose—

Mr. FITZGERALD. Wait a minute. Let me make the distinction for you, so there will be no question.

Senator IVES. All right.

Mr. FITZGERALD. Over the years, if I have personal telephone calls, certainly I am not going to bill them to the Teamsters and did not consciously do so. If I have telephone calls for other clients, I am not going to bill them to the Teamsters, consciously.

I can't keep track of ever 4-cent call that I make on my phone.

Senator IVES. Can you make a 4-cent call nowadays?

Mr. FITZGERALD. That is what they charge you, I understand.

Senator IVES. I am not talking about local calls. I am talking about the long-distance calls.

Mr. FITZGERALD. No. Long-distance calls would be in every event, with very few exceptions—and I am not saying that at times there could not have been a personal call that would not have crept into this thing, if I wanted to call my wife, or call one of my family long distance.

Senator IVES. That is right, or some other part of your legal activity that does not deal with the Teamsters. I assume you must have other clients than the Teamsters.

Mr. FITZGERALD. Yes. No, I haven't had for the last couple of years. That is the situation.

Senator IVES. That is all you have in the way of clients is the Teamsters?

Mr. FITZGERALD. Well, I wouldn't cover it that way, but I will say this, that I have not been able to pay any personal attention to any of my personal law business except the Teamsters in the last 2 years.

Senator IVES. I can see how they would keep you pretty busy.

Mr. FITZGERALD. I think it is because you people contributed to that.

Senator IVES. Never mind who contributed it. I think they started it. But on the other hand, you don't separate, you don't run an account on the telephone wherein you separate your personal items from the Teamsters' items, do you?

Mr. FITZGERALD. If you say to me can I give you a rundown with my method of operation, where I could separate every possible call, I am not in the bookkeeping or the accounting business, and I don't pretend to be—

Senator IVES. I am not talking about what business you are in.

Mr. FITZGERALD. If that is the case, Senator, I would go out of the business, I would go out of the law business so far as the Teamsters are concerned.

Senator IVES. Do you mean you have so many calls that the amount of accounting would be somewhat beyond your capacity to handle?

Mr. FITZGERALD. Well, I don't have an operation that I can run where I have to keep track of all my personal calls and list them down like a corporate law firm or somebody who has a bookkeeping system and an office set up where they could do that.

Senator IVES. I do.

Mr. FITZGERALD. You do?

Senator IVES. Yes.

Mr. FITZGERALD. Well, I think that is an excellent thing, and I wish I had the time.

Senator IVES. I think it is an excellent thing. I think it is the only thing to do.

Mr. FITZGERALD. Well, I don't. As a matter of fact, if it is the best thing to do, then I am going to get out of it. I am going to handle somebody else's business.

Senator IVES. I think we are off the track in this direction. The question I raised was whether you included all calls, and apparently you do.

Mr. FITZGERALD. No, I don't.

Senator IVES. From what you say about accounting, you do.

Mr. FITZGERALD. No, I don't. If I had personal calls, I said to you this, so that my position will be straight on the record: When I send a bill to the Teamsters Union, that is an honest bill in my judgment, and I am being paid for it for the honest work I did for them.

Senator IVES. Let me—

Mr. FITZGERALD. Wait a minute, will you please, Senator? I am sorry, but let me finish. I don't want to say here—

Senator IVES. Wait a minute. Will you kindly show a little more respect to this committee?

Mr. FITZGERALD. I am sorry. I have the utmost respect.

Senator IVES. Never mind me. But to the members of the committee.

Mr. FITZGERALD. I have it for you, too. But I want you to understand something and I wish you wouldn't cut me off.

Senator IVES. Go ahead.

Mr. FITZGERALD. I don't want my position to be that over a course of 25 years that there has not been at different times instances where, unconsciously, personal calls might have been included by error in that. I say to you that consciously any personal calls that I would have, I would not bill to the Teamsters' Union. That is the position.

Senator IVES. Well, the Teamsters understand that situation, don't they? Is it agreeable to them that you do things in this way?

Mr. FITZGERALD. Well, I assume it would be, because if they would, they would have told me about it, and then they probably would have gotten somebody else.

Senator IVES. Well, I assume that they think you are an honest person.

Mr. FITZGERALD. Well, they should at this stage of the game.

Senator IVES. That is all I want.

The CHAIRMAN. Mr. Fitzgerald, let me see if I can get this straight. What you get from the Teamsters, first, is \$600 a month retainer?

Mr. FITZGERALD. That is right.

The CHAIRMAN. Then you send them a bill, I assume monthly, or at intervals you send them a bill in which you charge them for the time you have used on the telephone looking after the Teamsters' business.

Mr. FITZGERALD. That is right.

The CHAIRMAN. In other words, you may send them a bill this month for \$1,000, showing that you spent that much time working on their business?

Mr. FITZGERALD. That is right.

The CHAIRMAN. Then you would add to that bill whatever your telegraph and telephone bills are?

Mr. FITZGERALD. That is right.

The CHAIRMAN. Is that correct?

Mr. FITZGERALD. That is right.

The CHAIRMAN. Then you may do other work for them in addition to that, for which you also send them a bill?

Mr. FITZGERALD. That is right.

The CHAIRMAN. That gets it in its proper perspective, does it not?

Mr. FITZGERALD. That is right.

The CHAIRMAN. First you get \$600, and then next you are on the telephone, you are working for them, and at the end of the month you send them a bill for that, plus whatever your telephone bills are.

Mr. FITZGERALD. That is correct, Senator.

The CHAIRMAN. That is as a part of fees for your services, for your time.

Mr. FITZGERALD. That is it.

The CHAIRMAN. Then if you go into court, maybe, or something else, you would send a bill and include that in the bill for additional fees.

Mr. FITZGERALD. That is right.

The CHAIRMAN. Am I correct?

Mr. FITZGERALD. That is right.

The CHAIRMAN. All right.

Mr. FITZGERALD. I just want Senator Ives to be straightened out. Senator IVES. I understand.

Mr. FITZGERALD. I know you understand it, but as a lawyer sometimes we are a little bit vehement in the way we express ourselves. I don't want you to think for a moment that it is done out of any disrespect for you personally.

Senator IVES. As long as you are talking to me personally, it does not make a particle of difference. But I want you to show respect for the committee.

Mr. FITZGERALD. It does to me, personally. And I don't want you to go away with the impression that the fact that I got a little forensic, you might say that—it doesn't mean disrespect for you or for the committee or for the Congress.

The CHAIRMAN. In clearing this up, in sending a bill to the Teamsters, you just bill your services as telephone and telegraph?

Mr. FITZGERALD. That is right.

The CHAIRMAN. That is the kind of bill they get?

Mr. FITZGERALD. That is correct.

The CHAIRMAN. But your contention is that in that bill, the telephone and telegraph expense, you are charging them for your personal time.

Mr. FITZGERALD. That is correct.

The CHAIRMAN. Do you bill them separately? Do you say so much time on the telephone or so many dollars?

Mr. FITZGERALD. No.

The CHAIRMAN. You just send it in to them as telephone and telegraph?

Mr. FITZGERALD. That is right. On a monthly statement.

Mr. KENNEDY. What is the arrangement then made on the stenographic services, Mr. Fitzgerald? Is that actual stenographic services?

Mr. FITZGERALD. Well, some long time ago—I would give you the year if I could remember it—

Mr. KENNEDY. Again, I am not questioning that you don't have stenographic services that they should pay for, but I am raising the same question that I raised on the telephone and telegraph. When you send them a bill for stenographic services, is that actually for stenographic services?

Mr. FITZGERALD. Yes. On the stenographic services, and this is why I am trying to recall it, Mr. Kennedy, I told you last night I asked you what you wanted to question me about, and I would be a little bit prepared to answer. I am trying to make extemporaneous answers. The committee has all of those bills from the Teamsters. I don't want to make a big deal out of this, but it is my belief that the stenographic is charged for the exact cost of the stenographer. I think that is true. Every month.

Mr. KENNEDY. We found, again, the same kind of situation as in the telephone and telegraph, that you bill them, for instance, for 1953 through 1957, \$20,000 for stenographic services.

Mr. FITZGERALD. That isn't fair. I don't mean you are trying to be unfair. But my recollection is that all of these bills were billed for the exact stenographic—the salary of a stenographer. There may have been instances where there was a lot of dictation involved, and I may have, on top of that, billed on stenographic for my own personal services. I am not sure about that without seeing it.

Mr. KENNEDY. You took all of this as income as you did the telephone and telegraph?

Mr. FITZGERALD. That is right.

Mr. KENNEDY. You took the \$20,000 all as income.

Mr. FITZGERALD. I took it all as income and what I actually paid out I deducted.

Mr. KENNEDY. Which was not the whole \$20,000. It was about \$14,000.

Mr. FITZGERALD. Then the charge of \$6,000 over the 5-year period would fall into the same explanation that I gave Senator McClellan and Senator Ives.

Mr. KENNEDY. Which is what?

Mr. FITZGERALD. That it was for my own personal services in connection with stenographic work that I did for the Teamsters.

Mr. KENNEDY. Just let me ask you once again: Did the Teamsters understand that when you billed them for stenographic help, that this was for something beyond stenographic help?

Mr. FITZGERALD. Well, I know the Teamsters understood——

Mr. KENNEDY. Did Mr. Hoffa understand that?

Mr. FITZGERALD. I am certain that Mr. Hoffa would understand it, because I know that we had an understanding because the Teamsters' work was getting to the extent where I had to have a girl do it.

Mr. KENNEDY. He understood also on the telephone and telegraph?

Mr. FITZGERALD. Well, you are asking me what he understood which I can't say.

Mr. KENNEDY. Well, you told him that that is what you were then doing, that is how you were handling it?

Mr. FITZGERALD. Yes. My understanding, within my personal knowledge now, I did tell him about that, yes.

Mr. KENNEDY. You did tell him?

Mr. FITZGERALD. I believe I did.

Senator IVES. Mr. Chairman.

I dare say that Mr. Hoffa is learning quite a lot about this accounting business where you are concerned.

It seems to me, if I understand correctly, and I certainly stand to be corrected, that you are charging practically the total expense of your office to the Teamsters. Is that correct?

Mr. FITZGERALD. No, I am not charging the whole expense of the office to the Teamsters.

Senator IVES. How much of the expense are you charging to the Teamsters and how much are you charging other places?

Mr. FITZGERALD. Well, now, Senator Ives, that is why I got a little bit worked up about this situation. I represented these people—

Senator IVES. Mr. Fitzgerald, I am in no way reflecting upon you. I am trying to find out.

Mr. FITZGERALD. I am not charging my whole office to the Teamsters.

Senator IVES. Don't get excited about it. That is all you have to say.

Mr. FITZGERALD. I am not getting excited, but you are sitting there and setting a price—not setting a price, but you are inferring that there is something or might be something wrong. I am a lawyer. I have a right to set my fee on what I think I am worth. If my clients don't like it, they don't have to hire me. I don't have to answer to anybody for those fees.

Senator IVES. Mr. Fitzgerald, nobody quarrels with your right to charge these things. As far as the Teamsters paying for your total office expense, as far as that is concerned, if they want to do it, that is their prerogative.

Mr. FITZGERALD. And if I want to charge it, it is my prerogative.

Senator IVES. That is right. That is your prerogative. All I am trying to find out is what you did.

The CHAIRMAN. All right.

Mr. KENNEDY. In addition to that, Mr. Fitzgerald, do you have arrangements where you make some arrangements for other attorneys to handle business for the Teamsters that they give you a certain percentage of their fee?

Mr. FITZGERALD. No, no. You are a lawyer, Mr. Kennedy.

Mr. KENNEDY. I just asked the question.

Mr. FITZGERALD. Well, I don't like your question as a lawyer addressed to a lawyer. There may have been instances, and I don't know what you are talking about, where another lawyer was hired, and under any code I am entitled and could be entitled to a forwarding fee the same as any other lawyer.

Mr. KENNEDY. I am just asking about it.

Mr. FITZGERALD. Why don't you ask it in the right way? That isn't the way to put it, the way you did.

The CHAIRMAN. Well, do you sometimes charge a forwarding fee?

Mr. FITZGERALD. I may have, Senator.

The CHAIRMAN. In other words, if you get the business, if you can't handle it, or you need to have someone else handle it in another locality, you forward it to some attorney, and then you accept from that a forwarding fee.

Mr. FITZGERALD. A forwarding fee, and I would be involved in the work also, incidentally. But my fee—if I accepted a forwarding fee, there would be no double charge made by me. There never has been.

Mr. KENNEDY. Does Mr. Hoffa know that you receive forwarding fees?

Mr. FITZGERALD. Well, I believe he does.

Mr. KENNEDY. Have you told him that?

Mr. FITZGERALD. I don't know. But if he ever asked me I would have told him. There is no secret about it.

Mr. KENNEDY. Did you ever tell him that in the instance where you forwarded work, got work of the Teamsters for other attorneys, that you were receiving a fee from these attorneys for getting that business for them?

Mr. FITZGERALD. Well, you are talking generally. I think that I have answered—if he asked me, I would have told him, and it is possible that he did and I told him. It is possible that I told him without being asked. You are talking about 5 years' time, and you are not talking about a specific instance. Now, if you will give me specific instances, then I will tell you, if I can recall, what my best recollection is of it.

Mr. KENNEDY. Do you remember ever telling him when you received these fees?

Mr. FITZGERALD. In a specific instance?

Mr. KENNEDY. Yes.

Mr. FITZGERALD. Over a 5-year period do I recall? No.

Mr. KENNEDY. You can't remember any time?

Mr. FITZGERALD. I can't remember that. I have had thousands of conversations with Mr. Hoffa over 5 years.

We have discussed lawyers, we have discussed union business, and everything else. If you want to ask me about specific things, I will answer them.

Senator MUNDT. Mr. Fitzgerald, I remember this discussion of forwarding fees coming before our committee on several different occasions over the past few years. For a long time I was in the real-estate business and we have the same arrangement there. We are a little more frank about it. We call it a commission. I started asking lawyers if they paid a commission to another lawyer and they made the same protestation you did.

They said, "We lawyers call it a forwarding fee."

So that is a different word for a different term employed by a different profession or a different occupation. So we will stick to the lawyers' word of forwarding fee. In the real-estate business, we just call it a commission. It works the same. The thing I want to know, however, is who pays the forwarding fee. Is that paid by Mr. Hoffa or is it paid by the lawyer who gets the business?

Mr. FITZGERALD. Well, let's leave Mr. Hoffa out of it—

Senator MUNDT. Well, the Teamsters. The Teamsters.

Mr. FITZGERALD. No, I don't know of instances, and I am telling you frankly, Senator, and honestly, I don't know of a specific instance right offhand where that could have happened.

If it did happen—all right, let's just use Mr. Hoffa and the Teamsters as an example.

Senator MUNDT. Let me rephrase the question for the purpose—

Mr. FITZGERALD. I think I know your question.

Senator MUNDT. I don't think you do. The question is this: As a lawyer, and forgetting about Teamsters, and forgetting about Mr.

Hoffa, but as a lawyer of about 30 years' experience, or something like that—

Mr. FITZGERALD. How many years?

Senator MUNDT. Thirty.

Mr. FITZGERALD. About 32, I believe.

Senator MUNDT. In your experience as a lawyer, have you ever collected a forwarding fee in connection with this?

Mr. FITZGERALD. Have I ever collected?

Senator MUNDT. Yes.

Mr. FITZGERALD. Any number of them. And I have paid any number.

Senator MUNDT. I want to find out what the practice is among lawyers in forwarding fees. I can tell you what it is in the real-estate business, but what is it with lawyers?

When you collect a forwarding fee, is it paid by the client or is it paid by the lawyer who gets the business?

Mr. FITZGERALD. No; generally it is paid by the lawyer who gets the business.

Senator MUNDT. Is that an inviolate rule or would you say generally?

The CHAIRMAN. It all comes from the client.

Mr. FITZGERALD. Well, just a minute. Of course, these newspapermen have me a little upset here. They are giving the legal profession a great going over. It is paid originally by the client to lawyer A. Lawyer A refers a matter to lawyer B for any reason. Lawyer B bills C, the client. The client pays lawyer B, and lawyer B gives a forwarding fee to lawyer A.

Senator MUNDT. And when lawyer B bills client C, I don't presume he says "\$2,000 legal talent, \$1,000 forwarding fee," but he just bills them for whatever he thinks the job is worth, and then he pays the forwarding fee?

Mr. FITZGERALD. That is right.

Senator MUNDT. And if the client doesn't like the bill, he gets a new lawyer?

Mr. FITZGERALD. If the client doesn't like the bill he gets a new lawyer.

Senator MUNDT. I wanted to find out. It is paid by the client?

Mr. FITZGERALD. Yes.

The CHAIRMAN. I don't think that this is very important, but if a lawyer like you is retained by the Teamsters as general counsel for them, if you have a case off in another State or somewhere, and they ask you to handle it, you may call and arrange with a lawyer down there to handle it?

Mr. FITZGERALD. That is right.

The CHAIRMAN. Now, except for the fact you are getting a retainer, perhaps, you would be entitled to a forwarding fee?

Mr. FITZGERALD. Yes.

The CHAIRMAN. You would be entitled to a forwarding fee, but if that comes within your retainer, then you wouldn't be entitled to a forwarding fee, and it is just that simple.

Mr. FITZGERALD. It is simple; that is right.

To clear the record here, at any time over the years that I have received a forwarding fee from another attorney for Teamsters Union

business, I haven't just taken the forwarding fee and not done any work. I have retained my responsibility in it the same as the other lawyer.

Mr. KENNEDY. I think, of course, it is an important factor, the point you were on retainer by the Teamsters at the time, but I would like to ask you some specific questions.

Mr. FITZGERALD. All right.

Mr. KENNEDY. That you are on retainer and you forward business to another attorney, the Teamsters pay the bill, and the attorney gives you a part payment.

Mr. FITZGERALD. If you want me to represent people for \$600 a month, you have the wrong guy, Mr. Kennedy. You better go out and represent them and I will take your job then.

Mr. KENNEDY. Mr. Fitzgerald, I think before we finish with this we will find that you got a good deal more than \$600 a month.

Mr. FITZGERALD. I certainly did, and if I didn't I would have been crazy because I have done a lot more work than that.

Mr. KENNEDY. What about Mr. James Haggerty? Did you arrange for him to represent some individuals?

Mr. FITZGERALD. That is right.

Mr. KENNEDY. Did you receive some money on that?

Mr. FITZGERALD. Yes, sir; I did.

Mr. KENNEDY. How much money did you receive?

Mr. FITZGERALD. I don't know; you have the records, and he turned his records over, and I turned my records over.

Mr. KENNEDY. Well, now we have it on September 16, 1953, he received \$15,000 and on the same day, September 16, 1953, he issued a check to you in the amount of \$5,000.

Mr. FITZGERALD. That is right, and that is because I was unfortunately running for Lieutenant Governor of Michigan and I got mixed up in politics. I was working on that case but there was no forwarding fee. It was a forwarding fee in one sense, and in the technical sense it was, but in the sense of actual work being done I handled that case that Mr. Haggerty was in, and Mr. Haggerty and I worked together.

I handled all of the preliminary examination in the criminal courts under our setup in Michigan, and I prepared and argued motions for dismissal, in quashing of information which is similar to an indictment. After that and during the progress of the trial I did work but I couldn't appear, first, because I was campaigning.

Mr. KENNEDY. Now, did you inform Mr. Hoffa and the Teamsters that you received that \$5,000?

Mr. FITZGERALD. I don't know specifically, and I don't think I ever did; no. But you tell him about it and if he doesn't like it he can get another boy.

Mr. KENNEDY. He is learning about it now.

Mr. FITZGERALD. He isn't learning, and there are no secrets I have to be ashamed of in my relations with Mr. Hoffa as far as my personal fees are concerned.

Mr. KENNEDY. On August 13, 1954, Mr. Haggerty received another check for \$12,712.50, and on August 18, 1954, he issued a check to you for \$3,178.12. Did Mr. Hoffa know about that?

Mr. FITZGERALD. I don't know if he did or not.

Mr. KENNEDY. You didn't tell him?

MR. FITZGERALD. I know in the same matter I was working, and that involved 2 cases, 1 involving a jukebox conspiracy where men were found guilty, and 1 involving some of the local officers of local 247.

MR. KENNEDY. Did you tell him that you received that money?

MR. FITZGERALD. I don't know if I did or not.

MR. KENNEDY. You can't remember if you did?

MR. FITZGERALD. No; I can't remember if that was discussed.

MR. KENNEDY. Then on March 24, 1955, Mr. Haggerty received from joint council 43, a check of \$11,405.05, and on April 4, he issued a check to you for \$2,800.

MR. FITZGERALD. That was in connection with an appeal, and I think that was in the same matter.

MR. KENNEDY. Did you tell Mr. Hoffa about that?

MR. FITZGERALD. I don't know if I did or not.

MR. KENNEDY. You say that you were running for lieutenant governor at the time?

MR. FITZGERALD. No, during part of that time, that was the same year, and wasn't that 1954?

MR. KENNEDY. 1953 and 1954.

MR. FITZGERALD. And then some of this stuff happened over into 1955, and I worked with Mr. Haggerty on the case.

MR. KENNEDY. Did the Teamsters financially help you in your campaign?

MR. FITZGERALD. I think that they certainly did, I would be very disappointed if they hadn't.

MR. KENNEDY. How much money did they pay?

MR. FITZGERALD. I don't know. That went through a committee and it is all a matter of record.

MR. KENNEDY. Could I ask Mr. Bellino, Mr. Chairman, how much money we can trace to help Mr. Fitzgerald in that campaign?

MR. FITZGERALD. Mr. Chairman, can I ask Mr. Kennedy a question?

The CHAIRMAN. You may ask me a question.

MR. FITZGERALD. I would like to know if this is an investigation of me personally. So I can get my own mind straight.

The CHAIRMAN. Well, we are investigating management and labor relations and improper practices, and if there are improper practices in the expenditure of union money and if it was spent for your benefit, then possibly you would be involved.

MR. FITZGERALD. If it was spent in a State campaign, they had a perfect right to spend it.

The CHAIRMAN. That isn't a point here, but one of the things that this committee is looking into, and we haven't started into that field of it altogether, is campaign contributions in political activities of labor organizations. That is one of the subject matters. Am I right?

Senator MUNDT. That is right.

The CHAIRMAN. As we come along, we pick up some of it, and there will probably be a time when we will go into it specifically.

MR. FITZGERALD. I have no objection to what you are trying to do.

The CHAIRMAN. The question is whether we find as we develop what the facts are, whether legislation is needed to correct some practices, in that field, in that particular area of union activities.

So any campaign contributions made by a union is a subject that comes within the purview of this committee's jurisdiction, and long

ago, as early as April of last year, this committee determined that that would be one of the practices that it would look into.

Proceed. This is not singling you out. We are going into more of it. We have already been into some of it, and these questions have been asked before.

Mr. KENNEDY. Of course, he was attorney at the time.

TESTIMONY OF CARMINE S. BELLINO

Mr. BELLINO. We have noted the large payments which were made in connection with George Fitzgerald's campaign in 1954, and they amounted to \$42,807.10.

The CHAIRMAN. How do you break that down, and how do you trace it?

Mr. BELLINO. There was \$15,000 initially by locals 299 and 337.

The CHAIRMAN. What was that paid out of?

Mr. BELLINO. That was paid out of dues of the Teamsters money.

The CHAIRMAN. Out of union treasury?

Mr. BELLINO. Yes, sir.

Senator MUNDT. Regular union dues?

Mr. BELLINO. Yes, sir. Then there was \$27,807.10 paid out of the joint council; \$10,807.10 came out of the defense fund.

Senator MUNDT. What is that?

Mr. BELLINO. Of the joint council, and \$17,000 came out of the joint council 43 good and welfare fund.

The CHAIRMAN. You mean money was contributed to political campaign out of welfare funds?

Mr. BELLINO. The good and welfare fund.

The CHAIRMAN. I am trying to get it clear. Out of what?

Mr. BELLINO. These funds involve expenditures on behalf of his campaign, and they came out of the joint council 43 good and welfare fund. That is a special fund which the joint council has.

The CHAIRMAN. Not the regular welfare funds?

Mr. BELLINO. No, sir.

The CHAIRMAN. But out of good and welfare fund. What was the good and welfare fund? How did the money get in there, and what is the source of that money?

Mr. BELLINO. It would be contributions from other locals which would be members' dues.

The CHAIRMAN. In other words, other locals contributed to the joint council good and welfare fund?

Mr. BELLINO. Yes, sir, I believe so.

Senator MUNDT. What was the purpose of it?

The CHAIRMAN. Did that come out of dues?

Mr. BELLINO. I believe Mr. Hoffa could explain better as to the purpose. They have used it for various purposes, we find, and in other words there are moneys to the wives of individuals who had gone to jail, the moneys were used for that purpose, good and welfare fund.

The CHAIRMAN. What I am interested in is the source of that money, primarily, and where did that money for the good and welfare fund come from?

Mr. BELLINO. It is my belief it came from the members' dues initially.

The CHAIRMAN. The locals would contribute to this joint council's good and welfare fund?

Mr. BELLINO. No.

Mr. KENNEDY. Did they contribute directly or did Mr. Hoffa take that money and put it in the good and welfare fund?

Mr. BELLINO. I believe this would be a contribution that they would be called upon to make. It would go into the joint council's good and welfare fund.

The CHAIRMAN. What I am trying to get at is whether it is a voluntary contribution, as when a fellow gives a dollar to be spent in campaigns, or whether it is a contribution where they call on the locals to contribute to this fund out of dues money.

Mr. BELLINO. I believe they call on the locals for the contribution.

Senator MUNDT. Is that your understanding, too, Mr. Fitzgerald?

Mr. FITZGERALD. I beg your pardon?

Senator MUNDT. Is that your understanding of how the good and welfare fund is created?

Mr. FITZGERALD. You are outside of my field. I don't know; what is of use of me trying to guess.

Senator MUNDT. As far as you know, Mr. Bellino's report is correct?

Mr. FITZGERALD. I don't think it is correct.

Senator MUNDT. Do you know it isn't correct?

Mr. FITZGERALD. I don't know it isn't correct, but I am assuming it isn't from what he just said.

Senator MUNDT. In it we have no contradictory evidence.

Mr. FITZGERALD. I don't know, and I have no knowledge about it, except I have known the way—what is the use?

Senator MUNDT. His testimony stands unrefuted as far as you are concerned, let us put it that way.

Mr. FITZGERALD. All right. I can't say anything about it because I don't know, and I wish I did.

Senator MUNDT. If you don't know, you can't talk about it, so it stands unrefuted as far as you are concerned, and maybe Mr. Hoffa can put some other light on it, but as far as you are concerned, there is no challenge to the accuracy of his statement.

The CHAIRMAN. The question at issue here is this: If people voluntarily make a contribution to a campaign fund or make a voluntary contribution for any purpose, that may not be any of this committee's business. But if they take dues money paid for the advancement and to be used for union purposes, if that money is taken and put into a political campaign, then the Congress may feel that that is a practice that it wants to prohibit. It has prohibited it insofar as Federal officials are concerned.

The question is whether it is within the propriety of officials of a union to take dues money assessed against members that they have to pay to belong to the union, and as a part of their right to work in many instances, to take that money and invest it in political campaigns.

Now, that is the point. Some people believe in it and some don't, and I say it is a subject matter that we intend to develop, so that Congress can determine whether remedial legislation is needed. That is why I am concerned. I want you to investigate it just as far as you can, and we will try to develop here now whether these funds came out of dues paid by members or whether they just took up a collection.

Mr. BELLINO. These definitely came out of the local dues.

The CHAIRMAN. That is what I want to establish for the record, if it is a fact I want that definitely established.

Mr. BELLINO. Yes, sir.

Senator MUNDT. Mr. Bellino, was this a primary campaign, or was this a general election campaign?

Mr. FITZGERALD. This was a primary campaign, and so I will straighten this out. It was the Democratic Party primary campaign.

Senator MUNDT. Now, you have listed \$59,000 roughly as contributions?

Mr. BELLINO. It is \$42,000.

Senator MUNDT. There is \$27,800 from the joint council and \$10,000 from the defense fund?

Mr. BELLINO. No; the \$27,000 is from the joint council but I subdivided that.

Senator MUNDT. What percentage of the total money spent by the George Fitzgerald campaign committee does this represent?

Mr. BELLINO. We haven't looked into his total expenditures, Senator.

Senator MUNDT. Have you examined where he got his other contributions?

Mr. BELLINO. No, sir; we haven't gone into his other campaign expenditures. This is merely from the local payments to Fitzgerald.

Senator MUNDT. Don't you think it would be helpful and more illuminating if you got an account, which I presume you have to file an account of your campaign expenditures, do you not, in Michigan?

Mr. FITZGERALD. In the State there is a requirement, and all of this was done through a committee.

Senator MUNDT. I think that we should have for the record, at this point, the total amount that was raised and spent, and the other contributions to indicate whether this \$42,000 is 10 or 90 percent.

Mr. BELLINO. Yes, sir.

Senator MUNDT. Who was your opponent in that primary?

Mr. FITZGERALD. Mr. Phillip Hart was, and Governor Williams were my opponents.

Senator MUNDT. You had two?

Mr. FITZGERALD. He was the campaigner.

Senator MUNDT. Mr. Williams was supporting him?

Mr. FITZGERALD. Yes, sir.

Senator MUNDT. Did Mr. Hart receive any union contributions in his campaign?

Mr. FITZGERALD. You would have to ask Mr. Hart, and I am not here to do that, but if you want us to check that whole campaign, I think that you should have checked the whole thing.

Senator MUNDT. In justice, Mr. Fitzgerald, we should have in the record an account also of where Mr. Hart's money came from as filed with the Secretary of State; is it?

Mr. FITZGERALD. That is right.

The CHAIRMAN. Let the Chair get one thing straight for the record now. That might be illuminating, but at the same time this committee doesn't necessarily have jurisdiction over campaign expenditures, except as they may come from union funds.

Senator MUNDT. That is exactly what I am interested in. It is to determine whether or not the union No. 1 was playing both sides of the street, and No. 2—

The CHAIRMAN. That part of it is all right.

Senator MUNDT. Or whether perhaps there was a contest between unions in this matter, and perhaps another union was supporting another candidate, and I think we should have all of the facts and not the fact just relating to one union, and one candidate.

Would the chairman agree on that?

The CHAIRMAN. Absolutely. All I am saying here is that we cannot go into, or it is none of our business, to find out who else contributed. We have to relate all of our efforts to union funds and union activities.

Senator MUNDT. We have no way of telling from what Mr. Bellino has done, whether this is all of the union money, or whether there are other unions involved, and we have apparently only examined the Teamsters' books, instead of examining the secretary of state's records; isn't that right?

Mr. BELLINO. We are looking into the expenditures of the Teamsters only at this time.

Senator MUNDT. I think we should get the whole picture, because we are not trying to pillory any particular candidate or pillory any particular union, but we are interested throughout and across the board as to whether or not unions are spending money collected under compulsion for political purposes.

We are interested in that whether it is the Teamsters, or the Steel-makers, or the UAW, or any other union, because Mr. Reuther from the same city testified here when he was on the stand, and we asked him the same question, Mr. Fitzgerald, he contributed out of dues-paying money, a third of the operating costs of Americans for Democratic Action, which is a political action committee.

Now, as the chairman has pointed out, this may not be illegal, and in fact we know it is not illegal, because it was a State election as far as you were concerned, but Congress may very well desire to protect the working men and women of this country against an employment tax, in a closed shop, whereby in order to earn a living for their families, they have to pay tribute to some political boss and political ambitions and his political prestige.

So this is very relevant, and very pertinent, and very helpful. But I do think we should have the whole picture, in the primary, all of the candidates involved, and all of the unions involved insofar as the report in the secretary of state's office discloses the facts, and I would like to have it inserted at this point in the record, so the record will be fully illuminating and not be reflecting on one particular candidate or one particular union.

The CHAIRMAN. All right, proceed.

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

Mr. KENNEDY. Mr. Bellino, do you have the figures on the amount of money that Mr. Fitzgerald has received from the union?

Put those figures in.

Mr. BELLINO. Yes, sir.

The CHAIRMAN. Over what period of time?

Mr. BELLINO. Over the period from January 1, 1953, to December 31, 1957.

The CHAIRMAN. 1957?

Mr. BELLINO. Yes, sir.

Mr. Fitzgerald received—

The CHAIRMAN. That is 5 years?

Mr. BELLINO. Yes, sir.

The CHAIRMAN. All right.

Mr. BELLINO. From the joint council, the general fund, the defense fund, and good and welfare fund, he received a total of \$196,395.50. From local 299, Detroit, Mich., he received \$35,375.

The CHAIRMAN. How much?

Mr. BELLINO. \$35,375. From local 337, Detroit, Mich., he received \$25,000. From local 332, Flint, Mich., he received \$500. From local 777, Chicago, \$5,000. From Teamsters, a local not identified, there was \$6,780.

From Joint Council 41, Cleveland, Ohio, \$1,100. It is a total of \$270,150.50. The receipts from Joint Council 43, general fund, which amount to \$192,560.50, is further broken down.

Mr. FITZGERALD. Could I ask a question there? I don't understand what he is saying.

The CHAIRMAN. Just a moment.

Let me see, what is that first total you gave?

Mr. BELLINO. \$192,560.50. I have given you from Joint Council 43, the general fund, defense fund, and good and welfare fund, a total of \$196,395.

Mr. FITZGERALD. Mr. Chairman, is he talking about my legal fees here?

The CHAIRMAN. Just a moment. We will get it straight.

After that, you gave locals 299, 337, and then you gave a grand total.

Mr. BELLINO. \$270,150.50.

Senator MUNDT. These are legal fees we are talking about?

Mr. BELLINO. These are moneys received.

Senator MUNDT. Nothing to do any more with political campaigns?

Mr. BELLINO. No, sir.

The CHAIRMAN. This does not include the campaign contributions?

Mr. BELLINO. No, sir.

The CHAIRMAN. Then you started to break them down.

Senator MUNDT. How many years is this?

The CHAIRMAN. 5 years.

Mr. BELLINO. What he received from joint council 43 general fund, which was a total of \$192,560.50, which item is included in the \$196,000 that I had given previously.

The CHAIRMAN. Now, before we break it down, Mr. Fitzgerald, you had some question. I was trying to get this clear so that we would know what we were talking about.

As I understand you now, this is total funds received for all purposes, reimbursements of expense, retainer, special charges, and a grand total?

Mr. BELLINO. Yes, sir.

Mr. FITZGERALD. May I ask him, not ask him but could I ask him, is that total \$270,150 that I received altogether? Is that the total?

Mr. BELLINO. From the Teamsters unions.

Mr. FITZGERALD. From the Teamsters' Union?

The CHAIRMAN. He listed them as joint council 43, from three different funds of the joint council, totaling \$196,395.50, and then he listed local 299, then local 337, local 332, local 777, and then unidentified, and then joint council—what was the last one?

Mr. BELLINO. 41.

The CHAIRMAN. Joint council 41.

Mr. BELLINO. Cleveland, Ohio.

The CHAIRMAN. Those are 7 different sources.

Mr. FITZGERALD. That would mean, as I get it, Mr. Chairman, that over a period of 5 years' time I received in total fees and expenses from the Teamsters union \$54,150 a year. Is that correct?

Mr. BELLINO. That is correct.

The CHAIRMAN. Whatever 5 into the 270 would be.

Senator MUNDT. \$52,000 plus.

The CHAIRMAN. \$54,000.

Mr. FITZGERALD. That covers only fees and expense. I appreciate Mr. Bellino doing that.

Mr. BELLINO. The \$192,560.50 includes charges made by Mr. Fitzgerald for investigations, rent, telephone and telegraph, and stenographer.

The CHAIRMAN. And his retainer fee?

Mr. BELLINO. And his retainer fee.

The CHAIRMAN. Also any special fees that he charged?

Mr. BELLINO. Yes, sir.

The CHAIRMAN. It covers the whole thing.

Mr. BELLINO. Investigations was \$20,578. He started to include a charge for investigations in September of 1953, which is about the time that the William Buffalino case was before the recorder's court, Judge Martha Griffiths, on September 15 or 16, 1953. That is the time he started the charge for investigations.

Mr. KENNEDY. Mr. Bellino, this does not include, of course, moneys that he got from other unions during the same period of time?

Mr. BELLINO. That is correct.

Mr. KENNEDY. Or other fees that he received?

Mr. BELLINO. Or other moneys that he received from other locals.

Mr. FITZGERALD. Just a moment. When he said other locals, he has covered all teamster unions, I understand.

Mr. KENNEDY. The fees you received from other unions, other than the Teamsters.

And it does not include where there is a fee to another attorney and they make a payment—what did you call it, a forwarding fee?

Mr. BELLINO. Yes, it does include the moneys we know about.

Mr. KENNEDY. The Haggerty ones?

Mr. BELLINO. Yes.

The CHAIRMAN. It does?

Mr. BELLINO. These particular items does not include that, no. I have it included in other totals.

Mr. KENNEDY. The figure you gave does not include the forwarding fees?

Mr. BELLINO. It does not include that, no, sir. That is separate.

Senator MUNDT. Does the \$270,000—is that exclusive of the forwarding fees?

Mr. BELLINO. That is correct. That is just paid by various teamster organizations.

Senator MUNDT. Directly?

Mr. BELLINO. Yes, sir.

Senator MUNDT. What other unions do you represent? Or do you have retainers with, or during that 5-year period we are talking about, Mr. Fitzgerald?

Mr. FITZGERALD. I would have to go backwards, Senator. I don't represent any other unions but the Teamsters now, except the bartenders. I think they pay \$100 a month retainer and that is all. It is just for work involving some of those claims for back wages or someone violating a contract. Then at a time I represented the sheet metal workers' union, and over that period of time—I could not tell you. I may have represented 3 or 4 unions, but not on retainer, if that is what you mean.

Senator MUNDT. Would it be a factual statement to say that this \$54,000 a year represented the majority of your income from unions during this period?

Mr. FITZGERALD. Yes, absolutely. Yes. And when I say income, of that \$54,000 for the 5 years, I paid these expenses. So when you come right down to it, the fees are—

Senator MUNDT. Does this include expenses as well as fees?

Mr. BELLINO. Yes, sir.

Senator MUNDT. This is from his income-tax report or from his books, or the Teamster books, or where?

Mr. BELLINO. These are actual moneys which he billed to the union, which included expenses just mentioned.

Senator MUNDT. So what you are giving us is from the books of Mr. Fitzgerald or the books of the Teamsters?

Mr. BELLINO. It is a combination of both books.

Senator MUNDT. All right.

The CHAIRMAN. Are there any further questions?

Mr. KENNEDY. That is all for now.

I have some more questions for Mr. Fitzgerald.

Do you have investigators assigned to your office, Mr. Fitzgerald?

Mr. FITZGERALD. No, not now. What do you mean?

Mr. KENNEDY. Have you had investigators?

Mr. FITZGERALD. There was some investigative work done by people, Mr. Kennedy. I don't know what you are specifically referring to.

Mr. KENNEDY. The money that was charged to the Teamsters for investigation.

Mr. FITZGERALD. Well, I can explain that. That goes back beyond 1953, because those were the only records available.

I explained to the Chairman in my record—not in my record but in my letter. I would like to read that, if I may. Then I would like to preface anything that is said about it in there.

The CHAIRMAN. Well, then, if you want to read an excerpt—

Mr. FITZGERALD. Yes, if I may.

The CHAIRMAN. All right.

Mr. FITZGERALD. You wanted files on charges for investigation.

My letter reads as follows:

Since my checks are in the possession of the committee staff, I do not know to what items this reference is made. However, if I paid for outside investigators it will be reflected in my checks.

which is definitely true. If there were investigators that I paid for, my checks would show it.

If I made personal legal investigations or my office did over the years, as distinguished from other types of legal work, then charges would be made. These legal investigation charges would probably cover every case or matter I have handled for the Teamsters Union for a period of almost 25 years.

The use of the term investigation, how it started, I don't know, legal investigations. But that covered a multitude of the legal work, and the only way I could define it. If a better term could be used, that is probable. But I have always billed it that way.

It could even cover even court appearances. It could cover everything but research and briefing.

The CHAIRMAN. Do you recall instances where you may have hired an investigator yourself, and then billed the union for it?

Mr. FITZGERALD. I can't recall offhand, but if I did, it would be reflected in my checks, which the committee has.

The CHAIRMAN. But often you just billed for your own services, work you did as investigating services?

Mr. FITZGERALD. That is right. And if my checks don't reflect the payment to anybody, then it means that I did it.

The CHAIRMAN. That you either did it or it was done by people associated with you in your office?

Mr. FITZGERALD. Right. I might say this, too, Mr. Chairman, and it almost got away from me. Out of this \$54,150 that I have gotten each year for 5 years—that is, it did not amount to that. The last 2 years, the charges if you got a complete picture, would be a lot heavier, because I have to dispense personally with all my legal work except this work. So the bulk of that \$270,150 is about the last 2 years.

You will find out up until the last 2 years that all of my work ran about \$2,600 to \$2,700 a month as distinguished from now, when all of my time is consumed in this.

That \$54,150, you not only deduct from that all my expenses in connection with it, but you also deduct from that over the years what I paid other lawyers in my office, particularly, and in some instances lawyers outside my office in connection with that case.

Mr. Bellino, I don't know what that would amount to.

The CHAIRMAN. This is the overall amount of what you have drawn from the Teamsters during the period we have records for.

Mr. FITZGERALD. That is right.

But some months, maybe, there would be no charges, and other months I would have substantial payments to other lawyers. This does not include only my own, because there are other lawyers involved in the office whose compensation grows out of my payment of their expenses in the office.

Senator MUNDT. Do I understand you are head of a firm of lawyers?

Mr. FITZGERALD. Well, it isn't a firm, Senator Mundt. It is an association.

Senator MUNDT. Well, you are the senior lawyer, and you have other lawyers associated with you?

Mr. FITZGERALD. Yes. These other lawyers are all associated with me.

Senator MUNDT. And you pay them out of your fees?

Mr. FITZGERALD. That is right, in certain instances. Now, in order to maintain the staff and in order to maintain a proper working organization, I don't pay just \$122 rent for my office. There are other segments involved in this thing. It is quite a large office, from the standpoint of space, and there are other lawyers involved. Where a boy might be working in association with me where he would contribute, he has a particular office. He might contribute to his office. The rent might be \$65 a month. He is available to me for different work. Well, he may pick up a tab of \$25 on it and I would pay the remainder. But my checks on what I spent actually to George S. Fitzgerald & Associates, that is the way we listed the bank account the last few years, would show the amount of money that I have actually paid out for expenses.

I don't know what value it would have. The only thing is I am beginning to worry myself if I am charging enough.

Mr. KENNEDY. Do you have the records of George Fitzgerald Associates?

Mr. FITZGERALD. No.

Mr. KENNEDY. Can you get those for us?

Mr. FITZGERALD. Now, Mr. Kennedy, I have been getting things for you for 2 years. My checks here show exactly. I am not going to get them.

Mr. KENNEDY. You brought this up, Mr. Fitzgerald.

Mr. FITZGERALD. I brought it up because it is in my checks.

Mr. KENNEDY. But we can't make a check until we get George Fitzgerald Associates.

Mr. FITZGERALD. You look in my checks every month since we moved into 2550 Guardian Building and you will see a check every month to George S. Fitzgerald & Associates.

Mr. KENNEDY. We would like to know what that is for—and a breakdown. We can find it out later.

I would like to point out, Mr. Chairman, we don't have those records.

The CHAIRMAN. We don't have those records as of now. Let's move on.

Mr. KENNEDY. In this investigation, did you or the Teamsters have any investigation conducted of any member of the committee or any member of the staff?

Mr. FITZGERALD. No; we had no member—no; no member of the committee was investigated.

Mr. KENNEDY. Did you investigate members of the staff?

Mr. FITZGERALD. I think some members of the staff that were involved in the Cheasty case.

Mr. KENNEDY. Who on the staff?

Mr. FITZGERALD. I don't recall.

Mr. KENNEDY. Do you have the records on that?

Mr. FITZGERALD. No, I don't have any records on it.

Mr. KENNEDY. Who did you hire to investigate the staff?

Mr. FITZGERALD. We did not investigate the staff, Mr. Kennedy. There was only three people involved in that matter.

Mr. KENNEDY. Which members of the staff did you have investigated?

Mr. FITZGERALD. Well, there was Mr. Cheasty. Is he still a member of your staff?

Mr. KENNEDY. No; he is not.

Mr. FITZGERALD. Well, he was at the time. There was a Mr. Dunne, who played at least—at least whose name was mentioned. And a Mr. Jones.

Mr. KENNEDY. Did you have somebody investigate them?

Mr. FITZGERALD. Yes.

Mr. KENNEDY. Who investigated them?

Mr. FITZGERALD. Mr. Lavenia, a former secret service agent who is established here in Washington.

Mr. KENNEDY. Who paid his bill?

Mr. FITZGERALD. I believe it was paid by the union itself.

Mr. KENNEDY. The Teamsters Union?

Mr. FITZGERALD. That is right, under the authority to pay it.

The CHAIRMAN. Who was it you sent to Arkansas to investigate me? Do you remember that?

Mr. FITZGERALD. No. No, as a matter of fact, Senator, I don't think we sent anyone to Arkansas to investigate you.

Mr. KENNEDY. Where did you get the information that we found in Mr. Hoffa's office when we were up there?

Mr. FITZGERALD. Well, I don't know what you are talking about, Mr. Kennedy. I honestly don't.

The CHAIRMAN. I am not saying you know about it, but it is known. It can be established. I honestly don't care. I anticipated that before I ever started. Proceed.

Mr. FITZGERALD. I don't think you and I mind being investigated.

The CHAIRMAN. I don't.

Mr. FITZGERALD. I certainly don't, and I have been investigated.

Mr. KENNEDY. Could I call Mr. Bellino to ask him what the records of the Teamsters Union show as the amount of money that was paid to Mr. Tom Lavenia?

The CHAIRMAN. Proceed.

Mr. Bellino, let's see what it is.

Mr. BELLINO. Tom Lavenia, operating under the name of Associated Investigators, Inc., submitted bills totaling \$10,918.87, for which payments were made as follows: A check in the amount of \$4,000 was issued by local 299 to George Fitzgerald on June 12, 1957.

The CHAIRMAN. How much?

Mr. BELLINO. \$4,000.

Mr. FITZGERALD. Pardon me, Mr. Chairman. Could I get the date of that?

Mr. BELLINO. June 12, 1957. On the same day——

Mr. FITZGERALD. I beg your pardon. I am sorry. Can you give me the amounts?

Mr. BELLINO. June 12, 1957.

Mr. FITZGERALD. I have that. I meant the amount.

Mr. BELLINO. \$4,000. On the same day, a cashier's check was purchased at the City Bank, payable to Associated Investigators in the amount of \$4,000.

Mr. FITZGERALD. That was purchased by me, was it not?

Mr. BELLINO. I believe so. On June 26, 1957, local 299 issued a check to Associated Investigators in the amount of \$3,354.42. On

June 24, 1957, Lavenia acknowledged receiving \$500, which applied against his bill dated July 3, 1957. The source of this \$500 we do not know at this time. However, we do know that on June 24, 1957, there was a check issued by local 299 in the amount of \$1,764, which was cashed by local 299, and the possibility, from the practice followed by the local union, the possibility exists that the \$500 may have come out of that \$1,764. However, we found no itemized bill or notation or anything that could identify the purpose of the issuance of the \$1,764 check. The total amount paid to Lavenia was \$7,854.42.

Mr. FITZGERALD. Would you give me that again, please?

Mr. BELLINO. \$7,854.42.

The CHAIRMAN. How do you make up the \$10,918.87?

Mr. BELLINO. The balance has not been paid.

The CHAIRMAN. Have bills been submitted for that?

Mr. BELLINO. Yes, sir.

The CHAIRMAN. You have bills pending that you found for the balance between the \$7,854 and the \$10,918?

Mr. BELLINO. That is correct.

The CHAIRMAN. All right.

Mr. KENNEDY. Mr. Fitzgerald, did he also make an investigation of the jurors on that jury?

Mr. FITZGERALD. No. Here is what he did: When you talk about investigation of the jury, he didn't investigate the jury as such. The only thing he did was go to the credit houses, and he got from the credit houses a credit check on the people who were on the panel.

Mr. KENNEDY. All the jurors that were on the panel?

Mr. FITZGERALD. Yes, just a credit check. He made no investigation of any jury and he was not authorized to do so, as far as I know. All he did was go to the credit houses, and he got—what do they call those places? Credit—

Senator MUNDT. Bureau?

Mr. FITZGERALD. Credit bureau. In the credit bureau he would ask for the name of John Smith, and they would give him a report on it, for which they charged him \$2. So some of this money that was paid to him, as I understand it, was paid to the credit bureau, which you and I could do or anybody else could do. That was the extent of the investigation of any juror.

The CHAIRMAN. What jury did this relate to?

Mr. KENNEDY. Cheasty. Cy Cheasty. Is that correct?

Mr. FITZGERALD. Yes. He ran a credit check on the jury.

Mr. KENNEDY. Did we also find, in addition to the money that was paid to Mr. Fitzgerald, some \$8,000 to \$10,000 that you mentioned here to Mr. Lavenia, there was other money charged to the local for investigation?

Mr. BELLINO. Yes.

Mr. KENNEDY. Could you give us a couple of examples of that?

For instance, on December 26, 1957.

Mr. BELLINO. On December 26, 1957, local 299 issued a check to Investigators' Technical Services, of New York, in the amount of \$1,960.

Mr. KENNEDY. Could you tell us what that was for, Mr. Fitzgerald?

Mr. FITZGERALD. I got the name, Investigators' Technical Services?

Mr. KENNEDY. In the amount of \$1,960.

Mr. FITZGERALD. Well, no, I can't tell you offhand, Mr. Kennedy, what that was for. Who is Investigators' Technical Services?

Mr. BELLINO. I believe that is Bernard Spindell's outfit.

Mr. FITZGERALD. I can imagine what was done, although I would like to give you some definite information.

Mr. Spindell held a private detective agency license in New York, so I assume it was work done growing out of an investigation in that New York lawsuit, preliminary investigation before trial, or something of that kind.

It would be in connection with the New York lawsuit. But I can't give you anything more definite on it.

Mr. KENNEDY. Have you used Mr. DeLamaleir at all to conduct investigations for you?

Mr. FITZGERALD. There have been times; yes.

Mr. KENNEDY. What have you used him for?

Mr. FITZGERALD. Over what period of time?

Mr. KENNEDY. Well, over the last few years or 2 years?

Mr. FITZGERALD. Well, there have been matters which—specifically it is hard to pin it down, but I know I have used him.

Mr. KENNEDY. For what?

Mr. FITZGERALD. For investigative work.

Mr. KENNEDY. What sort of investigative work? He was on the payroll of local 876 of the Retail Clerks.

Mr. FITZGERALD. He was on the payroll of local 876, but this did not interfere with his work. I have known DeLamaleir—

Mr. KENNEDY. That does not answer the question. What specifically did you use him for? What investigative work did you use him for?

Mr. FITZGERALD. Well, it would be in connection—there would not be any work outside of union work.

Mr. KENNEDY. What did you use him for?

Mr. FITZGERALD. I don't know. I am trying to think. What do you want me to do, sit here, and you ask me a question off the cuff and I give you one right away?

Mr. KENNEDY. I would like to get the answers to the question.

Mr. FITZGERALD. I know you would, and I would like to give them to you.

The CHAIRMAN. All right.

Mr. FITZGERALD. Pardon me. I am sorry, Mr. Chairman. I don't want to speak disrespectfully to Mr. Kennedy or anything.

The CHAIRMAN. Well, try to think.

Mr. FITZGERALD. That is what I am trying to do, but he doesn't want to let me.

Mr. KENNEDY. Yes, I do.

Mr. FITZGERALD. I have been too long in this business for you to put—

The CHAIRMAN. Well, stop and think.

Mr. FITZGERALD. All I can tell you generally, Mr. Kennedy, unless you can give me specific instances, is that if we had a lawsuit where I needed investigative—particularly where I might need a subpoena served, or where I needed a certain thing checked in connection with some teamsters' business, where I had an injunction case pending before the court or the NLRB, where growing out of the service of

subpenas—I think he did serve some subpenas in connection with the New York lawsuit, too. I think he may have checked some stuff in the New York lawsuit. I am certain he did, through the police department, as to a breaking and entering of Mr. Hoffa's home. I think we had him check that. Those are the things you are talking about, isn't it?

Mr. KENNEDY. I want to know what else he did. Will you give us a memorandum on the kind of work he did for you?

Mr. FITZGERALD. I can't give you a complete memorandum.

I don't know. I wish I could tell you. I will tell you what I will do, though, I will try and run it down, and I will talk to Mr. DeLamaleir.

The CHAIRMAN. All right.

Mr. FITZGERALD. That is the best I can give you on it.

The CHAIRMAN. Submit to us a memorandum of statement.

Mr. KENNEDY. Has William Patrick done any work for you?

Mr. FITZGERALD. Yes; William Patrick did some work for me.

Mr. KENNEDY. Investigative work?

Mr. FITZGERALD. Investigative work, yes.

Mr. KENNEDY. What kind of work did he do?

Mr. FITZGERALD. Well, we have a matter—part of it was investigative work, and part of it was plain legwork, when we had a grand jury in Detroit.

Mr. Patrick is a very elderly gentleman, a very fine man. We had witnesses who had to appear before the grand jury. I was in the same spot with them as I have been with you. They would say to me "George Fitzgerald, you bring somebody in," or "You get me these records."

You could not take a lawyer's time to stand around and do that kind of work, so Mr. Patrick did a great deal of it. That was one particular instance.

Mr. KENNEDY. That was what, back in 1953?

Mr. FITZGERALD. Yes, that would be 1953. I am just citing one instance. Then another time—

Mr. KENNEDY. Did he have anything to do with any of the individuals who appeared before the grand jury carrying miniphones into the grand jury?

Mr. FITZGERALD. They didn't carry any miniphones into the grand jury.

Mr. KENNEDY. Did he have anything to do with strapping miniphones on them?

Mr. FITZGERALD. Mr. Kennedy, he had nothing to do, and nobody strapped miniphones on anybody in the grand jury, to my knowledge, and I believe I was there all the time.

Mr. KENNEDY. And he wasn't responsible for fitting the miniphones on any of these individuals?

Mr. FITZGERALD. To my knowledge, no miniphones were fitted on anybody. This was in the summertime. If you fitted a miniphone on somebody, I think everybody in the Wayne County Building would have known it.

Mr. KENNEDY. He had nothing to do with it?

Mr. FITZGERALD. I don't like the premise of your question.

Mr. KENNEDY. Just answer the question and I will go on.

Mr. FITZGERALD. I said within my knowledge there never were any miniphones, and I think I am in a position to know, ever used before a grand jury, and no miniphones strapped on, to my knowledge.

As a consequence, I must say under the same token that Mr. Patrick himself didn't do any strapping, and I didn't have any knowledge of it.

Mr. KENNEDY. That is what I wanted to know. What other work did he do for you?

Mr. FITZGERALD. Well, he has done a great deal of work in connection—when I say “a great deal of work” I shouldn't use that adjective; he has done work in connection with other matters pending before the circuit court on injunction proceedings and lining up witnesses and things of that kind. I will have to run that down for you.

Mr. KENNEDY. Will you give us a memo on that?

Mr. FITZGERALD. Yes, sir.

Mr. KENNEDY. Who was he being paid by?

Mr. FITZGERALD. I think Mr. Patrick was paid out of the union funds, wasn't he?

Mr. KENNEDY. No, from the Michigan Conference of Teamsters welfare fund during this period of time.

Mr. FITZGERALD. He was paid by them, but that was work separate and apart from the work I am talking about.

Mr. KENNEDY. What does being on the payroll of the welfare fund have to do with going in and serving subpoenas and arranging for witnesses to appear before a jury?

Mr. FITZGERALD. His work for the welfare fund was as an investigator for the welfare fund, and now you clarified it. If you told me those things first I could straighten you out.

Mr. Patrick worked as an investigator for the welfare fund and what work he did there I don't know. That was a separate thing. You asked me if he worked for me and I told you he did at different times, but that didn't interfere with his work for the welfare fund.

The CHAIRMAN. For the welfare fund, claims are made against it, and they have people to check up and investigate that?

Mr. FITZGERALD. I would assume so.

The CHAIRMAN. I would assume so.

Mr. FITZGERALD. I would assume that.

The CHAIRMAN. Where claims arise against the fund?

Mr. FITZGERALD. That is right.

The CHAIRMAN. But the work he did for you was something different from that?

Mr. FITZGERALD. Mr. Patrick is a very elderly gentleman.

Mr. KENNEDY. I might say when we interviewed him, he couldn't name one claim that he had ever checked for the welfare fund.

Mr. FITZGERALD. Well, Mr. Patrick, I guess, is around in the seventies, and he is an ill man, and I think it is unfair to cast any aspersions on him.

The CHAIRMAN. I don't want to do that. The question was, Was he actually working?

Mr. FITZGERALD. I beg your pardon?

The CHAIRMAN. I can understand that you would possibly have need for someone as an agent or investigator to check claims filed

against the welfare fund. I see nothing wrong with that. That is just good business. Good business would direct that that be done.

But the question here was whether he was paid out of the welfare fund to be an investigator in another field or another activity other than the welfare fund. In other words, would he go around and check on jurors or make that character of investigation, and so forth?

Mr. FITZGERALD. Oh, no. There was nothing like that. Mr. Patrick isn't the kind of a man who would do that in the first place.

The CHAIRMAN. I don't know, and I am not saying, but if he was working and getting his pay out of the welfare fund, and then he did no investigation for the welfare fund, then it would be something of some concern.

Mr. FITZGERALD. That is right. I could almost guarantee under oath that you would find Mr. Patrick is a man of the highest integrity.

The CHAIRMAN. I make no question about him at this time. Proceed.

Mr. KENNEDY. I just have a question or two, Mr. Chairman.

Mr. Fitzgerald, you were making certain payments to Mr. Phillip Gillis, is that correct, Mr. Joseph Gillis?

Mr. FITZGERALD. Payments, you mean? They were not payments; they were fees.

Mr. KENNEDY. Did you make certain payments to him?

Mr. FITZGERALD. Fees. I paid him fees for work they did with me, and they are both lawyers and very competent.

Mr. KENNEDY. When did they start to work for you?

Mr. FITZGERALD. Well, you want from a date standpoint, Mr. Kennedy?

Mr. KENNEDY. Do you have the exact date?

Mr. FITZGERALD. No, I am just trying to figure it out. Let us take Joseph Gillis. He was a lieutenant colonel in the Regular Air Force, and he left after service in Okinawa, it might be about 4 years ago, I think. He came in my office, or when I say "my office," I should say "our office," and became associated with me. He has done work on some Teamsters matters and he has been paid.

Mr. KENNEDY. What about Philip Gillis?

Mr. FITZGERALD. Philip Gillis originally when he came out of the Army, or the Navy, as a lieutenant commander, or commander, or something, I think lieutenant commander, he went over with Mr. Baxter, and then he came to me shortly after. He came to me after that; he handled work with me before his brother Joe came out of the Air Force.

Mr. KENNEDY. Philip Gillis did work for the Teamsters, or did Teamster work?

Mr. FITZGERALD. He did some work.

Mr. KENNEDY. So that the money that you paid to him was for work that he did in connection with Teamster matters?

Mr. FITZGERALD. Not all of the money I paid him. There are some other fees that I paid him that didn't involve Teamsters work.

Mr. KENNEDY. For instance, in 1953, he received a total of \$3,330.

Mr. FITZGERALD. What year?

Mr. KENNEDY. 1953; and on April 5, 1954, he received 1 payment of \$3,500, and then subsequently he received some \$450 more, making a total for 1953 and 1954 of \$7,280 to Philip Gillis. That was in

connection with the investigation being made of the Teamsters at that time?

Mr. FITZGERALD. No, I don't think so. I don't think it was all, Mr. Kennedy. I think Mr. Gillis did work. There was a building service union case.

Mr. KENNEDY. Didn't he do work—

Mr. FITZGERALD. Let me finish.

Mr. KENNEDY. I want to ask you a question. Didn't he do work in connection with the Teamster investigation?

Mr. FITZGERALD. He did some work, but it was not much.

Mr. KENNEDY. Did he appear with some of the witnesses at the grand jury?

Mr. FITZGERALD. Yes, very few of them.

Mr. KENNEDY. Wasn't this case that ultimately was tried in connection with these Teamsters, wasn't it done before his father, Judge Gillis?

Mr. FITZGERALD. It was tried before a jury over which his father presided. Now let us straighten that record out on that. I know where you are wrong.

Mr. KENNEDY. I am not wrong. I just ask you questions, and if anybody is wrong, you are wrong.

Mr. FITZGERALD. Your question leads to a bad inference against very decent and high-minded people, as much as yourself and your family.

Now, Philip Gillis—strike that from the record, please.

When the grand jury was proceeding, it was proceeding before Judge Miles Culihan in Detroit, a circuit judge, and I was the liaison man, and I was present outside of the grand jury room while all of the Teamster witnesses were questioned. On 1 or 2 occasions—and may I continue?

Mr. KENNEDY. Go ahead; I am listening.

Mr. FITZGERALD. Because I want to straighten your thinking out on this, if I might. It is not that it is wrong, but I just don't want you to get the wrong impression.

On 1 or 2 or 3 occasions Mr. Gillis may have substituted with me when I produced a witness, and when I was out of town, and just stayed there temporarily. Now Mr. Gillis—that was all he had to do with the case, as far as I can remember. This fee of \$3,500, or was it \$3,500—

Mr. KENNEDY. \$3,500.

Mr. FITZGERALD. That fee was paid because we had intervened in a matter of the International Building Service Union. They had placed a trusteeship over the local union in Detroit. I went in representing intervenors who were the rank-and-file members of the union. This was quite an important matter, and consumed a lot of time.

When the case came to trial before Judge Arthur Webster in the circuit court, I was busy with my first love, the Teamsters, over before Judge Miles Culihan, and so I had Mr. Gillis go in and represent these intervenors in my name. I believe that is where that fee was received.

Mr. KENNEDY. Maybe we can refresh your recollection about that, Mr. Fitzgerald.

Mr. FITZGERALD. I would like to have you do so. That is my best recollection.

Mr. KENNEDY. What fee did you receive from the other group, the one you just mentioned?

Mr. FITZGERALD. I don't know, but it would be reflected in my records. This is 1953 you are talking about?

Mr. KENNEDY. This is 1954; it is April 5, 1954. Where did the money come from that was used to pay him?

Mr. BELLINO. We find just before April 5 he received a deposit of \$3,600, or received a check, I should say, in the amount of \$3,600 from Joint Council 43.

Mr. KENNEDY. That is Mr. George Fitzgerald?

Mr. BELLINO. Yes, sir, and deposited in his account, and on the 5th he issued his personal check to Philip Gillis for \$3,500.

The CHAIRMAN. What do the checks show they were for?

Mr. BELLINO. The check from the union was professional services, \$3,600, to George Fitzgerald, in March of 1954.

The CHAIRMAN. Was that a regular monthly check where he would submit a bill, or was that a special fee?

Mr. BELLINO. We did not find a bill at all, Senator.

The CHAIRMAN. Each month he sends in a bill?

Mr. BELLINO. That is in addition.

The CHAIRMAN. With a breakdown of what it is for?

Mr. BELLINO. This is in addition.

The CHAIRMAN. Did you find any statement for which this check was issued?

Mr. BELLINO. No, sir.

The CHAIRMAN. There was no statement?

Mr. BELLINO. No, sir.

The CHAIRMAN. In other words, that is not a check in payment of one of these regular monthly bills submitted?

Mr. BELLINO. That is correct.

The CHAIRMAN. Now, am I right about that?

Mr. BELLINO. Yes, sir.

The CHAIRMAN. This is something in addition?

Mr. BELLINO. Yes.

The CHAIRMAN. For which you found no statement?

Mr. BELLINO. That is correct.

The CHAIRMAN. What does the record show that the check was given for other than professional fees?

Mr. BELLINO. That is all the record shows, professional services, March 1954.

The CHAIRMAN. The photostatic copies of the checks may be made exhibit No. 141, A and B, in the order in which they were issued.

(Documents referred to were marked "Exhibits 141, A and B" for reference, and will be found in the appendix on pp. 14918-14919.)

Mr. FITZGERALD. I would like to check into that particular item after I get the records, but I can assure you, and I now state, that any money that Mr. Philip Gillis received from me, he received for professional services rendered as a lawyer working under my supervision, and for no other purpose.

The CHAIRMAN. That could be true. We have an instance here where you got a check from the union, and the next day possibly issued a check to him. We found no bill where you billed the union for it. Now, maybe you did, but we don't find it in your records.

Mr. FITZGERALD. Can I make an observation, Mr. Chairman?

It is a very peculiar thing that Mr. Bellino, with all of the time that he spent in Detroit, and interviewing witnesses and having me produce witnesses for him, has never questioned me about these things in a preliminary way so that I could clear some of these things up. I never heard of this thing.

Mr. BELLINO. We didn't get all of his records, and, in fact, we still haven't got all of Mr. Fitzgerald's records so we could say they are complete.

Mr. FITZGERALD. You have all of my records for 1953, 1954, 1955, 1956, and 1957.

The CHAIRMAN. All right, any of these things that you feel that you can't recall, or be accurate about, when you find out what you think the facts are, you submit a memorandum here explaining it. I don't want to leave a record unexplained if it can be explained.

Mr. FITZGERALD. I appreciate that.

Senator MUNDT. What did you find in your examination of Mr. Fitzgerald's books from the standpoint of payments received by him from this International Building Services Union? Are you sure you were a representative of the intervenors?

Mr. FITZGERALD. That is right.

Senator MUNDT. What was that payment?

Mr. BELLINO. The total that he received in 1954 from the Building Service Employees International Union was \$11,047.

Senator MUNDT. Did it show anything there to indicate that part of that money went to this Mr. Gillis?

Mr. BELLINO. There is no notation, and we have no bills he has given us to indicate it is broken down to Mr. Gillis. In other words, he has given us no bills either he received from Gillis to say this was services for that, and we couldn't say exactly what it was for.

Senator MUNDT. How do you pay Mr. Gillis? Does he submit bills to you?

Mr. FITZGERALD. No, sometimes yes; and his brother Joseph Gillis does, and Mr. Philip Gillis is not with me now, but I don't believe that Mr. Philip Gillis did, Senator Mundt. But one thing I wanted to ask, could I get the date when that check was received?

The CHAIRMAN. Give the date of the two checks.

Mr. FITZGERALD. When I received that payment from the Building Service Union?

Mr. BELLINO. I gave the totals in 1954, and the first check I noticed from Building Service was April 5, 1954, which is the same day that he issued this check to Philip Gillis, \$8,173.

The CHAIRMAN. How much?

Mr. BELLINO. \$8,173.

Mr. FITZGERALD. That is what I was talking about.

Mr. BELLINO. Then there is another check in October from them, \$2,874.

Mr. FITZGERALD. Mr. Bellino, what was the amount of the check I received in April 5, 1954?

Mr. BELLINO. \$8,173.

Mr. FITZGERALD. Then I gave \$8,000 to Gillis?

Mr. BELLINO. You gave \$3,500 to Gillis.

Mr. FITZGERALD. I thought there was something peculiar about that. That is \$3,500 to Gillis.

Mr. KENNEDY. Mr. Fitzgerald, do you feel that there is anything improper about paying whatever it might be, fees to the sons of a judge who was trying a case in which you and the Teamsters are involved?

Mr. FITZGERALD. Can I answer that fully?

Mr. KENNEDY. It is the question I am asking.

Mr. FITZGERALD. First of all the money was paid to Philip Gillis, and when he performed the work within my knowledge, his father, Judge Joseph Gillis, was in no wise involved, and no one knew he ever would be involved.

Mr. KENNEDY. That is not correct.

Mr. FITZGERALD. Wait just a moment. Let me finish, and then if my recollection isn't correct, and it is based on my recollection, Judge Miles Culehan conducted the grand jury at the time, according to my recollection when Gillis did the work. From Judge Miles Culehan in the circuit court, jurisdiction was taken by the recorder's court. There are 10 judges over there, and after the indictment, so-called, was returned, it had to go to a presiding judge of the court. When the trial occurred—

Mr. KENNEDY. Who was the presiding judge?

Mr. FITZGERALD. At that time?

Mr. KENNEDY. It was Judge Gillis?

Mr. FITZGERALD. No, he wasn't. Just a minute, I say that to show how wrong you are. I am almost sure it was Judge Reickert.

Mr. KENNEDY. Judge Gillis was the presiding judge in January of 1954.

Mr. FITZGERALD. He wasn't the presiding judge when this case was assigned to him for trial.

Mr. KENNEDY. That is correct. That is right. He was the presiding judge in January of 1954, when it was put off, and you were given a 90-day extension.

Mr. FITZGERALD. I wasn't in the case at that time. My office wasn't in the case.

Mr. KENNEDY. The Teamsters were given a 90-day extension in January of 1954, and it was given by Judge Gillis at that time, who was the presiding judge.

Mr. FITZGERALD. And it was undoubtedly given with the consent of the prosecutor's office.

Mr. KENNEDY. Over the objection of the prosecutor's office.

Mr. FITZGERALD. It is immaterial to me, but are you going to sit there as a lawyer and infer there is something wrong and impugn the honesty, or something, of a judge?

Mr. KENNEDY. I am just asking you a question.

Mr. FITZGERALD. But you go further than that, Mr. Kennedy, and you did that with Judge Hartnick up in Oakland, in the Michigan State Bar Association, and they are in a turmoil about it.

Mr. KENNEDY. Who is the head of the Michigan State Bar Association?

Mr. FITZGERALD. Mr. Haggerty is at this time.

Mr. KENNEDY. That is the same Mr. Haggerty we are talking about?

Mr. FITZGERALD. One of the most respected men in the State of Michigan, and you may be in Massachusetts, and I don't think you

are right by your questions to infer that. You can do as much damage by your question as some witness could do by an answer, and it isn't fair to these people.

Mr. KENNEDY. You haven't answered the question.

Mr. FITZGERALD. I am not going to sit here, Mr. Chairman, and I don't think that it is fair for him to do that to people.

The CHAIRMAN. Well, the question is now, and you can help clear it up, was Mr. Gillis employed here at that time, at a time when his father was the judge handling the case?

Mr. FITZGERALD. Mr. Chairman, I will have to reconstruct it, because I don't remember. But to be absolutely to the best of my recollection, Mr. Gillis, Mr. Philip Gillis, had nothing to do with that case other than substituting for me before the grand jury. He may have participated in the preparation of some motions, which were not heard by his father, but were heard by Judge Paul Krause, an entirely different individual. The motions were denied. After the motions were denied, and I got involved in this political thing, I stepped out of the lawsuit. I assume Mr. Gillis did likewise, Mr. Philip Gillis.

The CHAIRMAN. What was this \$3,500 paid to Mr. Gillis for?

Mr. FITZGERALD. As I recall it, the \$3,500 was paid out of the Building Service case, and that is the \$3,500 that I remember. Let me ask Mr. Bellino.

The CHAIRMAN. Is that the case now that is postponed?

Mr. FITZGERALD. The Building Service case?

The CHAIRMAN. Yes.

Mr. FITZGERALD. No, the Building Service case was heard before Judge Arthur Webster, and a decision was reached successfully for us, and that ended the case.

Now, I don't know, is Mr. Bellino talking about another \$3,500, and that is the question I wanted to pose. Is there one \$3,500 payment to Gillis, or two?

The CHAIRMAN. What do you have? Is there 1 check of \$3,500, or 2 payments?

Mr. BELLINO. There is 1 check for \$3,500.

The CHAIRMAN. That is all I recall being identified in the record.

Mr. KENNEDY. In 1953, there are other moneys going to him.

Mr. BELLINO. That is just one item, and there is a total.

The CHAIRMAN. Do you have other items there? Give us all of the items you have on Gillis.

Mr. KENNEDY. And the brother, Joseph Gillis.

The CHAIRMAN. On both of them.

Mr. BELLINO. In 1953, Philip Gillis received a total of \$3,330, and the largest item being of \$1,400 payment.

The CHAIRMAN. That is Philip Gillis?

Mr. BELLINO. Yes, sir.

Senator MUNDT. What is that?

Mr. BELLINO. \$3,330, and the largest being a \$1,400 payment on December 1, 1953.

Senator MUNDT. Before you leave that, as far as you can reconstruct the records, what was that for?

Was this Teamster money, or was that this other union?

Mr. BELLINO. These were checks from Mr. Fitzgerald, and we don't know how much, if any, of that actually was Teamster money, because

Fitzgerald would submit his own bills to the Teamsters, and include various items which he could have paid money out of.

Senator MUNDT. Before we leave 1953, let us ask Mr. Fitzgerald, what was that \$3,330 for?

Mr. FITZGERALD. The \$3,300 was paid during the year to Gillis for legal work.

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

Senator MUNDT. In connection with the building trades deal or the Teamsters?

Mr. FITZGERALD. I don't think the building trades deal entered into it. He did a lot of work for other people and for me. Part of this \$3,300 was undoubtedly for Teamsters' work, Senator Mundt. Part of it was. The \$1,400, I don't know what that was for, but I am going to try to find out.

Mr. BELLINO. In 1953, Gillis was helping out at the grand jury and contacting some of the witnesses going into the grand jury.

Senator MUNDT. Was that a Teamsters' trial?

Mr. BELLINO. Yes, sir.

Senator MUNDT. Is that the one where his father gets involved, if he is involved at all?

Mr. BELLINO. His father was involved in the subsequent trial.

Senator MUNDT. We are speaking of 1953. In 1953, was Judge Gillis involved in the trial?

Mr. BELLINO. Not in the trial. The trial was in 1954.

Senator MUNDT. At this time, now, Mr. Gillis was appearing before some other judge, if he appeared in the case, is that right?

Mr. BELLINO. Well, it was in connection with the appearance of witnesses before another judge, yes.

Mr. FITZGERALD. In a different court.

The CHAIRMAN. You have 1953. Get to 1954.

Mr. BELLINO. In 1954, he received a total of \$3,950, the largest amount being a \$3,500 payment on April 5, 1954. I might say I questioned Mr. Gillis on the telephone and he indicated he had not gotten any moneys from Mr. Fitzgerald. I was surprised, because I had the checks from Fitzgerald in my possession showing all these payments. He subsequently said, well, he only received some small amounts.

The CHAIRMAN. What is the date of that \$3,500 check?

Mr. BELLINO. April 5, 1954.

The CHAIRMAN. What was the status of the case at that time?

Mr. BELLINO. At that time, they were awaiting trial. The trial had been called. They were ready to proceed with the trial of Buffalino or the Keating case. They were both ready on about January 29.

The prosecutor was all set to proceed with the trial when I understand a motion was made before the court for a 90-day continuance, and it was granted by Judge Gillis. He was the judge before whom it was heard.

The CHAIRMAN. Had that continuance been granted before this check was paid, or was it after the \$3,500?

Mr. BELLINO. The continuance was granted before this was paid.

Mr. FITZGERALD. He said January 1954, Mr. Chairman. The check was dated April 1954.

The CHAIRMAN. April 5, 1954, is the date of the check.

Mr. FITZGERALD. Right.

The CHAIRMAN. What was the status of the case at that time? Had it already been continued?

Mr. BELLINO. Yes, sir.

The CHAIRMAN. The continuance had been granted before that time?

Mr. BELLINO. By Judge Gillis, yes, sir.

The CHAIRMAN. Mr. Fitzgerald, was he employed and was he working in this case? I don't know that there is a thing in the world wrong with it—

Mr. FITZGERALD. To my knowledge, no.

The CHAIRMAN. He gets a fee of \$3,500 on April 5. Prior to that, the case had been continued for 3 months, as I understand, over the objection of the State.

Mr. FITZGERALD. Let me clear this up, and I hope these newspapermen get this. I don't want any reflection upon a decent lawyer and a decent judge. After the argument of the motions before Judge Krause—there are 10 judges that sit in the recorders' court in the city of Detroit where Judge Gillis sits. Those judges preside, Mr. Chairman, each month, one judge each month. He becomes the presiding judge. Unquestionably, when the motions were argued, Judge Krause was the presiding judge. We argued motions to quash the so-called information or indictment. They were denied.

The case was undoubtedly set for trial and came up before the presiding judge in the month of January, Judge Gillis.

Undoubtedly, according to what they say, he was the presiding judge. He doesn't hear jury trials ordinarily. That presiding judge adjourned this matter for some period of time, months, 3 months.

When the case came up again, it went to an entirely different presiding judge, Judge Ricca, and Judge Gillis undoubtedly was working on what they call felonies. There may be 3 or 4 judges of the courts working on felonies each month.

One judge works on presiding, one judge on preliminary examinations, one judge on early sessions, and perhaps other things. But there are 3 or 4 judges sitting in felony trials. Now, Judge Gillis, in that, would have no control over where that case was going to be assigned. When it came before the presiding judge, the presiding judge could send it to any judge who was open for trial. He sent it to Judge Gillis. At that time, Judge Gillis or I was not in the case or Philip Gillis was not in the case.

To my knowledge, the last work he did—strike that. The first work he did was appearing for me at the time as a substitute for me when some of the Teamster witnesses went before the grand jury. To my recollection, he may have done some work with me on the preparation of a motion that was argued before Judge Krause. After the denial of that motion, I was no longer in the case.

The CHAIRMAN. Was he still in the case?

Mr. FITZGERALD. No, I do not believe so. Now, to go back to this \$3,500 check, Mr. Gillis was for weeks, probably for 2 months before Judge Arthur Webster in this building service case. I was supposed to be there, and because of the fact that I was before the grand jury, or outside the grand jury, Mr. Gillis appeared before Judge Arthur Webster in the building service case. I remember when I got the check from the building service union, I gave Mr. Gillis a substantial

fee. That undoubtedly was \$3,500, which was nothing more or less than compensation for his court appearances before Judge Arthur Webster. As long as they want to complete this investigation, go to the Wayne County Circuit Court in 1954, and they will find how many weeks were spent in the trial of that cause before Judge Arthur Webster.

That will remove any question from the minds of your staff that this \$3,500 was paid in connection with any Teamsters' work, and particularly in connection with any work that came before Judge Joseph Gillis.

That is the best reconstruction I can give you, but I am going to give it to you further. I did not want to leave here and leave anything in anyone's mind. Here is a lawyer who appeared for weeks before Judge Arthur Webster in an entirely different matter, and I paid him for it.

The CHAIRMAN. All right.

Mr. FITZGERALD. And it had no connection at all with the money from the Teamsters or with the so-called Buffalino trial.

The CHAIRMAN. Let's proceed.

Mr. KENNEDY. I want to ask you about these checks, Mr. Fitzgerald.

The CHAIRMAN. I present to you two checks. They are each dated October 23, 1957. Each of them is in the amount of \$25,000. Each is made payable to cash. One of them is given by the truckdrivers' local union No. 299; the other by the food and beverage drivers' union. I ask you to examine them and state if you can identify these checks.

(The documents were handed to the witness.)

Mr. FITZGERALD. I can't identify the checks as such, but I can explain the transaction; as a matter of fact, I never saw the checks before, but I know about the transaction.

The CHAIRMAN. You know about the transaction in which the checks are involved?

Mr. FITZGERALD. Yes. I will be very happy to explain it to you.

The CHAIRMAN. The checks may be made exhibit No. 142, A and B.

(The documents referred to were marked "Exhibits Nos. 142 A and B" for reference and will be found in the appendix on pp. 14920-14921.)

The CHAIRMAN. They are \$25,000 each, and dated the same date, with each made payable to cash. One was drawn on one union and one was drawn on another.

Mr. FITZGERALD. At the time this occurred, or at the time these checks were issued, there was a case pending before Judge Letts in the district court down here in the District of Columbia. I was not in the city of Detroit, and Mr. Hoffa was not in the city of Detroit. Whether we were in Washington or New York at that time, I don't know, but I know we were together. We got definite word—that is, through rumor, if you want to call it that—that an order was to be issued by the court tying up the funds of locals 299 and 337, along with the funds of the international union.

At that time, if that had happened in the midst of all that furor, it would have been impossible for the union to operate and pay any attorney's fees.

Mr. KENNEDY. Attorney's fees?

Mr. FITZGERALD. Wait a minute. You did not wait until I got through. You just want to take your own conception of it and in your own way.

The CHAIRMAN. Go ahead.

Mr. FITZGERALD. Attorney's fees, or do anything else, or do anything in connection with the operation of the local.

The CHAIRMAN. Let me understand you. You got the impression the court was going to make an order taking over the union?

Mr. FITZGERALD. Right.

The CHAIRMAN. And that, of course, would have included taking over the union's funds?

Mr. FITZGERALD. Right.

The CHAIRMAN. For some purpose of protection.

Mr. FITZGERALD. That is what the court would have said.

The CHAIRMAN. That would have been the court's judgment about it.

Mr. FITZGERALD. Of course, this was an adversary proceeding, and we felt at that time, and I felt as counsel, that the union had to be protected, that is, the union itself in this adversary proceedings had to be protected against the charges that were made against it, or any court order that we thought legally was an improper one.

Instructions were issued to issue these cash checks and to hold this money in escrow. The checks were cashed and held, as I understand it, in Detroit, and put in some depository.

The CHAIRMAN. What kind of depository?

Mr. FITZGERALD. I don't know. I think it was put in the safe. I am only speaking from hearsay. The money was held and the proceedings went on before Judge Letts. Sometime after the settlement of the proceedings before Judge Letts, the money was returned to the union. It was never out of the custody of the union, but I mean it was returned to the general—

The CHAIRMAN. It was taken to keep it out of the custody of the court?

Mr. FITZGERALD. Not out of the custody of the court, Mr. Chairman.

The CHAIRMAN. Well, if the court was going to place all of the assets of the union and the union affairs under some court order, then you took this money out so that it would be without the jurisdiction of the court.

Mr. FITZGERALD. Because we—

The CHAIRMAN. And the court would not know about this.

Mr. FITZGERALD. The court would know about it because the records of the union showed it, and we would not be left in a position where 13 dissidents in our terms, at least, were controlling the affairs of thousands of rank and file members in the administration of that union.

This money—may I finish?

The CHAIRMAN. If you say the court would know about it, then it would be the duty of the court, if he made such an order, to order this money immediately returned.

Mr. FITZGERALD. He undoubtedly would have tried to do that, and we would have appealed from it. There is nothing unusual about this, because it never went out of the union office. It never went into my hands. And as the records of the union will show, and as the

report will show, this money was held in escrow, and then returned to the general fund of the union as soon as—well, I think it was some period of time after.

The CHAIRMAN. Mr. Fitzgerald, when you say held in escrow, by whom, and what was the escrow agreement?

Mr. FITZGERALD. When I say escrow, I use that loosely, not strictly legally, because it never passed out of the hands of the union.

The CHAIRMAN. You don't want to say escrow, but you want to say that union officials tok that much money out, and held it in a lockbox somewhere.

Mr. FITZGERALD. In the union.

The CHAIRMAN. That is what it amounts to?

Mr. FITZGERALD. That is right.

The CHAIRMAN. Well, whether held in the union or put in a lockbox in a bank?

Mr. FITZGERALD. That is right.

The CHAIRMAN. In other words, the officers of the union withdrew the money and took control of it?

Mr. FITZGERALD. The officers who were charged with the welfare and protection of all the members of those two locals.

The CHAIRMAN. Well, of course, if the court made such an order, he was taking the responsibility away from those officers.

Mr. FITZGERALD. If he had made such an order.

The CHAIRMAN. As I understand you, no such order was made.

Mr. FITZGERALD. No, no such order was made.

The CHAIRMAN. And, finally, there was a consent agreement entered into the record, with monitors appointed, and so forth.

Mr. FITZGERALD. And after that, the money was returned to the general fund.

The CHAIRMAN. You say it was returned to the general fund of the union?

Mr. FITZGERALD. Yes. The 1958 records of the union will show that and the Government reports—I forget the name of that, I forget the number of that. It shows on the reports of the union filed with the Government, I believe.

The CHAIRMAN. Proceed.

Mr. KENNEDY. What was that charged to on the union books?

Mr. FITZGERALD. I don't know, Mr. Kennedy. I was not in town. It strikes me from the way the checks look, it was charged to attorney's fees.

Mr. KENNEDY. What was it charged to, Mr. Bellino?

Mr. BELLINO. Legal fees is my recollection.

Mr. FITZGERALD. It may have been, but I am telling you what the transaction was. They undoubtedly would have been legal fees. If the court had issued such an order, believe me there would have been legal fees in connection with it, and that money undoubtedly would have been used for legal fees to protect the property rights of all of the members in those two locals in the city of Detroit.

Mr. KENNEDY. You gave them the advice that they could write these checks under those circumstances?

Mr. FITZGERALD. That is right. That is right, and I think I was justified. I think it is a common practice to protect the interest of your clients. If I did not do that, I would have been derelict.

MR. KENNEDY. I think the judge and the court were also interested in it, your clients are the union, not just Mr. Hoffa and Mr. Brennan.

MR. FITZGERALD. Well, the judge in court was interested, but also my clients' interest was paramount to me.

MR. KENNEDY. The judge was not going to steal the money, Mr. Fitzgerald.

MR. FITZGERALD. I don't say the judge was going to steal the money. But I have seen unions paralyzed by court orders. I did not intend and I would not intend to sit by and see that happen. And if I represented you or a corporation, I would not want to have you paralyzed by what I thought was an unjust order.

MR. KENNEDY. And insured that in case that happened, the legal fees would be paid?

MR. FITZGERALD. The legal fees? Yes, because if there was an attempt on the part of the court to paralyze a particular corporation or union or individual, the first thing he needs is a lawyer, and the only way you get most lawyers is by paying them.

MR. KENNEDY. Have you had some financial transactions with Mr. Benjamin Dranow, Mr. Fitzgerald?

MR. FITZGERALD. Yes, I think I did. I had one.

MR. KENNEDY. What was that about?

MR. FITZGERALD. Well, I loaned Mr. Dranow \$5,000 as my records show, my checks show. And then I think what I did was buy from Mr. Dranow a couple of sweaters and something.

THE CHAIRMAN. Who is Mr. Dranow?

MR. KENNEDY. Mr. Chairman, Mr. Dranow is the gentleman in Minneapolis who was involved when Gerald Connelly took over the department store. It was to him that the Teamsters made the loans of about a million dollars. They had made a loan prior to that of \$200,000 for the department store.

THE CHAIRMAN. Is Mr. Dranow the head of the department store?

MR. KENNEDY. He owns the department store. The department store has now gone into bankruptcy. Mr. Dranow has taken off and we have not been able to find him. He has been gone for about 8 weeks out.

MR. FITZGERALD. To straighten the record out, I had absolutely nothing to do with the Dranow loan of the Teamsters, positively nothing.

THE CHAIRMAN. You say you made a loan. Is this the check covering it?

(The document was handed to the witness.)

MR. FITZGERALD. That is the check.

THE CHAIRMAN. That may be made exhibit 143.

(The document referred to was marked "Exhibit No. 143" for reference and will be found in the appendix on pp. 14921-14922.)

SENATOR MUNDT. Did you get your \$5,000 back?

MR. FITZGERALD. No; I have not.

SENATOR MUNDT. All you got out of it was a couple of sweaters?

MR. FITZGERALD. I haven't gotten my money back. I hope I do.

SENATOR MUNDT. Can you tell us where Mr. Dranow is now?

MR. FITZGERALD. No, I can't.

SENATOR MUNDT. How long has he had your \$5,000?

MR. FITZGERALD. I think that was issued in—

The CHAIRMAN. August 1956.

Mr. FITZGERALD. August 1956.

Mr. KENNEDY. What collateral did he give you?

Mr. FITZGERALD. All I had from Mr. Dranow was a note.

Mr. KENNEDY. Do you have that note?

Mr. FITZGERALD. No. I think I have the note, yes. I haven't had—as a matter of fact, when this transaction came out, or came up, I was going to have the note executed on it.

I believe the note was executed—not at that time or later—

Mr. KENNEDY. Do you have the note in your possession?

Mr. FITZGERALD. I don't know. I don't know whether I have it or not, Mr. Kennedy. I will check it.

Mr. KENNEDY. Where would the note have gone to?

Mr. FITZGERALD. The note would have gone to me.

Mr. KENNEDY. Where is it now?

Mr. FITZGERALD. That is what I don't know.

Mr. KENNEDY. If it is \$5,000 you know where the note is.

Mr. FITZGERALD. I don't know where the note is.

The CHAIRMAN. You say you don't even know whether you have a note or not?

Mr. FITZGERALD. I am not certain.

The CHAIRMAN. Are you certain he did give you a note?

Mr. FITZGERALD. I can't say that positively. The reason I say that was this: At the time I loaned him the \$5,000, a note was going to be executed. It is my memory that a note was executed by him to me.

Now, I have tried to find this note ever since I checked that transaction.

The CHAIRMAN. And you can't find it?

Mr. FITZGERALD. I will find it if it is in existence, but I have not been able to find it up to the present time.

Senator MUNDT. Mr. Fitzgerald, \$5,000 is quite a load of hay.

Mr. FITZGERALD. That is a load of hay.

Senator MUNDT. That your money, or the Teamsters' money?

Mr. FITZGERALD. That is my money. It came out of my bank account.

Senator MUNDT. When you loan a man \$5,000 you have some concern about it?

Mr. FITZGERALD. I have a concern about it.

Senator MUNDT. And about having some evidence that he owes it to you.

Mr. FITZGERALD. I have a concern about it, and as far as that is concerned, I have no concern about being paid for it, or else I would not have loaned it to him originally.

Senator MUNDT. Had you had previous transactions that led you to believe he was reliable?

Mr. FITZGERALD. No. Well, my relation was never a business relation with him. I knew Dranow back in the days when he worked in Robinson's store in the fur department in Detroit. That is many years ago, and I have seen him off and on since then.

The CHAIRMAN. What was the source of the \$5,000 that you loaned him?

Mr. FITZGERALD. That was my own money, my fees.

The CHAIRMAN. I believe the records show you deposited \$5,000 the same day

Mr. FITZGERALD. That is correct.

The CHAIRMAN. What was the source of that?

Mr. FITZGERALD. Well, the source of that was money from checks and accumulation of money that I had and had in my office, and I would have had it in the office when Dranow wanted the money. I went and put the money in the bank so I could show, and instead of giving him cash money I would have evidence of the issuance of a check to him. I did it for my own self-protection.

The CHAIRMAN. It would seem at that time you would also get a note from him.

Mr. FITZGERALD. Well, yes, it would have, at that time, except—I even took Mr. Dranow over to the bank. He was trying to establish credit at that time. We were going to execute the note later. It was a short-term proposition, as far as I was concerned.

The CHAIRMAN. When was this loan made by the Teamsters to his company?

Mr. FITZGERALD. I don't know. A long time before that, Mr. Chairman.

Mr. KENNEDY. I believe the same year, 1956.

Mr. FITZGERALD. I don't know. I did not have anything to do with the loan. I have just stated that.

Mr. KENNEDY. I see.

The CHAIRMAN. I know. I wanted to see whether it was before or after. Do you have that record?

Mr. FITZGERALD. Mr. Chairman, I know that it was before, because he talked about that when I talked to him in Detroit.

Mr. KENNEDY. Aren't you the attorney for the Michigan Conference of Teamsters?

Mr. FITZGERALD. I am the attorney for the Michigan Conference of Teamsters, but I did not have anything to do with the Dranow loan whatsoever.

Mr. KENNEDY. The \$200,000 loan was made on the same day—June 6, 1956. Excuse me.

Mr. FITZGERALD. When did I give him the check?

The CHAIRMAN. What intrigued me was he was trying to get credit established at a bank. I thought if a fellow would go out and borrow \$200,000—

Mr. FITZGERALD. I don't know how serious that was. He was talking about establishing credit.

As a matter of fact, that did not have too much to do with it. He has credit with banks.

The CHAIRMAN. Didn't you just say a moment ago he wanted to get credit established?

Mr. FITZGERALD. No. We talked about it at the time we went over to the bank.

The CHAIRMAN. That is what I am talking about in August.

Mr. FITZGERALD. Yes.

The CHAIRMAN. And this note had been made in June 1956, 2 months before.

Mr. FITZGERALD. He had credit at other banks, Mr. Chairman. As I recall his conversation, he wanted to know if he could establish any credit. I introduced him to one of the officers and left it there. That is all I had to do with it.

I didn't represent him.

Mr. KENNEDY. Once again, where did you get the money that you deposited in your bank account that day?

Mr. FITZGERALD. I got it from my office, which was an accumulation of fees.

Mr. KENNEDY. Cash, was it?

Mr. FITZGERALD. It was cash money, yes.

Mr. KENNEDY. \$5,000 in cash?

Mr. FITZGERALD. Right.

Mr. KENNEDY. You kept that at your office?

Mr. FITZGERALD. That is right.

Mr. KENNEDY. Let me ask you about another matter. You made a payment to Mr. Lawrence Burns in 1953?

Mr. FITZGERALD. I undoubtedly did.

Mr. KENNEDY. Excuse me, February 13, 1954.

Mr. FITZGERALD. I probably did.

Mr. KENNEDY. That was for \$2,400?

Mr. FITZGERALD. February of 1954? That would seem to be in connection with that Buffalino and Nicoletti lawsuits. I know Burns did a tremendous amount of work over that period of time.

The CHAIRMAN. I present to you a check dated February 13, 1954, in the amount of \$2,400. State if you identify it.

(The document was handed to the witness.)

Mr. FITZGERALD. Mr. Lawrence Burns is an attorney. From the date, it would be my recollection that this was in connection with the matters of the grand jury. This was an accumulation of work over a period of time from the time the grand jury started.

Mr. KENNEDY. You were reimbursed for that.

The CHAIRMAN. That check may be made exhibit 144.

(The document referred to was marked "Exhibit 144" for reference and will be found in the appendix on p. 14923.)

Mr. FITZGERALD. When I say the grand jury work, Mr. Chairman, I would like to have the record show it was in connection with the Calahan grand jury work, which involved the investigation of the Teamsters. It is my belief that this check was payment for an accumulation of work he had done over a period of time.

Mr. KENNEDY. He was representing Vincent Meli at that time.

Mr. FITZGERALD. Yes, I think he probably was, but that had nothing to do with what he did for me.

The CHAIRMAN. Let me see that check a moment.

The check made exhibit 144 is dated February 13, 1954. Now I hand you another check from joint council 43, good and welfare fund, dated February 12, 1954, in the same amount, \$2,400. Can you identify that check, a check made payable to you?

(The document was handed to the witness.)

Mr. FITZGERALD. What is the date of that check, Mr. Chairman?

The CHAIRMAN. The date of this one here, to Mr. Burns, is dated February 13, 1954.

Mr. FITZGERALD. What I did was bill the union, and then I got the money from the union and I paid it to Burns for the work he did. This check corresponds with the other check.

The CHAIRMAN. That may be made exhibit 144A.

(The document referred to was marked "Exhibit No. 144A" for reference and will be found in the appendix on p. 14924.)

Mr. KENNEDY. Why didn't Mr. Burns bill the union directly?

Mr. FITZGERALD. Why didn't he? At that time he was not billing the union directly. Why it was done is because all the work he did was under my direction. Not under my direction but under my authorization. He didn't have any specific authorization from the union to work on the matter.

I billed them because it was my responsibility.

Mr. KENNEDY. It was not in connection with this representation of Mr. Vincent Meli?

Mr. FITZGERALD. No, not anything to my knowledge, that he would have any payment for representation of Vincent Meli. Not through me.

Mr. KENNEDY. But he was representing Vincent Meli at the time. Do you deny it?

Mr. FITZGERALD. Now, don't start that. I knew that he represented Vincent Meli.

He was part of a conspiracy with the Teamsters. But what he got from Vincent Meli is his business. He worked for me on the Buffalino conspiracy case and on what I might term the Keating conspiracy case, two cases, and did a lot of work on them.

The CHAIRMAN. Buffalino is an officer in the union who was indicted?

Mr. KENNEDY. Yes.

Mr. FITZGERALD. And found not guilty by a jury.

Mr. KENNEDY. That was a case we discussed earlier where Judge Gillis presided?

Mr. FITZGERALD. Yes, and Judge Gillis did not get into the jury room any more than you did.

The CHAIRMAN. I present to you a check dated January 3, 1955, drawn on the joint council 43 defense fund in the amount of \$5,000 payable to Joe Louisell. Would you examine that check and state if you identify it.

(Document handed to witness.)

Mr. FITZGERALD. What I have to say about this one, is strictly hearsay, but I mean I preface it that way. Not that you are not allowed to listen to hearsay here.

The CHAIRMAN. Do you know about the check?

Mr. FITZGERALD. I know of it in a second- or third-hand fashion. I had nothing to do with the employment of Louisell, but I do know this, that Louisell was representing one of the coconspirators. Louisell did a tremendous amount of work in the Buffalino case in connection with Mr. Buffalino's interest.

The CHAIRMAN. I see on the back of the check it says "In full settlement of the Buffalino case," I believe.

Mr. FITZGERALD. That is right. You see, it is a conspiracy case, and you have 4 or 5 defendants involved. I may represent a coconspirator and I may be paid a stipulated amount with him. However, because the act of one conspirator is attributed to every one, as you well know, you have a joint defense. Now, during the course of that, I had been called upon many times to perform work which rightfully should not be billed to the client I represent, but which I am doing at the request

of another defendant. I think that was the situation with Mr. Louisell as far as I know. I know he did a tremendous amount of work in preparation for that case and during the trial of it.

Mr. KENNEDY. Actually, he was representing Mr. Turk Prujansky; was he not?

Mr. FITZGERALD. I think on the record he did. Did you ever try a conspiracy case, Mr. Kennedy?

The CHAIRMAN. I can understand that in a conspiracy case if you are able to serve one you probably in some respects are serving all of them.

Mr. FITZGERALD. If you don't, Mr. Chairman, they generally all go to jail. That is what happened. If one lawyer is just serving his own client in a conspiracy case without respect to the other fellows, the lawyers go crazy and the clients go to jail. That is about what happens.

The CHAIRMAN. Well, obviously the lawyers did not go crazy, but the point I am making here is the union paying for all of this defense for these folks.

Mr. FITZGERALD. They didn't pay for that. Mr. Louisell——

The CHAIRMAN. Isn't that from the union?

Mr. FITZGERALD. That is from the union. As I understand it, he was called upon by Mr. Buffalino and by union people to work on different phases and aspects of that case.

Mr. KENNEDY. But that is for his representation of Mr. Prujansky. That is what he told us.

Mr. FITZGERALD. Did he?

Mr. KENNEDY. Yes.

Mr. FITZGERALD. I told you this was second or third hand with me. If he told you that, I would be very much surprised.

The CHAIRMAN. For the record, who was Mr. Prujansky?

Mr. FITZGERALD. He was a codefendant in the union case.

The CHAIRMAN. Was he a union official?

Mr. FITZGERALD. No.

The CHAIRMAN. So the union was paying——

Mr. FITZGERALD. No. I am entirely removed. I am only telling you what I believe happened here.

The CHAIRMAN. Maybe you can't throw any light on it——

Mr. FITZGERALD. I can't.

The CHAIRMAN. But I can't understand, certainly, a union going out and paying a lawyer's fee for somebody who is not an official.

Mr. FITZGERALD. I don't believe the union did. As a matter of fact, I would be sure they would not, because I know if he did work in that case, he did work for the union or for union defendants who were on trial, or, I should say, at the request of union defendants who were on trial.

The CHAIRMAN. The check may be made exhibit 145. We will get further identification of it. But since I have presented it to you and interrogated you about it, we will make it an exhibit.

(The document referred to was marked "Exhibit 145" for reference and will be found in the appendix on p. 14925.)

Mr. KENNEDY. I think we already have some of the background of Mr. Prujansky in the record.

The CHAIRMAN. The committee will stand in recess until 2:30.

Mr. FITZGERALD. Mr. Chairman, do you need me this afternoon?

Mr. KENNEDY. I would like to get the rest of your records, Mr. Fitzgerald.

Mr. FITZGERALD. You got all of my records that I can furnish you with, to the best of my knowledge. I don't know what records you are referring to.

The CHAIRMAN. You don't want him to testify any further today, do you?

Mr. FITZGERALD. Do you want me this afternoon?

Mr. Chairman, before you break up, I would like to have from Mr. Bellino the records of joint councils 43 and 876, which I believe I am entitled to. They have had sufficient time to examine them.

If they want to get them back, I would like to have them photostated or verifaxed. That is the only thing I have been asking for, and I never hear from them.

The CHAIRMAN. We will work it out, and if we are not through with them, we will get through with them.

(Whereupon, at 12:55 a recess was taken until 2:30 p. m. of the same day, with the following members present: Senators McClellan and Mundt.)

AFTERNOON SESSION

(At the reconvening of the session the following members were present: Senators McClellan and Mundt.)

The CHAIRMAN. The committee will come to order.

TESTIMONY OF GEORGE S. FITZGERALD—Resumed

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

Mr. FITZGERALD. Mr. Chairman, before Mr. Kennedy proceeds, may I make an observation or a statement covering some matters that arose this morning?

The CHAIRMAN. You may.

Mr. FITZGERALD. I was questioned this morning, and I made certain statements concerning the item of \$50,000, which was changed from bank funds of local 299 and local 337 to what might be termed the cash currency reserve fund. That was in 1957, the 2 checks that you showed me.

The CHAIRMAN. The two checks that you took out at the time you anticipated an adverse court order.

Mr. FITZGERALD. Yes. Well, now, there are several points to be made in that connection which may not have been clearly stated this morning.

I might state that I called committee counsel last night. I talked to him in the hall and I told him I did not want to pry into what he wanted to inquire into, but I asked him if he could tell me what fields he wanted to explore so that I would be prepared to answer. I did call him and he told me he would refer to some of my personal records, including the question of items that were marked "Investigation."

The CHAIRMAN. Is that these two checks?

Mr. FITZGERALD. That is right, but I am not through yet, if I may continue very, very briefly.

The CHAIRMAN. I am just trying to understand you.

Mr. FITZGERALD. To return to the cash reserve fund of \$50,000 or to the transfer of that money from the bank funds of those 2 locals, to

a cash reserve fund, because that is what it amounted to because it never left the hands of the union, either local, I believe the following must be understood.

First, I want to state on the record there was no plan, scheme, or device to circumvent or thwart any possible order of any court, whether it was in Detroit or Washington.

Secondly, it had nothing directly to do with the proceedings against the international union and the officers thereof that had been instituted in the District of Columbia.

Third, it was our information, that was the officers of the union and my own, based merely on rumor, that the bank funds of local 299 and local 337 might be tied up. The officers of the union and I, as their attorney, owed a duty to the employees and to the administrative staff of the unions to see that their salaries were paid, and that they were able to carry on.

The union had certain contract obligations, the functions of which could not await the outcome of any proposed or prospective litigation.

These union functions had to be carried on from hour to hour to day to day, and without that the hundreds of business firms who do business under collective bargaining contracts with these locals might find themselves out of business because thousands of union employees would have no responsibility to guide them as far as the union was concerned.

Now, the union and its members could not and did not lose anything by virtue of the transfer of the funds and the form in which it was made. Not even interest was lost, because the funds were in a commercial account where no interest was paid. The payroll of the union was in excess of \$10,000 per month, I believe of both locals, and the advice I gave concerning this matter was without opportunity for long research and investigation.

It was, as I said before, and as I presently believe, done over the telephone. I believe I was right then and I believe I did the proper thing in the interest of my clients. Now because of my prior interrogation about attorney's fee, and my overwrought feelings on that subject, I may have overemphasized attorney's fees and legal protection in this morning's statements.

One of the basic and underlying reasons for the advice was to protect the union and to protect its contracts with employers and to protect the employees of the unions and preserve the proper administration of union affairs. These rumors start from any place. I believe that this rumor grew out of the proceedings before Judge Letts, and that those proceedings might give other dissidents an idea to start similar proceedings in Michigan.

I believe in my testimony—I have not seen the transcript—that I made a reference to Judge Letts' proceedings. I have been told that an inference could be drawn from that, that that had some bearing, or any decision of Judge Letts had controlling importance as far as my decision was concerned to give this advice, to transfer these bank deposits to a cash reserve fund.

I want to correct that, because it is apparent on its face that the proceedings before Judge Letts was against the international union, and it could not in any way have affected local 337 or 299, because neither of those locals, nor their officers, nor their membership, were

involved in that lawsuit. So any court decision of Judge Letts would necessarily apply to the international union.

I did not want the chairman or the committee to feel that it would be an attempt to circumvent Judge Letts' order because Judge Letts' order could merely be directed to the parties to the lawsuit, which was the international union.

When I talked to Mr. Kennedy last evening and asked him about this, and he told me it was a question of investigations, I in good faith accepted that. I had no means of knowing what matters this interrogation was going to affect, or what they were going to go into. So all morning long I have been attempting to give off-the-cuff answers to many things that I had not had the opportunity to refresh my recollection about.

I would like to read into the record from a news ticker tape that came out this morning: "Senate rackets probers recall Teamsters' lawyer, George S. Fitzgerald, for more questioning today, but made mystery of what they would ask him. Robert F. Kennedy, counsel to the investigating committee, told reporters he did not want Fitzgerald to know in advance the subjects to be explored."

Now I say, Mr. Chairman, I am going to ask that this be made an exhibit and put into the record.

The CHAIRMAN. You have read it in.

Mr. FITZGERALD. Well, all right. I am not trying to be too personal about this thing, but I think in view of my request on Mr. Kennedy last night to advise me, and in view of the fact that he did say it was investigations, it should be understood that this does not—and many of these things do not—partake of a legislative investigation.

But apparently from his standpoint, from the fact he wants to keep shrouded in mystery the questions he wants to ask me, it partakes of a legislative trial, an inquisition, or a grand jury proceeding. I did not think that I was coming in for that, not that it makes too much difference. I would have still given my answers to the best of my recollection.

But I don't think it is quite fair in view of, I believe, the cooperation that I have attempted to extend to the committee up to now. I just want to make that a part of the record. I am not the least bit angered about it, but I am somewhat taken back.

The CHAIRMAN. Let me say this now: You are a lawyer and I once tried to be. In a matter of inquiry such as this, a grand jury inquiry, or even a legislative inquiry where we are looking into things, and we have looked into many things that are corrupt and where there is some indication there may be corruption and we should inquire into it, you don't go around and tell everybody exactly what you are going to do when you get in a courtroom or a committee room.

There is no great secret about the general subject matter that we are inquiring into. May I say this now, gentlemen? I didn't know you wanted an argument, but going back to your \$50,000, suppose a bank official would get a rumor that someone is going to put the bank in receivership. Would those bank officials have a right to take out \$50,000 and lay it aside somewhere?

Mr. FITZGERALD. They didn't take it out. I don't say we took anything out. I say that all that was done in this instance, if this is an argument, is that the funds were put into such a position that attor-

ney's fees, and as I said his morning, and the administrative functions could be paid for during the progress of the litigation. That was all that was done, and I think that—

The CHAIRMAN. Well, the bank officials couldn't do it, as you did.

Mr. FITZGERALD. Well, I don't know.

The CHAIRMAN. You will agree with me on that, wouldn't you?

Mr. FITZGERALD. I don't know about that. You are talking about a bank, and you can't have the same rules written for both. As a matter of fact you gentlemen in Congress haven't written the same rules for labor unions that you wrote for banks.

The CHAIRMAN. We haven't gone as far, and that is something that you folks don't want us to do.

Mr. FITZGERALD. I don't know about that. When you say, "you folks," you are covering, Mr. Chairman, a wide territory.

The CHAIRMAN. Let's just make it the Teamsters Union, then.

Mr. FITZGERALD. No, sir; I have never expressed an idea on what you want to do. Whatever rules you decide to write, I as counsel will tell this Teamsters Union to live by them, and that is the way we have always proceeded. When you wrote the Taft-Hartley Act, the union people didn't like it, but they have lived under it.

That is the same way, if you write some other rules. I am not objecting to what you are trying to do. I am not objecting to what you are trying to do here.

The CHAIRMAN. Let us not argue any further. You mentioned that we haven't written the same rules for banks as we have for unions. We haven't. I think that these hearings have thoroughly demonstrated that we need to write some new rules.

Mr. FITZGERALD. All you have to do, Mr. Chairman, is to convince the Congress. I haven't anything to do with that. Apparently there are quite a few that disagree with it. I don't know.

The CHAIRMAN. That is what we are holding these hearings for, to get the facts together.

Mr. FITZGERALD. If you go on long enough, you might convince some more.

The CHAIRMAN. Let us proceed.

Senator MUNDT. This morning, Mr. Fitzgerald, you did say that the trial before Judge Letts had given rise to rumors which you had heard which induced you to give this advice to the locals that had put this money into a separate fund. Now you tell us that on reflection you recall that Judge Letts was dealing only with the international officers and that consequently his court could not conceivably have taken any legal action to hold those funds.

Is that right?

Mr. FITZGERALD. I think that you are right on both counts. May I answer it this way—

Senator MUNDT. That is an answer. I have no question on that. I am leading now to whether you want perhaps to give some different explanation of the rest of your testimony this morning, when you told us that it was after Judge Letts had appointed the monitors that you then advised the union officials to turn the money back to the local treasury, and I was wondering why in view of the fact that the Judge Letts case had nothing to do with the original action it was the appointment of the monitors that led you to give them that second bit of counsel.

Mr. FITZGERALD. I didn't give them any counsel on that, Senator Mundt. I am glad you brought it up, because it will help clarify it.

Senator MUNDT. You said this morning it was after the monitors were appointed that the money was returned to the original union funds.

Mr. FITZGERALD. I was stating that from the standpoint of time. It was not because that happened. I didn't give them any advice when to put it back. I merely said now, and if I may state it properly, I did not advise them when to put it back. It is my understanding that when the proceedings before Judge Letts cooled off, it was put back.

Senator MUNDT. I may have inadvertently implied that you advised them to put it back, and I am not sure that you said that this morning. I am positive you said this morning that they put it back after the monitors were appointed.

Mr. FITZGERALD. Sometime after.

Senator MUNDT. And certainly your testimony, taking two things in juxtaposition, indicated that that was the reason why they had put the money back. I am wondering why that particular action by Judge Letts would bring about the restoration of the funds since you now tell us, and I think correctly, that the Judge Letts case had nothing to do with these two local unions.

Mr. FITZGERALD. Let me say this, and I think the record which the committee staff has will bear it out, that immediately upon the appointment of the monitors or let me put it better—immediately upon this consent order being entered by Judge Letts, and the appointment of the monitors under the consent order, it is my understanding that the money wasn't immediately put back but when the situation cooled off so that these dissident groups apparently had cooled off, that is when the money was put back. I don't know.

I know it was not put back immediately upon the appointment of the monitors, and I think it was some time after that. But I am in no position to state what date. In other words, what I am trying to say is this:

I am saying it very badly, but when the consent order was entered and the monitors were appointed, this money was not immediately put back in there. There were other factors involving union internal matters, I would assume, that intervened and eventually when the international union started proceeding under this monitor arrangement and the local unions had settled down in their ordinary business, I believe the money was put back.

Senator MUNDT. I was simply trying to understand this: I think you are correct when you tell us now that the hearing before Judge Letts had nothing whatsoever to do with taking the money out. I couldn't explain in my own mind why the decision of Judge Letts should have anything to do with putting the money back.

Mr. FITZGERALD. Well, only apparently, I know in the beginning the reason it was done was because the rumors were afloat, and apparently when they put it back the rumors had died down. That is my best explanation of it.

The CHAIRMAN. There is one other thought. Any court making an order placing a union in receivership or trusteeship would have jurisdiction to make a proper order with respect to the distribution or disposition of funds and the use of them. I can hardly conceive

that a court would put a union in receivership or trusteeship and tie up the union to where no one could operate it and no one would be authorized to disburse funds for proper and legitimate union purposes.

Mr. FITZGERALD. Well, in my experience over 25 years of representing trade unions, there have been many attempts to do that, Mr. Chairman.

It is not so much lately, since unions reached a position that they have today, but in the early days there were those things done and worse, or attempted to be done.

The CHAIRMAN. Are there any further questions?

Mr. KENNEDY. When was the money redeposited, Mr. Fitzgerald?

Mr. FITZGERALD. I don't know, and I haven't any record. Mr. Belino has it, and it was in 1958, and you can check the union records, or I could find it out for you, if you want me to.

Mr. KENNEDY. So this situation that you described this morning, about Judge Letts and the court, is not correct? This, which you are telling us this afternoon, is correct?

Mr. FITZGERALD. Oh, no. That isn't so, Mr. Kennedy.

Mr. KENNEDY. Was it correct this morning what you told us about why it was done?

Mr. FITZGERALD. Just a minute, there is no incorrection. There is no need of correcting anything. I said, and you didn't listen to me apparently.

Mr. KENNEDY. I thought that is what you spent the last half hour correcting—what you said this morning.

Mr. FITZGERALD. That is what you think, but you are wrong, and the record will show. I said that because you had questioned me about attorney's fees, I was a little bit overwrought about it, just perhaps like a real-estate man might be or any other person in a profession when someone else questions his right to set his fees. You may have overemphasized the fact of attorney's fees in relation to this \$50,000. What I tried to point out to you today or this afternoon is that upon reflection there were other factors involved, and I have attempted to state them.

Mr. KENNEDY. Now, did it have anything to do with the court proceedings here in Washington, before Judge Letts?

Mr. FITZGERALD. Only in relation to the fact that the rumors grew out of that, and as a matter of fact, the rumors grew out of the litigation before Judge Letts.

Mr. KENNEDY. That the court would step in and take over this local union?

Mr. FITZGERALD. What is that?

Mr. KENNEDY. That is what I am asking you.

Mr. FITZGERALD. That the court would step in, and I just gave you a reason and a good, valid, legal reason that this court, Judge Letts couldn't step in because those two locals weren't a party to the action.

Mr. KENNEDY. Who was going to step in?

Mr. FITZGERALD. Courts in Michigan, and that would be the only court that would have jurisdiction over those locals.

Mr. KENNEDY. So that the reason the \$50,000 came out was because rumors, arising out of the court case here in Washington, stated that a court in Michigan was going to step in and take over the local, and you wanted \$50,000 out.

Mr. FITZGERALD. You are simply filing it for your own purposes. The CHAIRMAN. Well, I think we have made a record on this.

Mr. FITZGERALD. I have tried to straighten it out, and I could answer your questions.

Mr. KENNEDY. Mr. Fitzgerald, how much money in loans have you received from the Teamsters Union?

Mr. FITZGERALD. You say me, personally?

Mr. KENNEDY. You or a company with whom you are associated.

Mr. FITZGERALD. Those two. There was the Marbury Construction Co., which was testified to by Mr. Grosberg.

Mr. KENNEDY. How much is that?

Mr. FITZGERALD. I don't know. Here we are at the beginning, Mr. Kennedy. You are asking me for off-the-cuff statements and I have no records in my possession at this time either of the Marbury Construction Co., or of anything else and I find it impossible to reconstruct anything without reference to those records.

Mr. KENNEDY. What other companies are there?

Mr. FITZGERALD. With the return of my records, I will be happy to examine the record and make a complete answer. I must ask the chairman for the right to make a complete answer, and not to guess. I have had too many matters in the last 35 years to be ready with any off-the-cuff answers.

Now, I am compelled reluctantly, Mr. Chairman, to take this position, but I must in view of the fact that Mr. Bellino and the testimony regarding the Gillis brothers this morning, failed in the beginning to tell of the \$8,300 check which I had received from the Building Service Union, on the very same day when I gave Phillip Gillis a check for \$3,500.

Now, the withholding of that information by Mr. Bellino, whether it was done by mistake or what it was, almost resulted in a mixup, and if it wasn't for Senator Mundt's question I would have been making assumptions.

The CHAIRMAN. Now, Mr. Fitzgerald, we asked you a question and if you can't answer, just say you can't answer. If you don't know the answer to it, just say so. The Chair has told you that upon anything you testify about here, where you say you are not sure, you may file a memorandum stating what the facts are.

Mr. FITZGERALD. Pardon me; I am sorry, I didn't mean to interrupt you.

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

The CHAIRMAN. The \$8,300 item—we had not finished with the witness—we can't say everything at one time. Nothing is going to be concealed as far as this record is concerned, if we have it.

Mr. FITZGERALD. I appreciate that.

The CHAIRMAN. I can say that to you.

Mr. FITZGERALD. I know that.

The CHAIRMAN. You don't have to worry about that.

Mr. FITZGERALD. I know that. That is the least of our worries when we come before this committee. There are no worries about that.

The CHAIRMAN. All right. Let's proceed, then.

Mr. KENNEDY. Do you know any other company that you have been associated with?

Mr. FITZGERALD. Yes. The Marbury Construction and the Union Square Agency.

Mr. KENNEDY. What is the Union Square Agency?

Mr. FITZGERALD. That is an insurance firm.

Mr. KENNEDY. Did you receive a loan?

Mr. FITZGERALD. We received a loan from the health and welfare—the Michigan Conference of Teamsters health and welfare fund.

Mr. KENNEDY. Who was in that company with you?

Mr. FITZGERALD. Mr. Herb Grosberg, Ben Grosberg, Moe Wolfgang, and myself.

Mr. KENNEDY. Herb Grosberg is the accountant?

Mr. FITZGERALD. He is the accountant. You know that. That was all testified to. You have had access to all of those records, too. We gave you complete access to those records, Mr. Kennedy. You have had a chance to examine them. You have examined Marbury Construction, so don't try to make a mystery out this one.

Mr. KENNEDY. I am just asking you questions. Don't you want the testimony to come in like that?

Mr. FITZGERALD. I want you to be honest with me and I will be honest with you.

This news release puts me on notice that you want to make a mystery of what questions you want to ask me. I don't want to get out of line here.

I am sorry, Mr. Chairman, but I have to deal now at arm's length with this gentleman which I did not think I had to do, because he is a lawyer like myself.

The CHAIRMAN. Just a minute now. The Chair wants to be very patient. You just answer questions or refuse to answer. If you can't answer, do your best.

Mr. KENNEDY. Just tell me who the other people are.

Mr. FITZGERALD. I just told you.

Mr. KENNEDY. Herb Grosberg and who else?

Mr. FITZGERALD. Read it back for Mr. Kennedy, please?

Mr. KENNEDY. Who are the other people?

Mr. FITZGERALD. I told you Mr. Grosberg, his father, and Mr. Moe Wolfgang.

Mr. KENNEDY. Mr. Moe Wolfgang is who?

Mr. FITZGERALD. He is an attorney in Detroit.

Mr. KENNEDY. How much money did you receive?

Mr. FITZGERALD. That I don't exactly know, and I am not going to guess. I will have to check the records, and I will file a memorandum, as the chairman suggests.

Mr. KENNEDY. We will put those figures into the record, and you can tell us whether they are correct.

Mr. FITZGERALD. Wait a moment, Mr. Chairman? I would like to object. After all, this is not a legislative trial. At this time, I think I am entitled to give my testimony without interruption and be excused or recalled. If Mr. Kennedy has other testimony he should put it in in the proper way.

After all, I have put up with this for 2 days in these constant interruptions. I know the committee, through the chairman, runs these proceedings. But I don't think this is a legislative trial.

The CHAIRMAN. Mr. Bellino, take the stand. State what you found from a search of the records the loans to be—the amount of them.

Mr. BELLINO. In connection with the Union Square Agency, on June 17, 1957, a loan of \$135,000 was made to Benjamin Grosberg, the father of Herbert Grosberg, and an associate in this Union Square Agency venture.

The CHAIRMAN. Is that the only loan to that company?

Mr. BELLINO. To that company; yes, sir.

The CHAIRMAN. Now the other one.

Mr. BELLINO. On November 21, 1957, the Michigan Conference of Teamsters welfare fund loaned to the Marbury Construction Co., through the Abstract & Title Guarantee Co., \$100,000.

The CHAIRMAN. All right. Those are the only loans that you have reference to?

Mr. BELLINO. Yes, sir.

The CHAIRMAN. That you have found?

Mr. BELLINO. Yes, sir.

The CHAIRMAN. Mr. Fitzgerald, do those amounts sound about correct to you?

Mr. FITZGERALD. They sound about correct, and those are the only loans.

The CHAIRMAN. Those are the only ones that you have received, you or any company association in which you have an interest have received?

Mr. FITZGERALD. That is right. Both loans are current. I think about \$55,000 or \$60,000 has been repaid on one loan, and the payments are being made regularly with 6 percent interest on the other loan.

The CHAIRMAN. What is on the other one?

Mr. FITZGERALD. I beg your pardon?

The CHAIRMAN. You said there was 6 percent interest on one loan.

Mr. FITZGERALD. I believe it is 6 percent on both. Now, that is only my judgment.

Mr. KENNEDY. Just one other matter. Did you advise Mr. Grosberg to destroy the net-worth statement of Mr. Hoffa?

Mr. FITZGERALD. No; I did not say destroy the net-worth statement. I told Mr. Grosberg when this matter came up and Mr. Hoffa was under investigation by the Internal Revenue Department and some of these accountants had some type of net-worth statement—I told him there was no requirement in law that Mr. Hoffa or any other taxpayer under auditor investigation of the Internal Revenue had the duty to make a net-worth statement to the Government.

I told him to get rid of it because it had no place in it. And I would tell the same thing to anybody I represented. It is not up to the taxpayer to make a net-worth statement unless he so desires.

Mr. KENNEDY. Were you representing him personally at the time, Mr. Fitzgerald?

Mr. FITZGERALD. Yes, I was representing Mr.——

Mr. KENNEDY. Were you being paid by him personally?

Mr. FITZGERALD. No; I was not paid at the time; do you mean have I been paid? I will be paid. I expect to be paid.

Mr. KENNEDY. When was this that you told him?

Mr. FITZGERALD. I don't know that.

Mr. KENNEDY. How long ago?

Mr. FITZGERALD. I would not have any idea.

Mr. KENNEDY. 1954, 1955, or when, 1957?

Mr. FITZGERALD. I don't know. I think it was during the course of this investigation.

Mr. KENNEDY. Since this committee started its investigation?

Mr. FITZGERALD. No.

Mr. KENNEDY. 1956, then?

Mr. FITZGERALD. I don't know the date.

The CHAIRMAN. What investigation?

Mr. FITZGERALD. This is an internal revenue investigation of Mr. Hoffa. It had no reference to this committee. I think, and you can't hold me to this—again I am on the off-the-cuff statements anyway, you see, you put me right into it again—I think it was even before this committee started.

I am not sure of it, but I think it was.

Mr. KENNEDY. You were being retained by the Teamsters at that time?

Mr. FITZGERALD. For my work for the Teamsters? Certainly.

Mr. KENNEDY. And you have never been paid by Mr. Hoffa for this advice to him?

Mr. FITZGERALD. I would look fine going down and asking Jimmie Hoffa to give me a special fee for advising him not to file a net-worth statement. What would I charge him? \$5?

Mr. KENNEDY. I don't know how much that would be worth.

Mr. FITZGERALD. This investigation is still going on.

Mr. KENNEDY. O. K.

That is all.

The CHAIRMAN. Are there any further questions?

Senator Mundt?

Senator MUNDT. No questions, Mr. Chairman.

The CHAIRMAN. All right. Thank you very much.

Where we have indicated, if there is any correction or any information you wish to supply by memorandum, you may do so.

Mr. FITZGERALD. I would like the opportunity to check the transcript and then I will know where I am at.

Mr. KENNEDY. Could I see the statement you referred to?

Mr. FITZGERALD. Which statement?

Mr. KENNEDY. The one of the news service.

Mr. FITZGERALD. Yes.

Mr. KENNEDY. Thank you.

Mr. FITZGERALD. I wanted to put it in my scrapbook. But you can put it in yours.

The CHAIRMAN. Just a moment.

Mr. FITZGERALD. I am sorry. That was said not—

The CHAIRMAN. The statement has been read into the record. I don't know whether he read all of it or not.

Mr. FITZGERALD. That was said facetiously, Mr. Chairman. Mr. Kennedy and I have indulged in that a lot.

The CHAIRMAN. All right.

Mr. KENNEDY. Mr. Hannan.

The CHAIRMAN. Mr. Hannan, come forward, 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. HANNAN. I do.

**TESTIMONY OF JAMES P. HANNAN, ACCOMPANIED BY
COUNSEL, JOHN J. SLAVIN**

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

Mr. HANNAN. James P. Hannan, 1822 Prespwich, Grosse Point Woods, Mich. My occupation is business manager of a hospital.

The CHAIRMAN. Business manager of a hospital?

Mr. HANNAN. Yes, sir.

The CHAIRMAN. Would you identify the hospital?

Mr. HANNAN. Maybury Grand Medical.

The CHAIRMAN. Where is that located?

Mr. HANNAN. Detroit, Mich.

The CHAIRMAN. Thank you.

You have counsel present?

Mr. HANNAN. Yes, sir.

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

Mr. SLAVIN. John J. Slavin, attorney, 2236 Guardian Building, Detroit, Mich.

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

Mr. KENNEDY. Mr. Hannan, you are an attorney, are you not?

Mr. HANNAN. Yes, I am, Mr. Kennedy.

Mr. KENNEDY. And you are admitted to the bar of the State of Michigan?

Mr. HANNAN. Yes, I am.

Mr. KENNEDY. And during one period of time, you were associated with Mr. George Fitzgerald; is that right?

Mr. HANNAN. Yes, I was.

Mr. KENNEDY. During approximately what time?

Mr. HANNAN. Approximately 1949 to 1952 or 1953.

Mr. KENNEDY. This was shortly after you became a member of the bar?

Mr. HANNAN. I was admitted in 1949.

Mr. KENNEDY. You also had some business dealings with a Mr. Holmes, of the Teamsters Union?

Mr. HANNAN. Yes, I have had some business dealings.

Mr. KENNEDY. That was approximately when?

Mr. HANNAN. Approximately November 1954.

Mr. KENNEDY. He advanced you some money, did he?

Mr. HANNAN. He loaned me some money, yes.

Mr. KENNEDY. For a package store?

Mr. HANNAN. For a package liquor store which I owned on Van Dyke Avenue, in Detroit.

Mr. KENNEDY. How much did he advance you?

Mr. HANNAN. I told you last night. Roughly ten to twelve thousand dollars.

Mr. KENNEDY. Have you repaid him that money?

Mr. HANNAN. I have repaid him the greater percentage of that money.

Mr. KENNEDY. How much remains to be repaid?

Mr. HANNAN. That I don't know. He has a note showing the unpaid balance.

Mr. KENNEDY. You don't know, yourself?

Mr. HANNAN. Not offhand, no. I don't have those records here.

Mr. KENNEDY. What was Mr. Holmes' position with the Teamsters Union at that time?

Mr. HANNAN. I think he had the same position then he has now, which is secretary-treasurer of local 337.

Mr. KENNEDY. Is he also with the welfare fund? Is he a trustee?

Mr. HANNAN. He is a trustee of the welfare fund.

Mr. KENNEDY. You had been interested in establishing a hospital, is that correct, during the 1950's?

Mr. HANNAN. Yes.

Mr. KENNEDY. Could you relate your conversations and how you got into that, briefly?

Mr. HANNAN. Do you mean my conversations—

Mr. KENNEDY. I want to lead up to the financial transactions, which we are interested in.

Mr. HANNAN. Well, do you want me to get into the fact of having a friend that was the director of the Michigan Hospital Survey Construction Commission, appointed by Governor Williams?

Mr. KENNEDY. Well, if you want to go into that.

Mr. HANNAN. I don't particularly care about it.

Mr. KENNEDY. But you had been interested in this?

Mr. HANNAN. I had been interested in this type of venture for quite some time.

Mr. KENNEDY. And you talked to Mr. McElroy?

Mr. HANNAN. I had talked to Mr. McElroy on many occasions about this type of venture.

Mr. KENNEDY. And ultimately you went and talked to Mr. Brennan; is that correct?

Mr. HANNAN. Mr. McElroy and I, during the course of probably a year or 2 years, had looked at many prospective buildings for this type of venture, which is a very common venture in Detroit. Eventually we found the building that we thought would be satisfactory for this purpose, at which time we went to the Teamsters and talked to Mr. Hoffa and Mr. Brennan. As I recall, it was on more than one occasion. This was a developing thing.

Mr. KENNEDY. Who owned the building at that time?

Mr. HANNAN. At that time, when we located the building—when I say located, it was advertised through a real-estate agent, and so on—the building was owned by a UAW-CIO local.

Mr. KENNEDY. So, you had these conversations with Mr. Brennan and Mr. Hoffa. What did they agree to?

Mr. HANNAN. They agreed that local 299 and local 337 of the Teamsters Union would buy this building for the price which the CIO union was asking for it at the time, which was \$36,500. We, in turn, bought the building from them on land contract, which is a conveyance of land in Michigan, for \$40,000.

Mr. KENNEDY. Why were Mr. Brennan and Mr. Hoffa interested in making this transaction?

Mr. HANNAN. Well, when we talked to Mr. Hoffa and Mr. Brennan about this thing, they apparently had had some information from other sources. They mentioned, I believe, a doctor, at that time—I don't recall his name—but they had some background in this type of

thing. They realized that there was a definite need for such a project in Detroit. Plus the fact that, as I recall it, they indicated that this was not too far afield from a medical program which the Teamsters themselves had been contemplating. In fact, I believe they have it in effect in some other parts of the country. So their position, as I recall it, was that if we weren't able to handle this thing, it would be beneficial for their union for the purpose that I have just indicated.

Mr. KENNEDY. So if it wasn't financially successful under your and Mr. McElroy's direction, the Teamsters would take it over?

Mr. HANNAN. That is correct.

Senator MUNDT. What was the reason, Mr. Hannan, that you didn't buy the building direct from the CIO, where you could have gotten it \$3,500 cheaper than from the Teamsters?

Mr. HANNAN. Because, as I recall it, the CIO, this particular local, had built a new local hall and they wanted to get rid of this building for cash. They had an unpaid balance in their new building and they wanted cash.

Senator MUNDT. You didn't have the cash?

Mr. HANNAN. We did not have the cash, sir.

Senator MUNDT. So what you actually paid, then, was \$3,500 extra for the property so you could buy it on a long-term contract?

Mr. HANNAN. That is correct, on a long-term contract.

Mr. KENNEDY. They purchased the building in July of 1955?

Mr. HANNAN. I believe that is correct.

Mr. KENNEDY. I will put in all the checks and details on it later. But it was in July 1955?

Mr. HANNAN. I would say so.

Mr. KENNEDY. Then was it arranged for a contractor to repair the building?

Mr. HANNAN. Yes, it was.

Mr. KENNEDY. Who did you get to do that work?

Mr. HANNAN. Some time after the building had been purchased, very shortly after the building had been purchased, Mr. McElroy and I talked to Mr. Brennan, and, as I recall it, to the best of my recollection, Mr. Brennan got ahold of Mr. Hixon, of the Hixon Construction Co., and he came over and met with us and we went over the remodeling of the building. Mr. Brennan at that time said that he would stand in back of the construction remodeling costs on this building, because the Teamsters, if the building had to be repossessed, they would have a use for it.

Mr. KENNEDY. So Mr. Hixon agreed to remodel the building?

Mr. HANNAN. To go ahead. Mr. Hixon completely remodeled the building and never drew any construction money through the whole period that he was working on the building.

Mr. KENNEDY. Never drew any money from you whatsoever?

Mr. HANNAN. Not a dime.

Mr. KENNEDY. He was doing other work for the Teamsters at that time?

Mr. HANNAN. I don't know that.

Mr. KENNEDY. But he agreed to do this?

Mr. HANNAN. Yes, he did.

Mr. KENNEDY. All right.

Then you were going to buy the building from the Teamsters. Did you obtain some money from someone to make that purchase? Or did you obtain some money during this period of time, some private loans?

Mr. HANNAN. No, we did not. I don't understand the question.

Mr. KENNEDY. In October of 1955, did you obtain some money?

Mr. HANNAN. Do you mean from the Teamsters?

Mr. KENNEDY. No. From anyone. Private loans.

Mr. HANNAN. No.

Mr. KENNEDY. Did you receive any loans from Mr. Hoffa or Mr. Brennan?

Mr. HANNAN. Yes, we did.

Mr. KENNEDY. When did you receive those loans?

Mr. HANNAN. Well, I think it is probably October you are talking about.

Mr. KENNEDY. Yes. How much money did you receive at that time?

Mr. HANNAN. That was either \$15,000 or \$16,000.

Mr. KENNEDY. I believe it was \$16,000. Is that right. You borrowed that money?

Mr. HANNAN. We borrowed that money personally from Mr. Hoffa and Mr. Brennan.

Mr. KENNEDY. That was paid in cash to you?

Mr. HANNAN. That was paid in cash.

Mr. KENNEDY. What did you do with that money?

Mr. HANNAN. That money was deposited in the bank in Detroit and subsequently checks were issued making down payments on the equipment for the hospital.

Mr. KENNEDY. Then in January of 1956, you received some more money from Mr. Hoffa and Mr. Brennan?

Mr. HANNAN. That would be \$15,000.

Mr. KENNEDY. Do you know where they got that money?

Mr. HANNAN. No, sir.

Mr. KENNEDY. Was that cash again?

Mr. HANNAN. That was cash again.

Mr. KENNEDY. Do you know where that money came from?

Mr. HANNAN. No, sir.

Mr. KENNEDY. So the two loans that you got from Mr. Hoffa and Mr. Brennan were \$31,000?

Mr. HANNAN. They made a total of \$31,000.

Mr. KENNEDY. Then did you apply for a loan from the Michigan Conference of Teamsters Welfare Fund?

Mr. HANNAN. Yes, I did.

Mr. KENNEDY. And did you receive a loan from them?

Mr. HANNAN. Yes, I did.

Mr. KENNEDY. How much money did you receive from them?

Mr. HANNAN. \$250,000.

Mr. KENNEDY. And that was on March 16, 1956?

Mr. HANNAN. That was in March of 1956.

Mr. KENNEDY. \$184,719.84 went to Hixon?

Mr. HANNAN. Whatever the checks show.

Mr. KENNEDY. I mean approximately that.

Mr. HANNAN. Around \$185,000, in round figures.

Mr. KENNEDY. And the remaining went to the medical center itself?

Mr. HANNAN. Well, then \$40,000—\$20,000 in round figures went to local 299, and \$20,000, again in round figures, went to local 337, to pay off the land contract, at which time we got title to the property.

Mr. KENNEDY. The land was conveyed to you on March 16, 1956?

Mr. HANNAN. That would be correct.

Mr. KENNEDY. So all this money had gone into this property. As of this point, you hadn't invested any money of your own?

Mr. HANNAN. That is correct.

Mr. KENNEDY. And all this money had gone into the property, and you didn't obtain title to the property until March 16, 1956?

Mr. HANNAN. That is right.

Mr. KENNEDY. The loan was made by the Michigan Conference of Teamsters welfare fund at a time when you didn't even own the property?

Mr. HANNAN. We had a land contract to buy the property.

Mr. KENNEDY. Do you have a copy of the land contract?

Mr. HANNAN. No, sir; I don't.

Mr. KENNEDY. There is no such contract in the Teamsters records that we could find.

Mr. HANNAN. I don't know about their records.

Mr. KENNEDY. Was it recorded?

Mr. HANNAN. Land contracts in Michigan, as a rule, are not recorded.

Mr. KENNEDY. Do you know where it would be? Nobody seems to have it.

Mr. HANNAN. No, sir; I wouldn't.

Mr. KENNEDY. The property, according to the records, was conveyed on March 16, 1956, and you issued two \$20,000 checks.

Mr. HANNAN. As I recall, they weren't exactly \$20,000.

Mr. KENNEDY. It seems to be \$20,000 to 337 and 299 on March 27, 1956.

Mr. HANNAN. Well, I don't recall. It seemed to me that one local got a few dollars more than the other one, to my recollection.

Mr. KENNEDY. Do you know when the mortgage from the Maybury Grand to the trustees of the Michigan Conference of Teamsters welfare fund was recorded?

Mr. HANNAN. No, I don't.

Mr. KENNEDY. About May 13, 1956?

Mr. HANNAN. I would assume that would have been recorded by their attorney. I don't recall.

Mr. KENNEDY. When did you repay the money to Mr. Hoffa and Mr. Brennan?

Mr. HANNAN. Their personal money that they loaned us was repaid to them roughly in July and August, or July, September, August, in that 3-month period, of 1956.

Mr. KENNEDY. The total amount of the \$31,000?

Mr. HANNAN. The \$31,000 was repaid to them.

Senator MUNDT. Where did you get the money to make that payment?

Mr. HANNAN. Out of our business.

Senator MUNDT. You were operating by that time?

Mr. HANNAN. We had started to operate as of February 1956.

Senator MUNDT. What is the status of the rest of the mortgage?

Mr. HANNAN. The mortgage at the present time, all of the payments are current. We pay 5 percent interest. Over the period of the 2 years we have paid the union back approximately \$1,000 a month in interest plus the principal.

Mr. KENNEDY. I would like to call Mr. Bellino to put the figures in, Mr. Chairman.

The CHAIRMAN. All right.

Mr. BELLINO. In connection with this project, on February 15, 1955, local 337 issued a check for \$1,000 to Hubbard Associates. They were the real-estate firm handling the transaction for the sale of the property.

That is check No. 6799, which they identify as coming from their records.

The CHAIRMAN. That may be made exhibit No. 146.

(The check referred to was marked "Exhibit No. 146" for reference, and will be found in the appendix on p. 14926.)

Mr. BELLINO. On March 14, 1955, there was an agreement for the sale of the Maybury Grand property by the UAW Education Association to local 337, of the Teamsters, for \$36,500. This agreement was signed by Burt Brennan as president of the Teamsters Union, and the appropriate representative of the UAW.

The CHAIRMAN. That agreement may be made exhibit No. 147.

(The document referred to was marked "Exhibit No. 147" for reference, and may be found in the files of the select committee.)

Mr. BELLINO. On July 5, 1955, local 299 issued a check for \$18,247.91, to Hubbard Associates, for their share of the cost of this property, and at the same time local 337 issued their check for \$17,247.91, which was the balance of their share for the cost of this property.

The CHAIRMAN. All right. Those 2 checks may be made exhibits 148, A and B.

(The checks referred to were marked "Exhibits 148-A and 148-B" for reference and will be found in the appendix on pp. 14927-14928.)

Mr. BELLINO. On September 19, 1955, there was an agreement, a building agreement, between the Detroit Teamsters Temple Association, Inc., signed by Robert Holmes, witnessed by James P. Hannan, with the A. N. Hickson, Inc., calling for the work on this property at Maybury Grand on a cost-plus 10 percent for supervision, and 5 percent contractor's fee; 10 percent overhead and a 5 percent contractor's fee.

The CHAIRMAN. In other words, over the actual cost there was 10 percent of it to be the plus and, in addition to that, there was 5 percent more for profit?

Mr. BELLINO. That is right. As I understand it, no effort was made to obtain any other contractors' bid on this project. It was done on the recommendation of Mr. Brennan.

Mr. KENNEDY. Is that correct?

Mr. HANNAN. Mr. Kennedy, yes; that is correct.

The CHAIRMAN. That agreement may be made exhibit 149.

(The agreement referred to was marked "Exhibit No. 149" for reference and will be found in the appendix on p. 14929.)

Mr. BELLINO. In October, October 25, 1955, there was a \$16,000 loan to Mr. Hannan and Mr. McElroy, which he said came from Hoffa and Brennan, and was given to him in currency.

Mr. CHAIRMAN. Where did that money come from?

Mr. BELLINO. We could find a portion of that money. There were 2 checks: 1 issued to James Hoffa and 1 to Burt Brennan, on October 25, 1955.

Mr. KENNEDY. We are not sure where the source of the money was, though. We will have to ask Mr. Hoffa.

Mr. BELLINO. For the balance. This equals the difference that he testified to. That is why we believe this is part of it.

Mr. KENNEDY. But we are not sure of that. We can ask him definitely. We don't know. We just know he puts the money up.

The CHAIRMAN. Well, you may testify to what you have there, so that we can get an explanation.

Mr. BELLINO. The reason why we believe these checks were part of the loan was that Mr. Hoffa in his testimony last year mentioned the repayment of a loan in the amount of \$5,023.70, which he was reading from some memorandum he had in his hand. It so happens we don't know where this \$5,023 came from, or where it is about but it does tie in with this which makes \$8,000, and 2 \$8,000, would be \$16,000, and we believe this occurred around this date, and it is mentioned as a possibility.

The CHAIRMAN. That will only be accepted for purposes of explanation later.

Mr. BELLINO. On January 5, 1956, there were 1,000 shares of stock issued by Maybury Grand Medical, Inc., 500 shares each to John McElroy, and James Hannan, each receiving certificates Nos. 1 and 2. The day before, on January 4, 1956, Herbert Grossberg borrowed from his uncle, Charles Grossberg, who is an official of the Wrigley Stores, or was an official of that company, the sum of \$15,000. He, in turn, loaned \$15,000 to Hoffa and Brennan, giving each of them \$7,500. We have the check from Charles Grossberg to Herbert Grossberg.

The CHAIRMAN. Those other checks may be made exhibits 150, A and B, and the check that you just referred to may be made exhibit 151.

(The checks referred to were marked "Exhibits 150, A, B, and 151," for reference and will be found in the appendix on pp. 14930-14932.)

Senator MUNDT. Is the assumption that that \$7,500 was the subject of a loan to Mr. Hannan and Mr. McElroy?

Mr. BELLINO. Yes, sir.

Senator MUNDT. Is that correct?

Mr. HANNAN. I don't know anything about this particular item.

Senator MUNDT. You got 500 shares, was it, or 1,000 shares?

Mr. HANNAN. No, we got cash money, if that is what you are talking about.

Senator MUNDT. You got cash money for your share of the stock?

Mr. HANNAN. No. The shares of stock that were issued to Mr. McElroy and I are completely unrelated to any cash transaction that Mr. Bellino might be talking about.

Senator MUNDT. That is what I was trying to ascertain.

Mr. HANNAN. There is no relation at all.

Senator MUNDT. What did you get your shares of stock for? Was it promoter's stock, or how did you get your stock, or did you pay for it?

Mr. HANNAN. We subsequently subscribed to the stock.

Senator MUNDT. You bought it?

Mr. HANNAN. We bought it; yes.

Senator MUNDT. This 1,000 shares?

Mr. HANNAN. We paid our subscription.

Senator MUNDT. But this has no relation to this whatsoever?

Mr. HANNAN. None whatsoever.

Mr. BELLINO. The \$15,000 that I am talking about does have a relationship to the \$15,000 that he received.

Mr. KENNEDY. He doesn't know about it.

Mr. HANNAN. No.

The CHAIRMAN. You mean there is something here in his name he never knew about?

Mr. BELLINO. It is not in his name, but he eventually did pay back Mr. Hoffa and Mr. Brennan, and the checks which he issued were in turn given to Herbert Grosberg and then Herbert Grosberg in turn paid his uncle back. We have those checks where his check went to Herbert Grosberg eventually.

Mr. KENNEDY. In order to get the money to him.

Senator MUNDT. I am entirely lost, and could you give us an explanation. Why don't you give us a rundown of what you are trying to show and then show it because we are completely lost, or at least I am.

Mr. BELLINO. We are trying to show this \$15,000 loaned to Mr. Hannan by Mr. Hoffa in cash, the money originally came from Charles Grosberg, the uncle of Herbert Grosberg, and it was borrowed by Mr. Hoffa and Mr. Brennan.

Senator MUNDT. And loaned to Hannan?

Mr. BELLINO. That is right, and they went out of their way to do these people a favor and it was done the day before the stock was issued in the names of these two individuals.

Senator MUNDT. You show subsequently that the money they paid back to Mr. Brennan and Mr. Hoffa went back to pay the loan to Mr. Grosberg?

Mr. BELLINO. That is right.

Senator MUNDT. What are the implications of that?

Mr. KENNEDY. Could we find the situation first?

Senator MUNDT. I am kind of lost on what it is all about.

Mr. KENNEDY. We have to get the facts in first, I believe. Will you proceed?

Mr. BELLINO. These are the two checks from Herbert Grosberg, and one to James Hoffa, and one to Owen Brennan in the amount of \$7,500 each, dated January 9, 1956.

Mr. KENNEDY. Now, the important document as far as the Teamsters are concerned, Mr. Chairman, is the next one.

The CHAIRMAN. All right, these checks may be made exhibit 152, A and B.

(Documents referred to were marked "Exhibit No. 152, A and B" for reference, and will be found in the appendix on pp. 14933-14934.)

Mr. BELLINO. On January 16, 1956, one Fred E. Bigelow prepared an appraisal addressed to the Maybury Grand Medical, Inc., marked for the attention of James P. Hannan, which appraisal was furnished to the Michigan Conference of Teamsters welfare fund trustees in connection with their request for a loan in the amount of \$250,000.

This appraisal reflects the cost as \$681,700. They show as original cost in 1954 of the building, \$125,000.

Mr. KENNEDY. What was the original cost?

Mr. BELLINO. \$40,000.

Mr. KENNEDY. And the Teamsters knew of the cost at that time, did they not?

Mr. BELLINO. Yes, sir; Mr. Holmes himself, who was a member of the trustees, signed the contract and certainly must have been conversant, and he signed the checks for the purchase of the property.

Mr. KENNEDY. When they talk about the cost, the Teamsters were the ones, locals 337 and 299, who purchased the building?

Mr. BELLINO. That is right.

Mr. KENNEDY. And they purchased it for \$35,000?

Mr. BELLINO. About \$36,000, and in fact Mr. Hannan and Mr. McElroy did not purchase this property. At this point they didn't own the property. They were making a request for a loan, and they had an appraisal made, and they don't own the property.

They have what they call a land contract, but no one has ever seen the contract nor have they put up a dime on that land contract.

Mr. KENNEDY. Legally at this time, the property was still in the name of the Teamsters?

Mr. BELLINO. That is right.

Mr. KENNEDY. And the Teamsters had purchased it?

Mr. BELLINO. That is right.

Mr. KENNEDY. And the appraisal—according to the appraisal there, it is three times over the value the Teamsters actually paid for it?

Mr. BELLINO. Yes, sir.

Mr. KENNEDY. The important thing as he goes through these figures, Mr. Chairman, is that it was based on this appraisal that the Teamsters loaned to this organization the \$250,000 of welfare funds.

Mr. HANNAN. Mr. Kennedy, on this particular appraisal, I think the record should be set straight. First of all, I do not believe that Mr. Bigelow was the appraiser that made the appraisal. It was a man named Chester Martin, who had been an appraiser in Detroit for many years. Mr. Martin went through the building and his appraisal, as I understood it at the time, was not on actual cost but on replacement value of the property.

I think that that was indicated by me at the time I appeared before the Michigan Conference of Teamsters Health and Welfare Fund.

The CHAIRMAN. What document do you have in your hand?

Mr. BELLINO. This is a copy of an appraisal furnished to use by the Michigan Conference of Teamsters Welfare Fund, and it doesn't have a handwritten signature, but it says, "Very truly yours, Fred E. Bigelow," and then on the left-hand side it says:

I have participated in this appraisal with Mr. Bigelow, and I have examined the building with him and I have talked to Mr. James Hannan, secretary-treasurer, and I have gone over the cost items, and I have examined the equipment now being installed, and concur in this valuation.

That is Chester M. Martin.

Mr. HANNAN. That is the man I talked to, Mr. Martin.

Mr. KENNEDY. This is the document that the Teamsters used as a basis for this loan, as I understand it.

Mr. BELLINO. That is correct.

Mr. HANNAN. If I may correct one more thing, a land contract in Michigan is evidence of legal ownership of the property.

Mr. KENNEDY. The only trouble is we can't find any land contract.

Mr. HANNAN. There was such an instrument.

The CHAIRMAN. This appraisal may be made Exhibit 153.

(Document referred to was marked "Exhibit No. 153" for reference, and may be found in the files of the select committee.)

Mr. KENNEDY. There are some other figures.

Mr. BELLINO. The cost of remodeling they show is \$300,000 and the Teamsters know, and in fact the Michigan conference welfare fund knew it was only \$184,000 because they issued this check to the contractor in the amount of \$184,000.

The CHAIRMAN. They paid all of the costs of remodeling?

Mr. BELLINO. The entire costs.

The CHAIRMAN. That is what they paid?

Mr. BELLINO. Yes, sir.

The CHAIRMAN. And they show the cost of remodeling, instead of showing it to be that amount, they show it to be \$300,000?

Mr. BELLINO. That is correct. And the kitchen equipment, they show, is \$24,000. According to a financial statement which they put out at the end of December 1956, they list kitchen equipment at a cost of \$12,237.41. It seems any replacement value certainly wouldn't be three times \$12,000 in a case of this nature.

Hospital furniture in the same way. They show \$100,000 in the appraisal, and their own figures show a cost of \$34,854.02. Then surgical and medical supplies, they show on the appraisal \$96,000, and the actual costs were only \$15,993.50. In other words, the items we have selected that we could immediately identify, of the \$681,700 included in the appraisal, we could select \$645,000 of those items and the actual costs only \$287,804.77.

Mr. KENNEDY. Could you give that again, please?

Mr. BELLINO. \$645,000 of the items included in the appraisal actually cost only \$287,804.77.

Mr. KENNEDY. And the loan was to be based on a 3-to-1 proposition?

Mr. BELLINO. And they have a policy of basing it on a 3 to 1 proposition, and so they have got to have an appraisal at least 3 times the value of the loan.

The CHAIRMAN. How long after this money was invested in the property before this loan was secured, and this appraisal was made?

Mr. BELLINO. This appraisal was made in January of 1956, and they were almost complete in renovating the building and insofar as this company was concerned they had not paid any money at all on the property.

The CHAIRMAN. I understand now, but you are getting an appraisal here. You know what has gone into the building, and what it has cost, and the remodeling of it, and the equipment bought for it. That comes to \$287,000?

Mr. BELLINO. \$284,000.

The CHAIRMAN. That included the cost of remodeling?

Mr. BELLINO. Yes, sir.

The CHAIRMAN. The cost of the equipment bought, and the furniture and the kitchen.

Mr. BELLINO. With the equipment, it is \$287,000.

The CHAIRMAN. That is what I said a moment ago.

Mr. BELLINO. That is correct.

The CHAIRMAN. \$287,000 is what it actually cost to buy the building, to remodel it, and to equip it?

Mr. BELLINO. Yes, sir, that is substantially right. I have left out some minor items like \$900 for window shades, and \$1,600 for new drapes, but that \$287,000 is substantially what it cost.

The CHAIRMAN. And then, in less than how many months afterwards, they get an appraisal on it so as to support this loan of \$681,700?

Mr. BELLINO. The appraisal is \$681,000, yes, sir.

The CHAIRMAN. How many months was the appraisal after the expenditures had been made?

Mr. BELLINO. I would say all of the expenditures had not been made at the time this appraisal was made, but they were almost complete, and they were still working, and still buying more equipment in January of 1956, and the hospital was not really complete until the latter part of February or early March of 1956.

Senator MUNDT. How do you explain a discrepancy of that kind?

Mr. HANNAN. Senator, as I have just said for the record, as I recall, when Mr. Martin went through there, Mr. Martin was an appraiser in Detroit for probably 50 years, and he went through our building, and looking at it. We did not give him our figures. We wanted an independent appraisal of the building and the equipment. So as I recall it, he subsequently told me that he had contacted a number of other hospitals and he had had experience that appraising hospitals in Detroit, and these are the estimated costs that he arrived at.

These are replacement costs, and costs that he thought it would be necessary to have in order to equip a kitchen and put the beds in and put the medical equipment in. These were not our figures, and he didn't even have a chance to appraise our figures.

This was an independent appraisal on his part.

Senator MUNDT. One of three things must be true: Either Martin and Bigelow are bad appraisers, or No. 2, you and your partner drove a mighty good bargain in buying stuff cheaper than the appraisers thought it could be bought for, or No. 3, Martin and Bigelow made a phony appraisal.

Which of those three is it?

Mr. HANNAN. Senator, I don't think it is any of the three.

Senator MUNDT. I don't see what else is left.

Mr. HANNAN. I would say we played a good bargain, and we bought the equipment cheaper than it takes to equip the average hospital.

Senator MUNDT. Because either they are not reputable appraisers, which I claim they are—

Mr. HANNAN. I think they are.

Senator MUNDT. Or the building and the equipment there, they estimated its cost a lot more than you paid for it, because we have the figures here which Mr. Bellino indicates was paid. Or it could be a phony appraisal built up to show an artificial value so you could get

a loan on a three-to-one basis. It has to be 1 of those 3 things, I think.

Mr. HANNAN. Then the thing is that we bought things at the right price, and we shopped, and we probably cut down here and there over the average hospital.

Senator MUNDT. These fellows are friends of yours, Bigelow and Martin?

Mr. HANNAN. I had probably met Mr. Martin 3 or 4 times in my life before this. It was very casually, and I had never met Mr. Bigelow, even up until the time that he wrote up the appraisal.

Senator MUNDT. Did they have any connection with the Teamsters or with Mr. Hoffa or Mr. Brennan?

Mr. HANNAN. Not that I know of, sir.

The CHAIRMAN. Let me ask you a question. What did you pay for this building originally?

Mr. HANNAN. What did we pay for the building originally? \$40,000.

The CHAIRMAN. \$40,000?

Mr. HANNAN. Yes, sir.

The CHAIRMAN. How can you explain that this appraisal would have, and I quote, "Original cost in 1954 of building, \$125,000."

Mr. HANNAN. I think that that figure, if I can explain that, was a figure that Mr. Martin got from the UAW-CIO during the course of his making the appraisal, because that was an assessed valuation or something like that.

The CHAIRMAN. This says "original cost."

Mr. HANNAN. I am telling you, sir, to the best of my recollection, how he arrived at that figure.

The CHAIRMAN. Well, the Teamsters bought it, and then they sold it to you?

Mr. HANNAN. That is correct.

The CHAIRMAN. You knew, and the Teamsters certainly knew, that it hadn't cost \$125,000, that it had cost only \$40,000.

Mr. HANNAN. That is right.

The CHAIRMAN. But yet, this rather indicates that maybe you didn't get such a bargain as this appraisal would indicate. I don't understand, if you actually buy land, and you pay \$40,000 for it, how you can within a year's time, or a few months afterward, certify that the original cost of it was \$125,000.

Now, you didn't certify that, but these appraisers did. I am not blaming you.

Mr. HANNAN. That is right.

The CHAIRMAN. But here obviously is a misstatement of fact. It isn't true. It is known to both you, who bought the building, and to the union officials who purchased it for you.

Mr. HANNAN. The only thing that I ever talked about with the union officials was the actual cost to us of everything that went into the building.

The CHAIRMAN. That is correct, and I understand it, but certainly the \$125,000 is not accurate.

Mr. HANNAN. That would be up to the appraisers to explain that, sir.

The CHAIRMAN. I understand, but if the facts are, and they are undisputed here, that the only cost at most was \$40,000, then that figure cannot possibly be true.

Mr. HANNAN. That is correct.

The CHAIRMAN. All right.

Mr. KENNEDY. And the same thing for the cost of the remodeling, which it has down here, \$300,000. The Teamsters knew that it had not cost \$300,000, because they paid the bill. Isn't that correct?

The CHAIRMAN. You have one payment, and is that the check for the payment of it?

Mr. KENNEDY. Yes.

The CHAIRMAN. Mr. Bellino, is this the check that you found?

Mr. BELLINO. A. N. Hickson, Inc., for \$184,718.84.

The CHAIRMAN. Did you understand that to be the total cost?

Mr. HANNAN. That was the total cost.

The CHAIRMAN. You know that to be a fact?

Mr. HANNAN. Yes. We went over that with the builder many times.

The CHAIRMAN. Then you know also that the \$300,000 charged there to remodeling couldn't be true?

Mr. HANNAN. Again, sir, as I understand, they were working on a replacement cost.

The CHAIRMAN. You weren't replacing it; you were actually putting it in there at the time.

Mr. HANNAN. I don't think that that is what their appraisal is trying to cover.

The CHAIRMAN. I don't know what else it could be trying to cover. This check will be made exhibit No. 154.

(The check referred to was marked "Exhibit No. 154" for reference and will be found in the appendix on p. 14935.)

The CHAIRMAN. I can't understand this. This is a transaction where you bought the property and you are just remodeling it. You know what it cost, the costs of both the original price you paid for the property and the amount you paid the contractor for the overall job of remodeling it. If it could be bought and the building could be remodeled at that price, I don't see how you can say it costs more to replace it.

Senator MUNDT. I think you testified that you appeared before this Michigan Conference of Teamsters yourself in solicitation of this loan. Am I right about that?

Mr. HANNAN. That is correct, sir.

Senator MUNDT. When you appeared before this group or board or committee, or whatever it was, what did you tell them about the value of the building? Did you tell them that you had spent three-hundred-and-some-thousand dollars repairing it, or that you had spent \$182,000?

Mr. HANNAN. No, sir; I gave them the cost, and they knew from their own records that local 337 and local 299 had purchased the building for \$36,500.

Senator MUNDT. The group that made you the loan, they knew that?

Mr. HANNAN. That is right. They also knew, I am sure, and, if not, we apprised them at this time, that the remodeling costs were \$184,000.

Senator MUNDT. So the people who loaned you the money knew how much you paid for the building and how much you had put in on repairs?

Mr. HANNAN. That is correct, sir.

Senator MUNDT. What use did they make of this appraisal of Bigelow and Martin?

Mr. HANNAN. I was not even at the meeting when the loan was approved, and so I couldn't say.

Mr. BELLINO. We have the checks for the purchase of the property from Maybury Grand, dated March 27, 1956, each in the amount of \$20,000, locals 337 and 299.

The CHAIRMAN. They may be made exhibit 155, A and B.

(The checks referred to were marked "Exhibit 155, A and B" for reference and will be found in the appendix on pp. 14936-14937.)

Mr. KENNEDY. Is that the first information or record existing that the property was transferred?

Mr. BELLINO. Yes; the first evidence of any payment.

Mr. KENNEDY. In March of 1956?

Mr. BELLINO. There is a mortgage of March 6, 1956.

Mr. KENNEDY. But this was after the loan was granted?

Mr. BELLINO. After they received the money, they were able to go ahead with it.

Mr. KENNEDY. Is there anything else that we need to put in?

Mr. BELLINO. We have the return of the \$15,000 to Brennan and Hoffa from Maybury Grand Medical, and on July 9, 1956, which is endorsed by Brennan and Hoffa, and deposited by Herbert Grosberg.

The CHAIRMAN. That check may be made exhibit 156.

(The check referred to was marked "Exhibit No. 156" for reference and will be found in the appendix on p. 14938.)

Mr. BELLINO. We have another check, \$16,000, payable to Bert Brennan and James Hoffa on August 17, 1956. That was endorsed by them and cashed.

The CHAIRMAN. It may be made exhibit 157.

(The check referred to was marked "Exhibit No. 157" for reference and will be found in the appendix on p. 14939.)

Mr. BELLINO. We also have a check paid to the architect, Charles Hannan, of Farmington, Mich., on March 27, 1957, of \$1,027. However, other than to make the initial plans, Mr. Hannan did not supervise any of the work nor did he approve any of the bills. It was all done directly between Mr. Hickson and the Teamsters.

The CHAIRMAN. That may be made exhibit 158.

(The check referred to was marked "Exhibit No. 158" for reference and will be found in the appendix on p. 14940.)

Mr. KENNEDY. Did Mr. Hoffa or Mr. Brennan have an option to purchase or receive any of the interests that you might obtain out of this hospital?

Mr. HANNAN. No, sir.

Mr. KENNEDY. None at all?

Mr. HANNAN. None whatsoever.

Mr. KENNEDY. They had no financial interest directly or indirectly?

Mr. HANNAN. They had no financial interest.

Mr. KENNEDY. Directly or indirectly?

Mr. HANNAN. Directly or indirectly.

Mr. KENNEDY. But at this stage, you were able to obtain this hospital, Mr. Hannan, you and Mr. McElroy, without putting up any money of your own; isn't that correct?

Mr. HANNAN. That is correct.

Mr. KENNEDY. Again, not being a reflection upon yourself, but it indicates, Mr. Chairman, that the friendship of individuals with the Teamsters can be very advantageous. The Teamsters put up the original money for the purchase of this property, and the purchase of the building, and then Mr. Hannan and Mr. McElroy, according to Mr. Hannan's testimony, were told that if it failed the Teamsters would take it over, and that if it was successful it would remain in their hands, which is a great advantage. And, the third thing, they put up all of the money by a \$250,000 loan for the establishment and the operation of this hospital. It was all without these individuals putting up any money of their own, and on a \$250,000 loan made on an appraisal that they knew was patently false.

Mr. HANNAN. Mr. Chairman, just to set the record straight on that. I am sure that the reason that the Teamsters made the loan to us was that, first of all, Mr. Hoffa and Mr. Brennan were aware of this type of operation in Detroit and knew that it was a sound business project, and also they had known me for about 10 years and Mr. McElroy for a great many more years, and they had quite a bit of confidence in our ability to succeed in this enterprise.

The CHAIRMAN. They had faith in you, that you would make good; is that what you are saying?

Mr. HANNAN. That is right.

The CHAIRMAN. While that is a fine thing, when you are dealing with trust funds, that is not the best way to manage them.

We do have other examples where such confidence was not well justified in the ultimate success of the project. It is a matter of dealing with trust funds that are paid in for the purpose of the relief and benefit and welfare of people who work. It is actually, in a sense, a part of their wages, a part of their earnings, and it is set aside for them at a later time.

We again refer back to the field of legislation. What should be done to protect those funds?

In this instance your project may succeed, and this money may be repaid. We have found other such ventures, not in the same particular enterprise, but other ventures where trust funds have been advanced apparently on confidence or to do favors. They haven't been returned, and I don't think they will ever be. It is a matter of finding what practices are going on so we can legislate to protect these funds.

This is no reflection on you. If you go down there and buy it and somebody puts up the money, that is what you want to do there, and it is to your credit that you are making a success of it.

All right.

Mr. BELLINO. I want to point out, Mr. Chairman, in connection with the \$16,000 loan that he received from Mr. Hoffa about November 1, 1955, or the latter part of October of 1955, there was an entry made on the books of Maybury Grand showing \$16,000 cash in the City Bank, and the offsetting credit was a notes payable to the City Bank. The notes payable ledger account shows that they owed to the City Bank \$16,000, and we understand from the City Bank that this is not true, and they had not borrowed that amount of money from the bank.

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

Mr. KENNEDY. Is that correct?

Mr. HANNAN. This is when, Mr. Bellino?

Mr. BELLINO. November 1, 1955.

Mr. HANNAN. And this is carried how?

I don't exactly understand it.

Mr. BELLINO. It is shown as a notes payable to the City Bank.

The CHAIRMAN. That is the way it is carried on the books of the hospital?

Mr. BELLINO. Yes, sir.

The CHAIRMAN. It should have been shown as to Brennan and Hoffa?

Mr. BELLINO. Yes.

Mr. HANNAN. I think it probably should have been carried as a notes payable, but the money was deposited in the City Bank.

I would have to get the accountant.

Mr. KENNEDY. It was carried as notes payable to the City Bank.

Mr. HANNAN. It should not have been carried that way. I don't recall. That has never come up in the last 2½ years.

The CHAIRMAN. Is there anything further? If not, call the next witness.

Mr. HANNAN. Thank you, Senator.

Mr. KENNEDY. Could we have a brief recess, Mr. Chairman, for a few minutes?

The CHAIRMAN. The committee will take a 5-minute recess.

(Brief recess taken, with the following members present at the taking of the recess: Senators McClellan and Mundt.)

(At the reconvening of the session, the following members were present: Senators McClellan and Mundt.)

The CHAIRMAN. The hearing will come to order.

Call the next witness.

Mr. KENNEDY. Mr. Frank Bryant.

Mr. Chairman, this is a matter dealing more with what we discussed yesterday afternoon, which we could not get into yesterday because of time limitations. It deals with democracy in unions.

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. BRYANT. I do.

TESTIMONY OF FRANK BRYANT

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

Mr. BRYANT. Frank Bryant, 248 West Hopkins Street, Pontiac, Mich. I am a truckdriver, a truckowner.

The CHAIRMAN. You waive counsel, do you, Mr. Bryant?

Mr. BRYANT. No, I have not any.

The CHAIRMAN. Sir?

Mr. BRYANT. Yes.

The CHAIRMAN. I said you waive counsel, do you?

Mr. BRYANT. Yes, I do.

The CHAIRMAN. Proceed.

Mr. KENNEDY. Mr. Salinger will question the witness.

Mr. SALINGER. You are a member of local 614 of Pontiac, Mich.?

Mr. BRYANT. Yes.

Mr. SALINGER. You have been a member of that local how long?

Mr. BRYANT. In November it will be 20 years.

Mr. SALINGER. A member of the local for 20 years?

Mr. BRYANT. That is right.

Mr. SALINGER. Since you joined the local, have you been active in the affairs of that local, taking part in the meetings, and in the affairs of the union?

Mr. BRYANT. Yes; I do.

Mr. SALINGER. Was the local placed in trusteeship sometime in 1954?

Mr. BRYANT. Yes; it was.

Mr. SALINGER. When was that, sir?

Mr. BRYANT. Well, it was sometime along the fall. It was along the last part of 1954.

Mr. SALINGER. What were the circumstances that brought about its being placed in trusteeship?

Mr. BRYANT. The business agent, and the representatives that we had at that time, they were under indictment, and James R. Hoffa come out and he taken over the local at that time.

Mr. SALINGER. This was Mr. Keating and Mr. Lintau?

Mr. BRYANT. Lintau; that is right.

Mr. SALINGER. They had been indicted for extortion; is that correct?

Mr. BRYANT. That is right.

Mr. SALINGER. And Mr. Hoffa became a trustee of this local?

Mr. BRYANT. That is right.

Mr. SALINGER. Who were appointed by Mr. Hoffa as business agents to run the local for him?

Mr. BRYANT. Well, at the present time——

Mr. SALINGER. No; at that time.

Mr. BRYANT. Right at the present time; Dan Keating was business agent for a while. He appointed him.

Mr. SALINGER. In other words, the man who had been indicted, and the reason for the placing of the local in trusteeship, after Mr. Hoffa took over this local, he placed Mr. Keating back in the local as a business agent; is that correct?

Mr. BRYANT. For some time.

Mr. SALINGER. For some time. Until he went to prison?

Mr. BRYANT. That is right.

Mr. SALINGER. You remained in trusteeship until May of 1958; is that right, sir?

Mr. BRYANT. That is right.

Mr. SALINGER. Prior to coming out of trusteeship, was there an election called by the international?

Mr. BRYANT. Yes; there was.

Mr. SALINGER. This was to select the officers who were to run the local when it came out of trusteeship; is that right?

Mr. BRYANT. That is right.

Mr. SALINGER. Were you nominated for an office at the nominating meeting?

Mr. BRYANT. I was.

Mr. SALINGER. What office were you nominated for?

Mr. BRYANT. President.

Mr. SALINGER. You were nominated for president. Did you have a slate of officers who were nominated with you for the other offices?

Mr. BRYANT. Yes; I had a slate that was nominated, but on one circumstance there was two of the fellows that was ineligible.

Mr. SALINGER. Actually, someone was nominated along with you for the office of vice president, secretary-treasurer, recording secretary, and you then had three candidates for trustees; is that right?

Mr. BRYANT. That is right.

Mr. SALINGER. The secretary-treasurer who had been acting in the trusteeship and who was running for reelection was a man named Floyd Harmon; is that correct?

Mr. BRYANT. That is right.

Mr. SALINGER. And two men were nominated to oppose Mr. Harmon?

Mr. BRYANT. Yes.

Mr. SALINGER. Two men were nominated to oppose Mr. Harmon; is that right?

Mr. BRYANT. That is right.

Mr. SALINGER. What happened to the men who were nominated to oppose Mr. Harmon?

Mr. BRYANT. Well, they claimed that they wasn't eligible to run for office.

Mr. SALINGER. They were declared ineligible?

Mr. BRYANT. That is right.

Mr. SALINGER. Who declared them ineligible?

Mr. BRYANT. Robert Holmes.

Mr. SALINGER. Robert Holmes representing Joint Council No. 43?

Mr. BRYANT. That is right.

Mr. SALINGER. Your candidate was Mr. Fetherland; is that right?

Mr. BRYANT. That is right.

Mr. SALINGER. What reason did they give Mr. Fetherland for declaring him ineligible?

Mr. BRYANT. They claimed his dues had not been paid.

The CHAIRMAN. For what time?

Mr. BRYANT. I don't remember just the dates that he was in the hospital, but he was in a TB sanatorium for quite some time.

Mr. SALINGER. He was in a sanatorium during the time that they claim his dues were not paid; is that correct?

Mr. BRYANT. That is right.

Mr. SALINGER. What is the normal practice, as you know from your 20 years with local 614, with someone who is in the hospital who is a member of the local?

Mr. BRYANT. As far as the certain contract that this Fetherland was working under, any time that someone goes into the hospital, the union is to pay their dues.

Mr. SALINGER. The union pays their dues?

Mr. BRYANT. That is right.

Mr. SALINGER. So if Mr. Fetherland's dues were not paid, it was the responsibility of the union itself?

Mr. BRYANT. That is right.

Mr. SALINGER. And not Mr. Fetherland's responsibility.

Mr. BRYANT. Because Mr. Fetherland did go and pay—his or his wife taken care of it while he was in the hospital, went and paid his

health and welfare benefits, and without your dues being paid they will not accept the health and welfare benefits, because those dues do have to be paid in order for them to accept that.

Mr. SALINGER. When Mr. Fetherland went to the local headquarters—you had a discussion with Mr. Fetherland before you came down here?

Mr. BRYANT. Yes, I talked to him.

Mr. SALINGER. When Mr. Fetherland went to the local headquarters after he had been declared ineligible, to find out what it was all about, did he have some conversation with the girls who take care of the dues there?

Mr. BRYANT. Well, at the time, he was rushed right to the hospital. But when he come out, he went to the local to go and find out when he would have to start paying dues. They looked it up. They had a withdrawal card in his file, but it had never been wrote up and he never did pay for it, the withdrawal card.

Mr. SALINGER. He did not have any knowledge of this withdrawal card and nobody had ever sent it to him?

Mr. BRYANT. No; that is right.

Mr. SALINGER. He had not requested a withdrawal card?

Mr. BRYANT. No.

Mr. SALINGER. In fact, he was taken out of withdrawal; is that correct?

Mr. BRYANT. That is right.

Mr. SALINGER. The other candidate against Mr. Harmon was also ineligible; is that correct?

Mr. BRYANT. That is right.

Senator MUNDT. On the same grounds?

Mr. BRYANT. No; he was not in the hospital.

Senator MUNDT. Why did they declare him ineligible?

Mr. BRYANT. He was laid off. He was also called in to work; he was working at Motor Car Transport, and he come in, I believe it was, the 17th day of April. They called him in to take a load out of town, and at the time when come in, the dispatcher went and told him, he said "You are laid off. But I already called you. I wrote you up on the dispatch sheet that you was laid off."

Well, the time goes in on the 20th, but he did not get back into town until after the 20th day of April. When he drew his pay the 5th day of May they refused to take out that month's dues out of him. So he did not know that until later on, I think it was the 20th, that on about that last pay when he was working. So even up to the time he did not even know whether he was going to be able to vote or not. Because they had taken it out.

Senator MUNDT. What right did they have to take it out?

Mr. BRYANT. Because he did drive in April.

Senator MUNDT. Because he did not drive?

Mr. BRYANT. Because he did drive in April. He did not got laid off until April 21 or 22.

Senator MUNDT. If he was driving and working, what right would they have to take his card out as a union member?

Mr. BRYANT. The Motor Car Transport, after they laid him off, they did not take out the month's dues, where they should have. They did not take out for the month of April. He worked in the month of April, but they just did not take out the dues.

Senator MUNDT. What is the general practice of the union in a case like that?

Mr. BRYANT. Well, that could be interpreted quite a number of ways. Senator MUNDT. This would not be the fault of the union member. He wouldn't know that, I suppose, would he?

Mr. BRYANT. No.

Senator MUNDT. This would be the fault of the employer.

Mr. BRYANT. Well, yes, it would be the fault of the employer. But also, it could be that they had orders from the union hall to not take those dues out. Now, I don't know.

Senator MUNDT. It seems to me a member of a union must have some vested right to continue in the union. It just can't be that somebody will pick up a phone and say, "You are not a union member this week, or this month."

If you are a union member, don't you have protection? Don't you have union rights? Isn't there a continuation of your union membership?

Mr. BRYANT. Well, to a certain extent, yes. The reason why I say this, and another thing that I would like to go and get straight on this, is that anything I may say here today, I don't mean to run the union down. I am a union member. I believe in it.

But I don't go along with the way our local is being run in Pontiac, and for a number of years I have not. You can take it on up. You can go out and you may talk to the president and all. He may tell you one thing, you may write out a grievance and all, and the next day it is a different proposition.

Senator MUNDT. Is the reason you don't go along with the way your union is running Pontiac the fact that as a union member you feel that you and other union members can't control your own union; that it is run from on top instead of from the ground up?

Mr. BRYANT. That is right.

Senator MUNDT. There is a breakdown of the democratic procedures, in other words?

Mr. BRYANT. That is right.

Senator MUNDT. What is the reason that that breakdown takes place? Do you lack secret ballots, opportunities to vote? Do you lack adequate opportunities to nominate candidates?

Do you lack the mechanism for having a fair count after you have had a vote? Where do the democratic procedures break down?

Mr. BRYANT. It was only in May, the first election we have had in Pontiac for a number of years.

Senator MUNDT. Don't you have regular elections?

Mr. BRYANT. No.

Senator MUNDT. Why not?

Mr. BRYANT. In 1948 they had one; we were supposed to have an election, but there was no opposition. Before you got on the floor, you was overruled.

Senator MUNDT. By the existing officers?

Mr. BRYANT. That is right.

Senator MUNDT. And they were running for reelection?

Mr. BRYANT. That is right. You was out of order if you wanted to take the floor.

Senator MUNDT. That is 1948?

Mr. BRYANT. That is right.

Senator MUNDT. Our committee is very much interested in trying to find a way to legislate the authority to run a union back into the hands of the union members. We think that that is the crux of most of the difficulties we are disclosing. We tried in the last Congress to work out some suitable formula which has not been adopted. We will have to refer it again to the next Congress.

You have been in this business for 20 years. You are a good union member. You believe in unionism. I believe in unionism.

What type of suggestions could you make to us as to how we can be sure that fellows in the union run their own union, have elections when they are supposed to have elections, have a right to nominate, cast their votes in secret and get them counted? How can they be counted?

Mr. BRYANT. That would take quite a bit, to go into that, because I have seen it tried so many times. We have tried to go and get elections in Pontiac for the past. I would say for the past 15 years. Shortly after Dan Keating came to Pontiac, one of the members could walk into him, you could talk to him, and after that man was in Pontiac 2 years you would never go and hear the men say "This is our union."

Or say "This is my union or my hall," and things like that. Things like this I don't go along with. I never have. I say the men that is paying the dues that is part of the union, he should have a voice in it.

Senator MUNDT. We agree, our committee agrees, there, 100 percent with that. We are trying to find the legislative formula to bring it about. Obviously, you fellows in the union alone can't do that. You need some kind of law, some kind of regulation, something, for protection. What do you think, from your standpoint, at the operating end—you have been the victim of this bad arrangement—what do you think we could do from our side of the table to make democratic procedures function in the union?

Mr. BRYANT. Well, for one thing if we could just only go and run our own local. When we had this election here in Pontiac, we did not need Mr. Baker and we did not need all of these fellows that was sent out from Detroit and joint council 43 to come up there and give us an election.

There is no use in that.

Senator MUNDT. In other words one of the difficulties, if I understand you correctly, is that when you have a local election, they send in people from the international headquarters, or from some central headquarters, to come in and try to control your elections, is that right?

Mr. BRYANT. That is right. And one more thing that they try to stress on. I think you have heard a lot of people here at this table say it. In order to run for office, you have to be a member and in good standing for a period of 2 years, paid in advance at all times. That might be all right. But I would like to have somebody explain to me how Leon Harleson went and got in there for president now, and that is where he is at now.

That man never did drive a truck. We have lots of them the same way. And from what I heard on the news before, on television, on radio, I have read it in the papers, there is some of these fellows that

is coming out of the pen. Had their dues been paid for 2 years in advance? I don't think they need to pay their dues in advance where they have been. I don't think they have even been driving a truck.

The CHAIRMAN. You are talking about the people in a penitentiary?

Mr. BRYANT. That is right. When they come out, they go to work.

The CHAIRMAN. They may have been driving a truck, but they weren't driving it as a union member. It is a different kind of a union.

Mr. BRYANT. Who is paying their dues?

The CHAIRMAN. I don't know. The union has been paying everything else they could think of for them. I suppose it has that, too.

Mr. BRYANT. Well, sir—

The CHAIRMAN. I agree with you that it is wrong for them to pay the dues of somebody in prison or to pay other things for them. I don't know whether they have paid these dues or not. But the point I am making is that they have paid many other things for them. If they are gangster enough, crook enough, or something, and they want to use them, they seem to find a way to take care of them and get them back in their organization. That is what you complain about?

Mr. BRYANT. That is right. Here is one thing that I would like to bring up, too. I don't know how this is going to fit, or anything at all like that. But there is something that I have to go and bring out. This is why I don't go along with the way things have been done. You go and take Dan Keating. I knew the fellow for a number of years. The last meeting that he sat in on, before we sat down to the table, he told me, he said, "Frank, I am clean." He said, "I haven't got a thing in the world to worry about."

The next meeting that we had, the man was gone up.

The CHAIRMAN. The man was what?

Mr. BRYANT. He was gone. They had had the trial and they sent him on up to the pen.

Senator MUNDT. Do you mean Keating had gone to the pen?

Mr. BRYANT. That is right. And at the time that this local went under the hands of the trustees, Mr. Hoffa, he came to Pontiac, and he went and give some meetings.

Senator MUNDT. He would not what?

Mr. BRYANT. He had some meetings there. He would let it out. That is the first time we had had meetings in the union hall for a number of years.

Mr. Hoffa went and told us right there in Pontiac, he said, "Until these fellows is proven guilty," he said, "They are free to go," and he said, "I am not criticizing nobody until proven guilty."

But, he said, "If they are proven guilty, their books will be torn up and thrown away until they can't drive a truck, much less hold an office in a local union."

From what I hear on television and all, they was paid all the time they was up there. I don't like for my 5 bucks a month to go for things like that.

The CHAIRMAN. You don't like for your dues to go to pay these criminals while they are in the pen?

Mr. BRYANT. That is right.

The CHAIRMAN. I think those people would agree with you.

Senator MUNDT. Have you ever reported on this very unsavory arrangement to the monitors that the Federal court have set up to try to straighten out the Teamsters Union?

Mr. BRYANT. Yes; I have.

Senator MUNDT. You have given them this information so that they are in possession of it?

Mr. BRYANT. Yes, sir.

Senator MUNDT. It is a very great problem. You operate on the theory that a trade union is run by the members, is good for the workmen, good for the employer, and good for the country.

Congress passes labor union's tax-free status, freedom from anti-monopoly laws, and so forth, on the theory that the members of it run the union. Then we get a witness like you, and many others like you, where we find out the members don't run the union, that they are run from on top. We had a case of a union in Chicago where they had not had an election for 26 years. What we are trying to find out is what kind of legislation we should write, and try to induce our colleagues to pass, which would correct it. I think you would agree that the less Federal interference with a union the better, provided you could work it out to the extent that the union members can run it.

Mr. BRYANT. That is right.

Senator MUNDT. But, frankly, we just don't know how to approach a problem of this kind. I would like to get your suggestions as to what kind of legislation or what kind of changes you would like to see brought about. If you could stroke an Aladdin's lamp and have the situation as you think it ought to be, how would you have it?

Mr. BRYANT. Well, I would like to go and speak, too, a little bit on one more thing. They say on the conventions there is no member unless it is the officers that has anything at all to say, or at least we have not for years, on the convention coming up, or whenever they do come up we don't have nothing to say. I know the other unions in Pontiac and around different places—in the fact of the business is I belong to two unions, because I have to.

I have a Ford tractor that I operate at times, and I have to belong to the engineers. But different unions that I know, they have a meeting, and there will be 1, 2, maybe 3 appointed to go to these conventions. We don't have the authority, we don't have the right to say things like that. Who is going to go or anything at all. I remember the last one that they had in Atlantic City. It was for all unions, I guess. The trade council they had. One fellow told me that they was different unions went, and the carpenters sent a man, the laborers sent 2, the Teamsters was to send 2, the bricklayers was to send 1. One of the fellows from one of the other unions told me that our two that was appointed to go didn't even get there. So local 614 was left out. We had no representative at all at this place at the time.

Senator MUNDT. Why don't you elect your delegates to a convention?

Mr. BRYANT. Well, you tell me how, how you are going to get at it.

Senator MUNDT. Doesn't it provide for that in your constitution?

Mr. BRYANT. Yes; it should.

Senator MUNDT. But they simply ignore the constitution?

Mr. BRYANT. That is right.

Senator MUNDT. And the president of the local union picks out two of his buddies and sends them down?

Mr. BRYANT. But I am aware of one thing. I always have said this and I believe it, too. I do believe that Jimmie Hoffa is the fellow for that job and he can do it, if he will.

Senator MUNDT. I think I concur in that, with the words "If he will." Do you think he will?

Mr. BRYANT. I don't know. At the present time I don't know if he will have time or not.

Senator MUNDT. He is going to have to start doing it pretty quickly if he is going to have time, I would assume. But you do agree that under present circumstances you are not able to run your own unions?

Mr. BRYANT. No.

Mr. SALINGER. Mr. Bryant, while we are on the subject of people from the outside coming in to run the affairs of the local, who came in to supervise this election? Who was on the election committee that came in?

Mr. BRYANT. Well, joint council 43 come in, Robert Holmes.

Mr. SALINGER. Who were some of these people they appointed to supervise your election?

Mr. BRYANT. Robert Holmes was out there.

Mr. SALINGER. Who else?

Mr. BRYANT. Robert Holmes' son came out.

Mr. SALINGER. Maybe it might be easier if I read this off.

Is this the certificate of election of officers that you received at the time they counted the ballots?

Mr. BRYANT. Yes, it is.

The CHAIRMAN. Can you identify it?

Mr. BRYANT. Yes.

The CHAIRMAN. All right. It may be made exhibit No. 159.

(The document referred to was marked "Exhibit 159" for reference and may be found in the files of the select committee.)

Mr. SALINGER. Did you read the names on the back, the election committee?

Mr. BRYANT. Yes.

Mr. SALINGER. Do you know Mr. Barney Baker?

Mr. BRYANT. Yes; I do.

Mr. SALINGER. Was he on the election committee?

Mr. BRYANT. Yes; he was.

Mr. SALINGER. Mr. Barney Baker, who was an associate of major hoodlums all over the country and who has a long police record, was on the committee?

Mr. BRYANT. Yes; he was on the committee.

Mr. SALINGER. Do you know Mr. Otto Windell? Was he on this committee?

Mr. BRYANT. I don't know him personally. I probably met him at the election at the time.

Mr. SALINGER. Do you know what Mr. Windell was doing up until September of last year?

Mr. BRYANT. No.

Mr. SALINGER. He was an officer of a local of the Retail Clerks' Union in Detroit. Do you know that?

Mr. BRYANT. No; I did not know that.

Mr. SALINGER. And Mr. Steve Riddel, do you know him?

Mr. BRYANT. Yes; I know Steve.

Mr. SALINGER. Do you know his connection with Mr. Hoffa?

Mr. BRYANT. No.

Mr. SALINGER. He is a relative of Mr. Hoffa, and he was also on the payroll of the Retail Clerks' Union?

Mr. BRYANT. No; I did not know that.

Mr. SALINGER. Mr. Harry Campbell, do you know him?

Mr. BRYANT. Yes; I know Harry.

Mr. SALINGER. He was a partner of Sigmund Snyder's in the operation of a nonunion car wash in Detroit?

These are some of the people, Mr. Chairman, who were on the election committee up in Pontiac.

Mr. Bryant, before you came down here to testify, did you talk to Mr. Fetherland and get from him a letter that was sent to him by Mr. Holmes at the time he was declared ineligible?

Mr. BRYANT. Yes; I did.

Mr. SALINGER. I wonder if you can identify the letter, please.

The CHAIRMAN. The Chair presents to you a letter dated April 28, 1948, addressed to Mr. Fetherland, from Mr. Robert Holmes, vice president of joint council No. 43.

(The document was handed to the witness.)

The CHAIRMAN. Can you identify that letter?

Mr. BRYANT. Yes.

The CHAIRMAN. The letter may be made exhibit 160.

(The document referred to was marked "Exhibit No. 160" for reference and may be found in the files of the select committee.)

Mr. SALINGER. Mr. Chairman, yesterday we had some testimony about the way elections were handled in Springfield and Joplin, Mo. We previously had some testimony on how Mr. Gibbons handled an election in joint council 13 in St. Louis. I will read a section of this letter. It shows how the Teamsters constitution is interpreted in varying manners in various locals, depending on what the officials feel should be the interpretation at that particular time.

The CHAIRMAN. It depends upon what the particular urgency is.

Mr. SALINGER. Or circumstance. Yesterday we had the testimony of Mr. Rogers, from Springfield, Mo., on page 3466. He was talking about all the people who were disqualified and declared ineligible from running for office in that local. You asked the question:

They have the checkoff in some places, do they not?

Mr. ROGERS. Yes, sir.

The CHAIRMAN. Some of these people did not pay their dues? They were withheld from their wages by their employers?

Mr. ROGERS. That is right.

The CHAIRMAN. Under contract, is that right?

Mr. ROGERS. That is right.

The CHAIRMAN. In other words, the payday is on the first of the month and it takes several days to get to the union headquarters?

Mr. ROGERS. Yes, sir. Several days sometimes.

The CHAIRMAN. Those people were declared ineligible?

Mr. ROGERS. Yes, sir.

The CHAIRMAN. Even though their dues had been checked off. If they had not gotten into the treasury, as it takes a few days, they are declared ineligible.

Mr. SALINGER. This is a general president's ruling on article 10, section 5, subsection C, of the international constitution.

In conducting the nominations and elections you will apply the provisions of article 2, section 4, and article 10, section 5, subsection C, to determine whether a member is in good standing.

However, in the case of members under checkoff, you will rule those members eligible if they otherwise met the qualifications, even though under such checkoff their dues arrive at union headquarters later than the first day of the current month.

So we see in this particular instance they changed the ruling that they used in Springfield and Joplin, Mo., Mr. Chairman.

Mr. Bryant, did you and other members of your slate go to various large employers in the Pontiac area and request permission to campaign for office on their premises?

Mr. BRYANT. Yes, we did.

Mr. SALINGER. Particularly did you go to the Fleet Carrier Corp.?

Mr. BRYANT. Yes, I did.

Mr. SALINGER. Did you have a conversation with the owner of that company?

Mr. BRYANT. Yes, I went in and talked to Mr. Kabcenel and he said there would be no union campaigning on the premises. He said I would have to stay out. He said I could go over to the restaurant, but I did not think that was a very good place, inside of a restaurant, because it is a small place, or he said "You could go out on the sidewalk and do your campaigning there, but not inside."

Mr. SALINGER. He said you and your people could not campaign?

Mr. BRYANT. That is right.

Mr. SALINGER. Did you subsequently find out that Mr. Harleson, running for president against you, Mr. Harmon and other members of his particular ticket, were campaigning on the premises of the Fleet Carrier Corp.?

Mr. BRYANT. Yes, they were.

Mr. SALINGER. Through these employers, the incumbents were getting an advantage that you were not getting in running against these people; is that right?

Mr. BRYANT. That is right.

Senator MUNDT. Why do you think this particular employer would want to choose up sides between you and your opponent?

Mr. BRYANT. Well, he pretty well covered that. He told me, he said "You can't campaign on the property here, and I don't aim to let them in to start campaigning in here either."

But, nevertheless, they could go and say they had agreements to settle or some driver to talk to, and they could do their campaigning while in there. It happened the same way at the gravel pits. Mr. Holmes, he did, he went and got out a letter that if they wanted to do any campaigning they would have to do it on their own time. Well, I don't know if they all taken 3 weeks off at the union hall before this election come up, but they done plenty of campaigning.

There was 1 or 2 of them. They did not personally tell me but they told other drivers that they had it in the bag before the election come out.

Mr. SALINGER. Senator, there might be one explanation in the connection between Mr. Harleson and Mr. Kabcenel, something we had previously in the testimony. They were very close friends, and in fact

Mr. Harleson took a round-trip vacation to Miami at the expense of Mr. Kabcenel at the time he was an official of that local in Pontiac, Mich.

Senator MUNDT. Mr. Kabcenel is the employer?

Mr. SALINGER. That is correct. Did you also make repeated efforts to get an eligibility list of the members so you could get your message to these members about your ticket?

Mr. BRYANT. Yes; but that was one mistake I did make. I went and called Mr. Holmes and asked him for it. He said "Frank, that is out. I could not go and get that for you."

Also, I went and asked him about a writein candidate where we had no opposition against Harmon, and he said "You could do that if you wanted to, but the international would not recognize it."

So what happened there, I called him up and talked to him on the phone. I did not send a letter and send it registered. A couple of the other fellows did, and there was two people that went and got an eligibility list of the people that could vote, the members that was eligible to go and vote.

Mr. SALINGER. Those people, however, got those lists just before the election; is that correct?

Mr. BRYANT. That is right.

Mr. SALINGER. You were unable to get a list, yourself?

Mr. BRYANT. That is right.

Mr. SALINGER. In addition to that, you were told that even though Mr. Harmon had no opposition because his two opponents had been declared ineligible, you could not have a writein candidate?

Mr. BRYANT. That is right. He told me the international would not accept a writein candidate.

Mr. SALINGER. Who won the election?

Mr. BRYANT. Well, for president, Leon Harleson won it.

Mr. SALINGER. You were defeated?

Mr. BRYANT. That is right.

Mr. SALINGER. And Mr. Harmon was reelected? Mr. Harleson's entire slate was actually elected?

Mr. BRYANT. That is right.

Mr. SALINGER. They are now in office for 5 years?

Mr. BRYANT. Until December, the last day of December in 1962.

Mr. SALINGER. And during the entire period you made a number of protests not only to the monitors but also to Mr. Hoffa, and you received no satisfaction from these protests; is that correct?

Mr. BRYANT. That is right.

Mr. SALINGER. You asked that the election be postponed so that you would have a chance to get to the other members and tell them your story and they refused to do that; is that right?

Mr. BRYANT. That is right. There were some of the other fellows, too, who went to get the eligibility list and did not get it until shortly before the election.

We asked if we could get the election postponed, and they said no, it was set up, and it was going through now.

Senator MUNDT. Do you think it would be good or bad if the law provided that upon request of either party to a union election, it would be supervised by the NLRB?

Mr. BRYANT. Certainly it would.

Senator MUNDT. It would be good?

Mr. BRYANT. Yes.

Senator MUNDT. That would eliminate the prejudice from one side to another and provide for a fair count?

Mr. BRYANT. I talked to one fellow in New York on the telephone. He called me.

He told me, he said, "Frank, you have got a very poor chance of winning that election. If you could get a private organization to walk in and seize all books, all records, and everything, you have a chance then. This way you haven't."

Senator MUNDT. Did you have representatives from your side at the counting of the ballots, when they were being counted?

Mr. BRYANT. Yes, I did.

Senator MUNDT. So they did not rig the counting on you.

Mr. BRYANT. On the counting of the votes, I don't know how they all went. You could not go and keep up with that, as far as myself. But the fellow that did go and count my votes, you will see on the list there where there was 41 of the secret ballots votes that was returned. Those was the one if a driver had to go out of town, he goes down to the hall, they give him a ballot, he votes the way he wants to, even at home, he puts it in an envelope, he registers it, and he sends it in, mails it in, that way. There was 41. I pulled 37 votes out of the 41.

Senator MUNDT. What do you think is the significance of that?

Mr. BRYANT. I would not know. But on the other, all told I got 344, I believe it was, or 344, and he got 470. He beat me by a little over 100 votes.

Senator MUNDT. How did you do with this particular ballot box where the Fleet Carrier would not let you campaign and the other fellow campaigned?

Mr. BRYANT. Well, I just walked out.

Senator MUNDT. I understand that. But how did you run?

How did those ballots come in?

Mr. BRYANT. We did not have a ballot box there. We was just campaigning. This was probably 2 weeks before the election. I walked in and asked him if I could talk to the drivers and do a little campaigning. He said "No"; he said that was out.

The CHAIRMAN. Is there anything further? Is there anything further you wish to say?

Mr. BRYANT. No; not that I know of. That is all.

The CHAIRMAN. All right. Thank you very much.

I am sure the committee members all sympathize with your situation up there. If more men would have the courage that Mr. Bryant has to come in here and cooperate with the committee and give us this testimony, I think public sentiment would demand corrective action.

Mr. KENNEDY. I want to call Mr. Salinger.

TESTIMONY OF PIERRE SALINGER—Resumed

Mr. KENNEDY. Mr. Salinger, in this connection, have you made a study of the situation down in Nashville, Tenn.?

Mr. SALINGER. I have.

Mr. KENNEDY. In connection with the union election there?

Mr. SALINGER. I have.

Mr. KENNEDY. Can you briefly summarize what happened down there?

Mr. SALINGER. Yes, sir.

Mr. KENNEDY. This is a review of the files?

Mr. SALINGER. From the files.

Mr. KENNEDY. And from conversations and conferences you have had with individuals?

Mr. SALINGER. Right.

The CHAIRMAN. What you are doing is giving us a report on the interviews you had, and the investigation you made?

Mr. SALINGER. That is correct. In November of 1956 an election was scheduled in local 327 in Nashville, Tenn. The president of that local at that time was Don Vestal, who appeared here before the committee and took the fifth amendment. Chief of the opposition in 1956 was a man named Léon Medlin. Medlin had been president of this local prior to its being put in trusteeship in 1949. When the local came out of trusteeship in 1952, Medlin ran against Vestal for president and was defeated. However, the election we are concerned with is the 1956 election. At that election, a nominating meeting was held under the direction of one Frank Murtha, an international organizer of the Teamsters, who at that time was working out of Memphis, Tenn. He opened this meeting by announcing that out of some 3,300 members of this local, only 11 members of the local were eligible to run for office. Included among this 11 were the 7 incumbents, which meant that the total possible opposition to these 7 incumbents was 4 individuals, who could run for 4 offices, and one of these 4 did not want to run, so actually they got 3 opponents up out of a whole local of 3,300 members. They were only able to find 3 people who were eligible to run against 7 incumbents and only 11 members were declared eligible to run.

It is interesting that among the 11 who were declared eligible to run was Mr. Vestel, and another gentleman we had before this committee, W. A. "Hard of Hearing" Smith, who has been convicted in Tennessee of assault and who has been sentenced to a 2- to 10-year term in the Tennessee Penitentiary.

And Mr. Ralph Vaughn, who also took the fifth amendment before the committee. The election was held and the candidate against Vestel, whose name was Browning Moore, was defeated by 60 votes. Even with this lack of opportunity to find opponents, however, W. H. Smith was defeated in his effort to be elected vice president. However, Mr. Vestel retained him as a business agent after he had been defeated in the election. Mr. Moore filed charges against Mr. Vestel following the election and charged that he had acted improperly during the election, particularly in his campaigning near the ballot boxes. A committee was appointed by Mr. Vestel which investigated these charges and found they were without foundation. Mr. Moore then appealed to the executive board, of which Mr. Vestel was the chairman, and three members of the executive board were hired business agents who were dependent on their jobs for Mr. Vestel and they also exonerated Mr. Vestel of having done anything wrong.

Mr. Moore finally took his appeal to the international where it was turned down.

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

The CHAIRMAN. Do you have any questions, Senator Mundt?

Senator MUNDT. No.

The CHAIRMAN. The committee will stand in recess until 10:30 in the morning.

(Whereupon, at 4:50 the hearing recessed, to reconvene at 10:30 a. m., Thursday, September 11, 1958, with the following members present: Senators McClellan and Mundt.)

APPENDIX

EXHIBIT No. 105A

Teamsters Local 688

STRIKE EXPENDITURE

DATE 12-8-53

STRIKE Yellow Cab

The following sum was paid out in the prosecution of the above strike.

FOR	AMOUNT
<u>Gas + oil</u>	<u>15⁰⁰</u>
<u>Patrol</u>	

AUTHORIZED BY: [Signature] TOTAL 15⁰⁰

APPROVED BY: [Signature]

STRIKE COMMITTEE: [Signature]

WELFARE COMMITTEE: _____

RECEIVED BY: [Signature] RB

EXHIBIT No. 105B

Teamsters Local 688

STRIKE EXPENDITURE

DATE 12/14/53

STRIKE Yellow Cab

The following sum was paid out in the prosecution of the above strike.

FOR	AMOUNT
<u>Don Bergman</u>	<u>125⁰⁰</u>
<u>Last Time Patrol Duty</u>	
<u>with ending 12/14/53</u>	

AUTHORIZED BY: [Signature] TOTAL 125⁰⁰

APPROVED BY: [Signature]

STRIKE COMMITTEE: _____

WELFARE COMMITTEE: _____

RECEIVED BY: [Signature] (4)

Teamsters Local 688

STRIKE EXPENDITURE

①

DATE 12/14/53

STRIKE Yellow Cab

The following sum was paid out in the prosecution of the above strike.

	AMOUNT
<u>Expenses Committee</u>	<u>125⁰⁰</u>
<u>5 men Cruising Patrol</u>	
<u>1 week.</u>	

AUTHORIZED BY:

Joe

TOTAL 125⁰⁰

APPROVED BY:

Rudolph Rubert

STRIKE COMMITTEE:

RECEIVED BY:

Committee - Saltzman

WELFARE COMMITTEE:

EXHIBIT No. 106A

ST. LOUIS 3, MO. August 23, 1956

M Teamsters Local Union No. 405

1127 Pine Street

St. Louis 1, Missouri

IN ACCOUNT WITH

ACE CAB CO.

1835 WASHINGTON AVE.

OFFICE: MAIN 1-8495



CAB SERVICE: MAIN 1-5678

For taxi cab service

\$2925.00

ck # 2626
8-23-56

PAID
Paid Aug 24, 1956
ACE CAB COMPANY

4-107
816

Taxicab Drivers Local Union No. 405
Affiliated With The
 INTERNATIONAL BROTHERHOOD OF TEAMSTERS, CLERKS, WAREHOUSEMEN & HELPERS
 OF AMERICA, A. F. OF L.

TAXICAB DRIVERS LOCAL 405 PRODUCTS

Ac Cab Company

LINDELL TRUST COMPANY
 ST. LOUIS, MISSOURI

NO. 2626
August 6-23, 1956

\$ 2,925.00

Philip C. Lindell
AUTHORIZED SIGNATURE

J. Edgar Cummings
AUTHORIZED SIGNATURE

PAY TO THE ORDER OF

SECURITY SAFE

Pay United Bank and Trust Company
 St. Louis, Missouri, or order
FACE CAB COMPANY, Inc.

335
 ST. LOUIS CHALMERS BUILDING
 FEDERAL RESERVE BANK OF ST. LOUIS
 PAY ANY AMOUNT, SUBJECT TO CHECKS

FAST NATIONAL BANK
 435 WEST WASHINGTON ST.
 ST. LOUIS, MO.

SECURITY SAFE

CENTRAL STATES CONFERENCE OF TEAMSTERS - 1127 PINE STREET - ST. LOUIS 1, MO.

Date: 12 10 55 No: 2691

LG

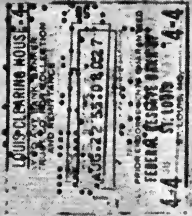
The sum of \$3,000 and 00/100ths

PAY TO THE ORDER OF

George P. H. H.
AUTHORIZED SIGNATURE

SECURITY NATIONAL BANK
SAVINGS AND TRUST COMPANY
EIGHTH STREET BETWEEN OLIVE AND LOCUST
ST. LOUIS, MO.

*John - Lee
For deposit
Debit - Lee
Spec. tr.*



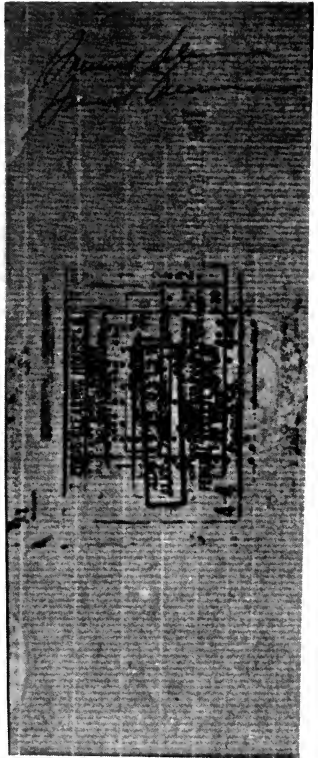
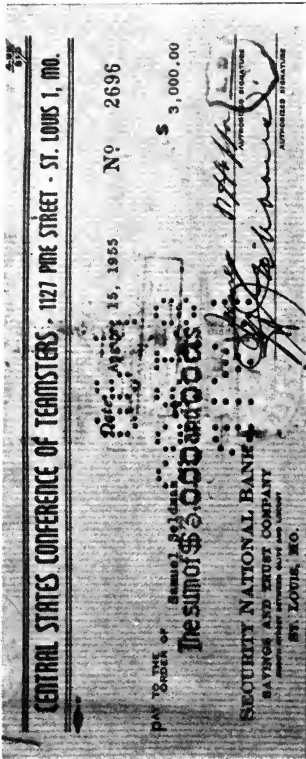


EXHIBIT No. 115

4.99
810

CENTRAL CONFERENCE OF TEAMSTERS • 1127 PINE STREET • ST. LOUIS 1, MO.

Date August 14, 1956

No 4139

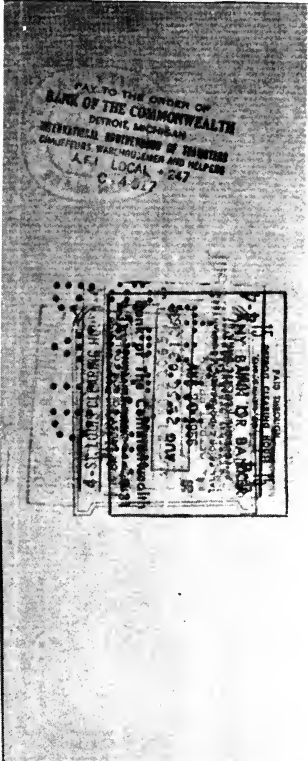
9 \$ 1,000.00

PAY TO THE ORDER OF TEAMSTERS LOCAL UNION NO. 247.

The sum of \$1,000 and 00/100

SECURITY NATIONAL BANK
SAVINGS AND TRUST COMPANY
1804 1/2 STREET BETWEEN OLIVE AND LOCUST
ST. LOUIS, MO.

[Handwritten Signature]
AUTHORIZED SIGNATURE



4-18
810

CENTRAL STATES CONFERENCE OF TEAMSTERS : 1127 PINE STREET - ST. LOUIS 1, MO.

Date June 29, 1934 No. 1633 \$ 10,000.00

Pay to the order of **Richard Everet**
The sum of \$10,000.00

SECURITY NATIONAL BANK
 SAVINGS AND TRUST COMPANY
 MEMPHIS BRANCH BETWEEN OLIVE AND LOCUST
 ST. LOUIS, MO.

Richard Everet
 AUTHORIZED SIGNATURE

[Signature]
 AUTHORIZED SIGNATURE

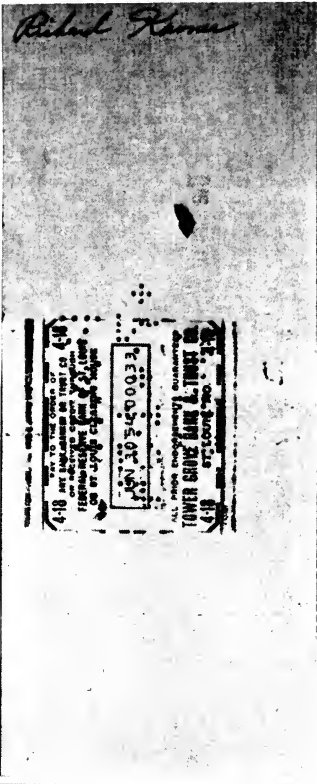


EXHIBIT No. 122

LAW OFFICES
GEORGE S. FITZGERALD
GUARDIAN BUILDING
DETROIT 26, MICH.
MC. CLARENCE BLDG.

November 11, 1955

Abstract and Title Guaranty Company
735 Griswold Street
Detroit 26, Michigan

Attention: William J. Schultz

Re: Escrow Agreement governing the disbursement
of the proceeds of Mortgage Loan on Winchester
Village

Dear Mr. Schultz:

It has come to my attention that the aforementioned escrow agreement is not sufficiently inclusive to allow you to pay certain expenses of Winchester Village Land Company (sometimes billed to Winshall Associates), incident to the improvements therein contemplated. Since our agreement with them is such that all monies received by virtue of sales of any part of the mortgaged premises be placed in escrow, it was our intention that all expenses incurred incident to the improvement of said premises be paid from the escrow fund,

Please accept this as your authority and direction to pay said expenses upon presentation of an invoice therefore or an engineer's certificate authorizing said payment.

Very truly yours,

George S. Fitzgerald
GEORGE S. FITZGERALD

GSP:bu

EXHIBIT No. 122A

LAW OFFICE
GEORGE S. FITZGERALD
GUARDIAN BUILDING
DETROIT 26, MICH.
HOOPERS 2-4900

December 9, 1955

Abstract and Title Guaranty Co.
735 Griswold
Detroit 26, Mich.

Attention: Mr. Schmitz, Assistant Secretary

Re: Winchester Village Land Co.

Dear Sir:

Pursuant to our telephone conversation of yesterday relating to the Tap Privilege Certificates in Clinton Township, Macomb County, Michigan, you are hereby authorized to release to the Winshall Associates \$100,000.00 for their use in picking up these Tap Privilege Certificates. It is understood that what mechanics you may use in connection with the payment of the money to them or to the proper receiving agency and what method may be used for the repayment of this money into the Fund is left to you as the escrow agent and the Winchester Village Land Company.

I have discussed this matter with my clients and it is our feeling:

1. That since the escrow account was created and the money loaned for the development of Winchester Village, the use of this money for anything which will promote this property, not only directly but indirectly, should be left to the discretion of the Winchester Village Land Company;

2. That since the Clinton Township property is part of the escrow this assets which was pledged as collateral on the original loan, any improvement of that Clinton Township property would only enhance our security.

If there is anything further you desire, please contact the undersigned.

Very truly yours,

George S. Fitzgerald
GEORGE S. FITZGERALD

EXHIBIT No. 123

NORMAN J. MONNIG
~~XXXXXXXXXXXXXXXXXXXX~~
ATTORNEY AT LAW
200 CALVERT BUILDING
DETROIT 26

100-1-4886

March 19, 1956

Mr. Jack I. Winshall
4053 Fenobseet Building
Detroit 26, Michigan

Dear Sir:

Mr. Goldman's principles would like to know when you are going to enter into a Land Contract to re-purchase the ten acres in Genesee County. They expected you to call them and arrange a closing in this matter before this.

Therefore, your prompt attention to this matter will be appreciated.

Yours very truly,

Norman J. Monnig

50,000 - IC
1,000 - DP
5 months from
Feb. 3, 1956

EXHIBIT No. 125

INSTRUCTIONS

VALLEY # 8897-48

INSTRUCTIONS

AGRICULTURAL REALTY
6001 WAREHOUSING AVE.
ANN ARBOR MICHIGAN 68, MICH.



June 25, 1958

Winchester Village Land Company
4085 Panobco Building
Detroit 26, Michigan

Services rendered and miscellaneous closings through
May 31, 1958

951,010.83

Handwritten notes:
Hinges
2

<i>Value Price</i>	1000	<i>LP.</i>
	47000	<i>1/3 balance</i>
	<u>1020.83</u>	<i>On 12/20/58 on</i>
		<i>1/3 balance</i>

EXHIBIT No. 126

9-33 720
 VOID AFTER 90 DAYS
 CHECK NO. 99 AMOUNT OF CHECK \$ 51,020.80
 DOLLARS

Abstract and Title Guaranty Company

AERO REALTY

Abstract and Title Guaranty Company
Abstract and Title Guaranty Company
 10000 Woodward Ave. Detroit, Michigan
 9-33

THE MANUFACTURERS NATIONAL BANK OF DETROIT
 9-33 Detroit, Michigan 9-33

ESCROW FUNDS

DEPOSITED TO THE ACCOUNT OF
 THE WITHIN NAMED PAYEE
 ASSESSMENT ENCOURAGEMENT
 GUARANTEED
THE MANUFACTURERS NATIONAL BANK
 OF DETROIT
 DETROIT, MICHIGAN

9-33 9-33
 THE MANUFACTURERS NATIONAL BANK OF DETROIT
 10000 Woodward Ave. Detroit, Michigan
 9-33

9-33 9-33
 THE MANUFACTURERS NATIONAL BANK OF DETROIT
 10000 Woodward Ave. Detroit, Michigan
 9-33

		BALANCE	7-5-56
1935			\$51,029 83
July 5, 1956			
ORDER OF			
A. S. Green			
FOR			
Exchange of Checks			
		TOTAL	
AMOUNT THIS CHECK			\$51029 83

9-33
720

THE MANUFACTURERS NATIONAL BANK
DISCOUNT
D
DETROIT, MICH. 1565-1566

MANUFACTURERS NATIONAL BANK
DETROIT, MICH.

FOR THE ORDER OF
MFRS. NAT'L B.C.M.P. **\$5102.00**

No. 5 320333

\$51,000.00

H. Cooley
CASHIER

Cashier's Check

9-9

H. S. Green

9-9

2

9-9

JUL 29 1936
9-9

THE DETROIT BANK
DETROIT, MICH.

9-9

EXHIBIT No. 128A

7500
7500

DETROIT WABEEK BANK & TRUST COMPANY
1400 WABEEK BLDG. DETROIT, MICH.

DETROIT, MICH. JUL 6 - 1956 No. **C107974**

PAY TO THE ORDER OF LABEL LE VINE D/B/A F. L. V. CO. ***** \$250.00 *****

DETROIT WABEEK BANK & TRUST COMPANY
\$250.00 and 12/100

DOLLARS

CASHER'S CHECK

11724

*F & H. D. Co - Fordpoint
Daniel M. Leane*

*RECEIVED
JUL 10 1956*

250.00

12
980
DETROIT WABEEK BANK & TRUST COMPANY
DETROIT, MICH.
JUL 10 1956

7949
 DETROIT WABEK BANK & TRUST COMPANY
 350 No. C107973
 PAY TO THE ORDER OF
 DETROIT WABEK BANK & TRUST COMPANY
 TWO THOUSAND SIX HUNDRED AND NO/100 DOLLARS
 CASHIER'S CHECK

William Pearl
 8527
 JUL 10 1956
 DETROIT WABEK BANK & TRUST COMPANY
 99011101

EXHIBIT No. 128C

DETROIT WABER BANK & TRUST COMPANY
 1010 BILKING ST. DETROIT, MICH. 48226
 PAY TO THE ORDER OF JESSE KLEMPERER * * * * *
 \$ 25.00
 TWO AND 00/100
 DOLLARS
 CASHIER'S CHECK
 No. C107972
 DETROIT WABER BANK & TRUST CO.

Jerome Keschler
1846 Wisconsin
Grand Island



1930
7-20

DETROIT WARREN BANK & TRUST COMPANY
FOUNDED 1858, CAPITAL \$1,000,000

No. C107971

DETROIT WARREN BANK & TRUST COMPANY
CASHIER'S CHECK

PAY TO THE ORDER OF

DETROIT WARREN BANK & TRUST COMPANY
CASHIER'S CHECK

DOLLARS

Pay to the order of

PAID THROUGH
DETROIT WARREN BANK & TRUST COMPANY

Wm. H. Henry

Wm. H. Henry & Co.

JUN 1936
NATIONAL BANK
H. HENRY & CO.

6644

EXHIBIT No. 128E

9100
720

DETROIT WADEE BANK & TRUST COMPANY

1954 No. C107970

PO TO THE ORDER OF **DETROIT WADEE BANK & TRUST COMPANY**

DETROIT WADEE BANK & TRUST COMPANY

CASHIER'S CHECK

DOLLARS

27.00

John E. Beck
John Beck

3-56-68

32
7

9000
720

DETROIT WAREEK BANK & TRUST COMPANY

BOND IN FULL OF \$500 2

JUL 6 - 1956 No. C107979

DETROIT, MICH.

A. S. GREAY * * * * * \$1,000.00

DETROIT WAREEK BANK & TRUST CO. \$1,000 and 00/100 DOLLARS

CASHIER'S CHECK

PAY TO THE ORDER OF

A. S. Greay
Park Inn Motel

9000
720

DETROIT WAREEK BANK & TRUST COMPANY

BOND IN FULL OF \$500 2

JUL 6 - 1956 No. C107979

DETROIT, MICH.

A. S. GREAY * * * * * \$1,000.00

DETROIT WAREEK BANK & TRUST CO. \$1,000 and 00/100 DOLLARS

CASHIER'S CHECK

PAY TO THE ORDER OF

EXHIBIT No. 129

August 17, 1956

Mr. Manny Harris
Office of the Guardian Building
500 Griswold
Detroit 26, Michigan

Dear Sir:

In consideration of the sum of \$500,000.00 advanced to North American Development Company or its subsidiaries for the purpose of completing the installation of improvements of 500 lots in Winchester Village Subdivision, Gaines Township, Genesee County, Michigan,

The undersigned is willing to arrange for the repayment of the above along with a bonus of \$150,000.00, which bonus will be so arranged or to be in the form of a capital gain.

The capital gain will be arranged through the purchase, by you, of 70 acres of land for \$26,000.00 and the subsequent repurchase of this land by our corporation for the sum of \$176,000.00 within one year - - the 70 acres of land are adjacent to our property and are the site of our proposed apartment site development and is well worth the purchase price.

Security for the \$500,000.00 will be in the form of a second mortgage on 500 partially developed sites. The mortgage release price of \$1,000.00 per site will be paid you as the lots are released from our contracts by the builder. These contracts are for a period of one year and to date 200 lots are under contract and 300 more are committed. Models have been open for 45 days and 170 homes have been sold to date.

Sewers and the disposal plant have been completed and work has started on the installation of water lines, with roads to follow.

The sites in the subdivision have been sold for \$3,000.00 each and F.H.A. has placed a value of \$3,500.00 on each site.

We would like you to inspect the property at your convenience to see the extent of work done to date.

Sincerely yours,

NORTH AMERICAN DEVELOPMENT CO.

Jack I. Winshall

EXHIBIT No. 141B

9-91 1548
7/70

APR 5 1954

PAID TO THE ORDER OF

George S. Griswold
ATTORNEY AT LAW

Philip Ellis

Three Hundred and Fifty Dollars

DETROIT, MICH. 48201

CITY BANK
DETROIT, MICH.

Special Account

PAID TO THE ORDER OF

George S. Griswold

PAID TO THE ORDER OF

Philip Ellis

Three Hundred and Fifty Dollars

DETROIT, MICH. 48201

CITY BANK
DETROIT, MICH.

Special Account

For deposit only
Philip S. Ellis

DEPOSITED WITH
National Bank of Detroit
30 Griswold Street Office 30
Teller No. 2
APR 5 1954

APR 6 54 030 J

APR 6 1954
NATIONAL BANK
OF DETROIT
DETROIT, MICH.
9-32 9-32

PHOTOGRAPHED
ON
APR 6 1954
THROUGH
HOUSE

PLAY TO THE ORDER OF
ANY BANK, BANKER
OR TRUST COMPANY
UNDEPOSITED
APR 6 1954
NATIONAL BANK
OF DETROIT
DETROIT, MICH.
9-32 9-32

EXHIBIT No. 142A

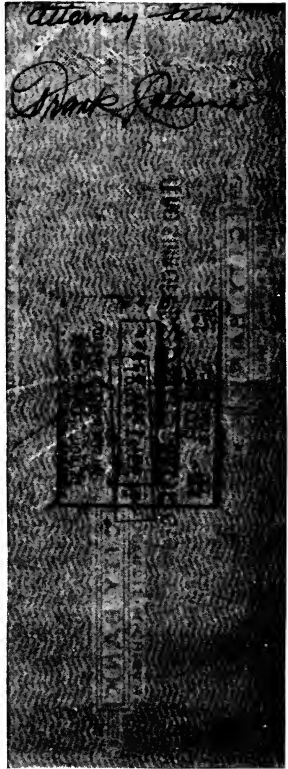
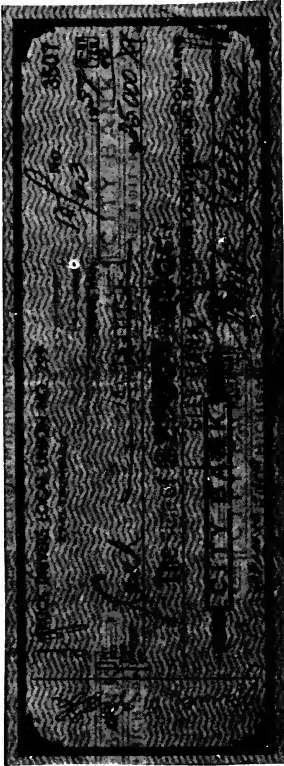


EXHIBIT No. 142B

No. 1704
 9-31
 10-23 1957 720
 \$2500.00

FOOD & BEVERAGE DRIVERS
 WAREHOUSEMEN & HELPERS
 LOCAL UNION NO. 227, DETROIT, MICH.

1957
 Cash
 2500.00

BANK OF THE COMMONWEALTH
 DETROIT, MICH.

C 2080

FOOD & BEVERAGE DRIVERS
 Robert Holman

BANK OF THE COMMONWEALTH
 DETROIT, MICH.

Secretary Treasurer
 Robert Holman

MYRTLE
 OCT 23 1957
 9-31

PAID WITHIN 15
 DAYS OF ISSUANCE
 15
 DAYS OF ISSUANCE
 ANY BANK OR BANKER
 AS PER ENDORSEMENT OR OTHERWISE

DETROIT CLEARING HOUSE
 15
 DAYS OF ISSUANCE
 ANY BANK OR BANKER
 AS PER ENDORSEMENT OR OTHERWISE

1961

NP *Aug 8 1936*

Aug 8 1936

\$5000⁰⁰

DOLLARS

George S. Fitzgerald

GEORGE S. FITZGERALD
ATTORNEY AT LAW

Benjamin D. ...

Five Thousand and 00/100

CITY BANK BANK
DETROIT MICHIGAN
750 MICHIGAN

George S. Fitzgerald

SPECIAL ACCOUNT

ORDER OF

U.S. BANK SYSTEM

Receipt

CITY BANK, DETROIT, MICH.
191 DETROIT, MICHIGAN 48201

PAID TO THE ORDER OF

100

AUG 1936

EXHIBIT No. 144

15/15

GEORGE S. FITZGERALD
ATTORNEY AT LAW

9-91
720

NUMBER
1525

FEB 13 1954

DATE FEB 26, MICH.

\$ 2400.00

TO THE ORDER OF
LAWYER

PAID FEB 15 1954

CITY BANK
DETROIT, MICH. 48201

Special Account

George S. Fitzgerald

Laurens Burns

9-21
720

CITY BANK
DETROIT, MICHIGAN

FEB. 15 54 02016

OR PAY TO THE ORDER OF THE BANK AND TO THE
ANY BANK BRANCH OR BANK OF THE UNITED STATES
DETROIT BRAN. 5
9-29 DETROIT, MICHIGAN

49

NO. 1854931
750

DETROIT, MICH. *Geo*

Geo

\$2400.00

DOLLARS

The sum of \$2400 and 00/100 cts

JOINT COUNCIL #43.
GOOD & WELFARE FUND.

James O'Keefe

BANK OF THE COMMONWEALTH
DETROIT MICH.

FOR DEPOSIT ONLY

James O'Keefe

1931

James O'Keefe

27 deposit only

Geo O'Keefe

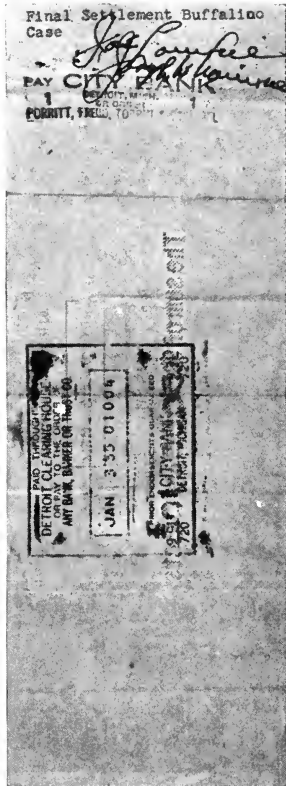
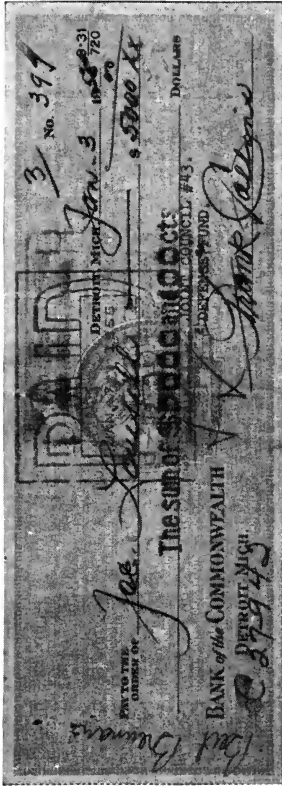
Special Account

Geo

Geo

FOR DEPOSIT ONLY

EXHIBIT No. 145



NO. 6799

9-31
2 / 15 / 1965 720

1000 00

DETROIT, MICH. 1965

FOOD & BEVERAGE DRIVERS
WAREHOUSEMEN & HELPERS
LOCAL UNION NO. 237, DETROIT, MICH.

TRANSFER TO THE ORDER OF

HARRARD - ASSOCIATES

TERMINALS
LOCALITY: DETROIT, MICH.

★ ★ ★ ★ ★

1000 00

FOOD & BEVERAGE DRIVERS

DETROIT, MICH. C-3-056

DOLLARS

Robert J. Harland

BANK OF THE COMMONWEALTH
DETROIT MICH.

1965

DEPOSIT ON

2730 MAYBURN GRAND

PAID TO THE ORDER OF

WAGE EXEMPT

ENDORSEMENT GUARANTEED

WAGEEK STATE BANK OF DETROIT
DOWNTOWN OFFICE

2000 00

EXHIBIT No. 148A

**FOOD & BEVERAGE DRIVERS
WAREHOUSEMEN & HELPERS**
LOCAL UNION NO. 337, DETROIT 16, MICH.



No. 7694

9-31
DISTRICT, N.W. 11, *July 6* 1953 720

\$ 172.47 X

172.47

PAY TO THE ORDER OF *Hubbard*

DOLLARS

FOOD & BEVERAGE DRIVERS

BANK of the COMMONWEALTH
DETROIT, MICH.

Robert Holman

C 3-050

AUTHORIZED SIGNATURE

3741 TRUMBULL AVE. WO. 2-7878

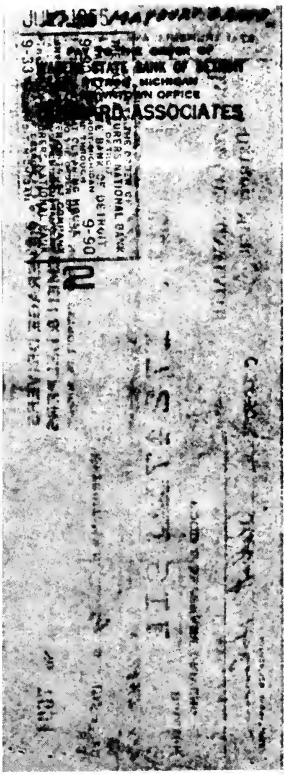


EXHIBIT No. 148B

TRUCK DRIVERS LOCAL UNION NO 299
2741 TRUMBULL

TRUCK DRIVERS LOCAL UNION NO 299

City BANK
CITY BANK

TRUCK DRIVERS LOCAL UNION NO 299

DOLLARS

No. 9847

9-91
1907-720
91

Detroit Mich. *July*

Hubert Chocolate

\$1347.11

SECRETARY: A. HEAR, PEG

1

2741 TRUMBULL AVE. WO. 2-7879

**FOOD & BEVERAGE DRIVERS
WAREHOUSEMEN & HELPERS**
LOCAL UNION NO. 337 DETROIT 16, MICH.

MEMBERS
Local 337-AF of L

NO. 5323

DETROIT, MICH. 10/27/1965

4761 32

49576 30E

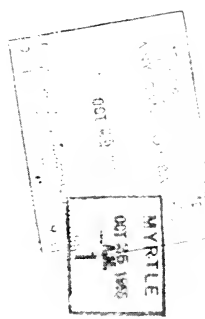
FOOD & BEVERAGE DRIVERS

John T. Brennan

BANK of the COMMONWEALTH
DETROIT, MICH. C 3-050

Best Brennan

100-A



9-32
720

1948 NO. 3

NATIONAL BANK OF DETROIT
DETROIT, MICHIGAN

Robert C. Crosby

PAY TO THE ORDER OF

FIFTY \$15000 AND 00 CTS

\$15000 00

DOLLARS

[Signature]

MICHIGAN-NINETEENTH OFFICE 18

CHARLES GROSEBRO

Robert Crosby
deposit only

9-32
720

1948 NO. 3

NATIONAL BANK OF DETROIT
DETROIT, MICHIGAN

PAY TO THE ORDER OF

FIFTY \$15000 AND 00 CTS

\$15000 00

DOLLARS

[Signature]

MICHIGAN-NINETEENTH OFFICE 18

CHARLES GROSEBRO

Stamp: JAN 6 1956, CLEARING HOUSE, NATIONAL BANK OF DETROIT, 9-32

7A-JUL 764

Herbert I. Grosberg No. **3711**

10. **16**

Huntington Woods, Mich., *Jan 9*

\$ 2100 00

DOLLARS

Herbert I. Grosberg

Herbert I. Grosberg

BANK OF COMMERCE

HAWTHORNE, MICH.

Pay to the order of Owen B. Brennan

Twenty One Hundred Dollars

Herbert I. Grosberg

Owen B. Brennan

BB

PAID

JAN 19 1936

15 dollars or the order of
ANY BANK OR BANKER
All other endorsements Overruled

ANY BANKER OR BANKER
CASH ON HAND

9.31

JAN 19 1936

RECEIVED

JAN 19 1936

1

EXHIBIT No. 154

MICHIGAN CONFERENCE OF TEAMSTERS
 WELFARE FUND

NO. 1753
 Detroit, Mich., March 14, 1945

TO THE ORDER OF *C. N. Hickson, Inc.* \$ 114.79 ⁸⁴/₁₀₀

One hundred and fourteen and 84/100 Dollars

MICHIGAN CONFERENCE OF TEAMSTERS
 WELFARE FUND

NATIONAL BANK OF DETROIT \$

DETROIT MICHIGAN

John A. ...

John A. ...

MICHIGAN CONFERENCE OF TEAMSTERS
 WELFARE FUND

Pay MANUFACTURERS NATIONAL BANK
 OF DETROIT, or order 5-10301
 A. N. HICKSON, INC.

MAYBURY GRAND MEDICAL, INC.
 The Mather eight
 DETROIT 100 MICHIGAN

Check No. 53 **8-32 750**

DATE	CHECK NO.	AMOUNT
3-27-56	53	\$ 20,000 00

PAID **Boiled 3000000000000000**

PAY TO THE ORDER OF
 P. K. S. MAYBURY GRAND MEDICAL, INC.
 2761 Trumbull Detroit, Michigan
 NATIONAL BANK OF DETROIT
 DETROIT, MICHIGAN

John P. Webb
James J. Hoover

PAYMENT IN FULL ON
 LABOR CONTRACT COVERING
 2730 MAYBURY GRAND

James J. Hoover 799

CITY BANK
 DETROIT, MICH.
 ON ORDER

TRUCK DRIVERS LOCAL UNION NO. 299

Boiled 3000000000000000

APR 2 1956

RECEIVED

7-15-56

EXHIBIT No. 155B

MAYBERRY GRAND MEDICAL, INC.
 400 W. WABASH ST. CHICAGO, ILL. 60606
 TELEPHONE: 3-27-56

FORM NO. 54
 750

DATE	CHECK NO.	AMOUNT
3-27-56		\$20,000 00

PAY TO THE ORDER OF **2744 - 2744**

MAYBERRY GRAND MEDICAL, INC.
 400 W. WABASH ST. CHICAGO, ILL. 60606
 J. S. WELLS, President
 J. S. WELLS, Secretary

TRANSFERS LOCAL #337
 2744 - 2744
 Detroit, Michigan
 NATIONAL BANK OF DETROIT
 Detroit, Michigan

PAYMENT IN FULL ON
 LAND GRANT COVERING
 2930 HAYBURY GRAND

APR 11 1956

THE CHECKS AND CHECKS OF ALL UNITS ARE
 IN ACCORDANCE WITH THE PROTECTIVE ORDERING
 AGREEMENT AND THE AGREEMENT WITH
 STANDING THAT THE PROTECTIVE ORDERING
 AGREEMENT IS A CONDITION OF THE

FOR DEPOSIT ONLY
 FOOD & BEVERAGE DRIVERS
 WAREHOUSEMEN & HELPERS
 LOCAL UNION NO. 337
 DETROIT, MICH.

NATIONAL BANK OF DETROIT
 DETROIT, MICH.

15

MAYBURY GRAND MEDICAL, INC.
 2720 MAYBURY GRAND
 DETROIT 16, MICHIGAN

CHECK NO. 155 9-32 720

DATE	CHECK NO.	AMOUNT
7-19-56	155	\$15,000 00

Pay to the order of **Bert Brennan & James R. Hokea**

Bert Brennan & James R. Hokea
 12000 00 CTS

MAYBURY GRAND MEDICAL, INC.
John F. McElroy
James Brennan

NATIONAL BANK OF DETROIT
 DETROIT, MICHIGAN

Bert Brennan
James R. Hokea
12000 00 CTS

12000 00 CTS

NATIONAL BANK OF DETROIT
 DETROIT, MICHIGAN
 JUL 23 1956
 9-32

EXHIBIT No. 157

MAYBURY GRAND MEDICAL, INC.
2750 MAYBURY GRAND
DETROIT 18, MICHIGAN

WHEEL NO 305

DATE 8-17-56

CHECK NO 207

AMOUNT \$16,000 00

John F. McElroy

MAYBURY GRAND MEDICAL, INC.

John F. McElroy

James R. Hoffa

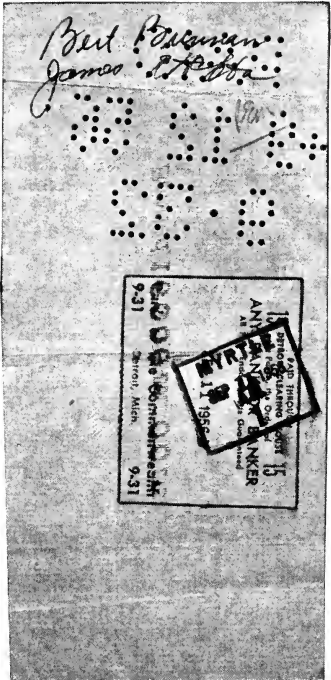
James R. Hoffa

BENJ. SEEGMAN and
JAMES R. HOFFA

NATIONAL BANK OF DETROIT
DETROIT, MICHIGAN

Pay to the order of

Bonded 16000 Dols 00 CTS



MAYBURY GRAND MEDICAL INC.
 2000 Woodward Avenue
 Farmington 18, MICHIGAN

FORM No 52

DATE 3-27-57

CHECK NO.	AMOUNT
3-27-57	\$ 1,027 00

PAY TO THE ORDER OF
Boyd 102700000

CHARLES MARSH, ASSISTANT
 3250 Woodward Ave.
 Farmington, Michigan
 MAYBURY GRAND MEDICAL INC.

John P. McLaughlin
James P. McLaughlin

PAY TO THE ORDER OF
 THE FARMINGTON STATE BANK
 FARMINGTON, MICHIGAN
 CHARLES R. BARNUM • BESSIE L. BARNUM

Boyd 102700000

THE FARMINGTON STATE BANK
 FARMINGTON, MICHIGAN
 1957 MAR 27 10 38 AM

368

BOSTON PUBLIC LIBRARY



3 9999 06352 027 2

