

CONSIDER!



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IS THIS GOOD GOVERNMENT?

VOTE NOV. 7

LINE A ON THE BALLOT — THE DEMOCRATIC TICKET

MCGOVERN/SHRIVER

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SOVIET WHEAT DEAL

The Administration gave inside information to giant grain companies which enabled them to make huge profits from the sale of wheat to the Soviet Union at the expense of American consumers, wheat farmers and taxpayers. Clarence Palmby, one of the chief Agriculture Department officials in the negotiations with the Russians, left USDA before the negotiations were completed to become Vice-President of Continental Grain Co. and helped Continental close a deal with the Russians — before USDA had announced its own credit agreement. Palmby's Continental has sold almost 50% of the wheat sold to the U.S.S.R.

In all, six major companies have monopolized the sale of wheat to the U.S.S.R. There has been a virtual revolving door between top jobs in USDA and top executive positions with five of those companies in the past year. This cozy relationship has resulted in windfall

profits for these companies and has resulted in higher prices. It will eventually cost consumers about \$1.5 billion in higher food prices — especially meats and bakery goods. It will cost small farmers millions in lost subsidy payments and more millions in lost income because of artificially low prices when they sold their wheat. And it will cost the American taxpayer about \$200 million in subsidies to the big firms who were guaranteed profits on their Russian sales by friendly USDA officials.

REELECTION SLUSH FUND

The Nixon Reelection Committee has maintained a \$350,000-to-\$700,000 slush fund of cash to be used for political espionage and "investigative" purposes, including the Watergate break-in. The fund was controlled by former Attorney General John Mitchell while he headed the *Justice Department*. When he switched to the campaign committee, Mitchell shared control with former Commerce Secretary Maurice Stans. Other Reelection Committee officials with access to the fund included two former White House aides, Jeb Stuart Magruder and Herbert L. Porter, both of whom withdrew at least \$50,000.

The Reelection Committee did not keep records of where the money came from or how it was spent — even after the April 7 effective date of the new campaign law. However, the FBI traced part of the money received by the Watergate defendants to the slush fund.

WATERGATE BREAK-IN AND BUGGING

One of the gravest acts of political espionage ever uncovered in this country came in June of this year when five Nixon operatives were arrested after breaking into the headquarters of the Democratic Committee in the Watergate building. Subsequent investigation uncovered an elaborate Republican effort to bug Democratic phones with some of the involvement reaching back to White House staff members. Seven men — including two former White House aides and the security director of the Committee to Re-Elect the President — have been indicted for the Watergate break-in.

The investigation of the Watergate crimes by the FBI, the GAO, Congressional committees and the press, has uncovered a series of illegal campaign contributions and financial transactions, a long-running Republican effort to sabotage the campaigns of Democratic presidential candidates, and Administration favors granted in exchange for campaign contributions. Hardly a day passes without a new revelation about the Administration's and the Re-Elect Committee's involvement in the Watergate burglary or the illegal financial dealings surrounding it.

As a result of the Watergate break-in the Democratic National Committee has filed a \$3.2 million civil suit against all major Re-Elect Committee officials and several White House aides. However, neither this case nor the criminal case involving the seven indicted defendants is scheduled for court action before the election.

HAMBURGER HELPER

Richard Nixon received over "\$255,000 in campaign contributions from hamburger king Ray Kroc, chairman of the board of the MacDonald's chain, after the Administration launched an all out fight to set a sub-minimum wage for young workers. The Administration-backed measure would apply to 16 and 17 year olds and to students under 21. It would permit MacDonalds' to pay their young workers 40¢ an hour less than the minimum wage — a savings of millions of dollars in wages.

GOP ESPIONAGE UNIT

The FBI has uncovered a GOP espionage unit which has been conducting political espionage and sabotage against the Democratic presidential contenders ever since the primary campaigns began. The unit includes about 50 undercover agents, some hired directly by White House aides. For example, one of the agents, Donald H. Segretti, was hired by Nixon appointments secretary Dwight L. Chapin and reported directly to Chapin. Payment to the agents came from the Nixon re-election committee's slush fund of secret campaign contributions and was made, in some cases, by Richard Nixon's personal lawyer, Herbert W. Klambach.

The Republican espionage unit's activities included disrupting Democratic events and impersonating Democrats in phone calls. The unit was allegedly responsible for false charges against Sen. Edmund Muskie printed in the *Manchester (N.H.) Union-Leader* just before the primary, for attempts to cancel Sen. McGovern's TV address on the Vietnam War in October, and for disruptive phone calls to CBS News commentator Walter Cronkite and AFL-CIO President George Meany.

SECRET CAMPAIGN CONTRIBUTIONS

In the weeks before the new campaign law requiring disclosure of campaign contributions went into effect, Maurice Stans, who resigned as Nixon's Secretary of Commerce to become his chief campaign fund-raiser, raised \$10.2 million in secret campaign funds through a concerted effort to collect the money prior to April 7 when the new law took effect. While technically legal, the Stans effort represented a blatant violation of spirit and intent of the law. President Nixon and other GOP officials have continually refused to identify who contributed the \$10.2 million in secret funds, despite the fact that all major Democratic presidential candidates identified their pre-April 7 contributions.

It is believed that the Stans fund-raising was concentrated on special interests and the executives of corporations doing business with the government, especially the giant chemical companies. Stans as Commerce Secretary helped by advising a "go-slow" government policy in prosecuting polluters and the oil interests he aided by fighting attempts to increase oil imports and efforts to reduce the oil depletion allowance.

FLANIGAN'S SHIP WINDFALL

In March 1970, the Treasury Department issued a waiver which would have resulted in a \$6 million windfall to a company headed by special assistant to the President Peter Flanigan prior to his White House appointment.

Sen. Joseph Tydings alerted the public to the deal and the outcry led the Treasury Department to reverse the ruling. The unprecedented ruling permitted a ship owned by the Barracuda Tanker Corporation — whose President until 1969 was Peter Flanigan — and flying a Liberian flag to engage in U.S. coastal trade despite a law which restricts such trade to vessels built and registered in the United States or if "necessary in the interest of national defense."

ANDREAS BANK CHARTER

Minnesota millionaire Dwayne Andreas was granted a highly-sought federal bank charter for a Minneapolis suburb shortly after he secretly donated \$25,000 to the Nixon campaign. Banking officials acknowledged that the charter was approved much more rapidly than usual — especially in light of the fact that the shopping center where the bank is to be located will not be completed for 2 or 3 years. The Andreas money was transferred to the Nixon campaign committee after the campaign law's April 7 effective date but was not reported in the Committee's June 10 report, as required. Later the money was traced to the bank account of Bernard Barker, one of the men charged with the break-in and bugging of the Democratic headquarters in the Watergate.

MEXICO BANK COVER

An illegal \$100,000 campaign contribution from a Texas corporation was funneled through Mexican banks, rushed to Washington aboard a chartered corporate jet, and later \$89,000 of it was transferred to the account of Watergate defendant Barker. The money came from the Gulf Resources and Chemical Corporation, a Texas corporation which — until the contribution — had a major subsidiary under pressure from the Environmental Protection Agency to correct extensive water and air pollution problems. Since the \$100,000 contribution, the pressure has weakened.

Technically the corporation's contributions was made by a Mexican lawyer — even though it is illegal for corporations or foreign nationals to give campaign contributions to presidential candidates. In routing the money through Mexican banks, the Nixon Committee used a procedure similar to that used by organized crime leaders to avoid detection. The money was paid by the corporation to the lawyer in inflated fees. He put it in the Mexican bank and then withdrew it in the form of \$89,000 worth of cashier's checks and \$11,000 in cash. This \$100,000 was then jetted to Washington — along with \$600,000 in other fat-cat contributions — in order to beat the April 7th deadlines when campaign contributors would have to be identified.

CARPET CONTRIBUTIONS

A major carpet manufacturer gave the Nixon campaign committee a \$94,580 donation after the Administration promised to postpone effective federal flammability regulations for carpeting. The contributions — spread out in 30 separate transactions to avoid contribution limitations — came only a few weeks after Nixon finance chief (and former Secretary of Commerce) Maurice Stans set up a private meeting between the government and industry representatives.

SAN DIEGO U.S. ATTORNEY DEAL

The Nixon-appointed U.S. Attorney for the Southern District of California (San Diego), Harry Steward, squelched an investigation of C. Arnholt Smith, a San Diego multi-millionaire who has been a close friend and supporter of Richard Nixon since Nixon's first campaign for Congress. The investigation was being made by a federal organized crime task force as part of a case it was putting together against Smith and several other San Diegans for conspiring to violate federal tax laws and the Corrupt Practices Act. The Attorney also intervened in cases involving a real estate speculator gambling interests and a former Mayor who was charged, and cleared, of bribery.

The FBI started an investigation of Stewart's actions after *Life* magazine charged him with obstructing justice in the Smith case. Then-Deputy Attorney General Kleindienst forced the FBI to discontinue the investigation.

PRICE COMMISSION RULING

The Price Commission has made a ruling specifically favorable to the Combined Insurance Company, a corporation headed by Nixon friend and financial angel W. Clement Stone. Chicago multimillionaire Stone has poured over \$500,000 into the Nixon campaign and has promised to contribute much more.

ANTITRUST SETTLEMENTS

The Nixon Administration has refused to prosecute antitrust suits against giant firms with close personal and financial contacts with the Administration. Attorney General Kleindienst blocked the Antitrust Division from opposing the merger of two giant drug firms — Warner-Lambert and Parke-Davis. The honorary chairman of Warner-Lambert is Elmer Bobst, a long-time friend and financial backer of Richard Nixon and a major client of Nixon's former law firm. Attorney General Mitchell continually refused to fight the merger between the National Steel Corporation and the Granite City Steel Co. — two of the nation's largest steel firms. The director of one of the companies has contributed large sums of money to Republicans and his father — another major Republican fat-cat — owns a company which controls one of the steel firms and which has long-term contracts with the other.

POLITICIZING THE FBI

President Nixon and Attorney General Kleindienst have claimed that the FBI investigation of the Watergate incidents is "the most extensive" in the Bureau's history. However, FBI Director Patrick Gray has suppressed any information uncovered by FBI agents which is not *directly* related, to the Watergate breakin itself. It is believed that information obtained by FBI agents regarding related incidents — such as the broad GOP espionage activities and the collection of illegal campaign contributions by the Nixon Re-elect Committee — has been leaked to the press by disgruntled agents opposed to this politicization of the FBI. Gray has also departed from the non-political tradition of J. Edgar Hoover by giving public speeches praising the Administration and mouthing the Administration's line on crime statistics and other non-crime related topics, including defense spending.

ITT CONTROVERSY

The Republicans were forced to move their national convention from San Diego to Miami after it was learned that ITT's subsidiary, the Sheraton Corporation of America, had pledged to underwrite \$400,000 of the cost of the GOP convention in exchange for a Justice Department settlement of anti-trust charges against ITT. The settlement permitted ITT to retain its acquisition of the Hartford Fire Insurance Corporation and kept the door open for further ITT acquisitions. The revelation of the role of then Deputy Attorney General Richard Kleindienst in aiding ITT's fight against the anti-trust action almost scuttled Kleindienst's nomination as Attorney General. Senate hearings also uncovered pro-ITT activities of Presidential assistant Peter Flanigan leading to a speech by Sen. Thomas Eagleton branding Flanigan the Administration's "Mr. Fix-it for big business."

The scandal was triggered by the disclosure of a memo written by Dita Beard, ITT's Washington lobbyist, which linked the anti-trust settlement to the convention contribution. When called to testify before the Senate, Beard was hospitalized for heart ailments. It was later disclosed that the two doctors who recommended that Beard not testify in person at the Senate were being investigated at the time by the Justice Department for Medicare and Medicaid billing kickbacks.

KLEINDIENST BRIBE OFFER

In 1971, Republican senatorial aide Robert Carson offered Kleindienst \$100,000 as a contribution to the Nixon re-election fund if Kleindienst would help block a stock fraud investigation being conducted by SEC. Kleindienst, later to become the nation's chief law enforcement officer, turned down the bribe but did not bother to report it until he learned that the FBI was eavesdropping on Carson's office. Kleindienst later claimed he "did not recognize the offer as a bribe." Carson was convicted of bribe conspiracy and perjury.