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**Y 4 FINANCIAL OR BUSINESS INTERESTS OF OFFICERS
OR EMPLOYEES OF THE SENATE**

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GOVERNMENT
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**HEARINGS
BEFORE THE
COMMITTEE ON
RULES AND ADMINISTRATION
UNITED STATES SENATE**

**EIGHTY-EIGHTH CONGRESS
FIRST AND SECOND SESSIONS**

PURSUANT TO

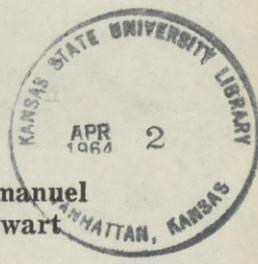
S. Res. 212 and S. Res. 291

**RESOLUTIONS AUTHORIZING AN INVESTIGATION INTO THE
FINANCIAL OR BUSINESS INTERESTS OF ANY OFFICER OR
EMPLOYEE OR FORMER OFFICER OR EMPLOYEE OF THE
SENATE**

MARCH 3 AND 9, 1964

PART 16

**Testimony of Diego Bordas, Lorin Drennan, Gary Emanuel
Mazza, Boyd Lynn Richie, and Walter Joseph Stewart**



Printed for the use of the
Committee on Rules and Administration



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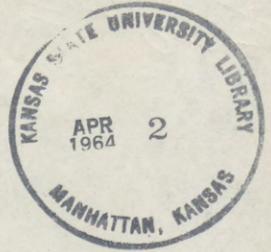
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PART II

Testimony of Diego Jordan, Lorin Brennan, Gary Bennett, Maxine Boyd Lynn Ritchie, and Walter Joseph Stewart

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FINANCIAL OR BUSINESS INTERESTS OF OFFICERS OR EMPLOYEES OF THE SENATE

TUESDAY, MARCH 3, 1964

U.S. SENATE,
COMMITTEE ON RULES AND ADMINISTRATION,
Washington, D.C.

The committee met, pursuant to recess, at 10:15 a.m., in room 318, Old Senate Office Building, Senator B. Everett Jordan (chairman) presiding.

Present: Senators Jordan, Cannon, Pell, Curtis, Cooper, and Scott.

Also present: Gordon F. Harrison, staff director; Hugh Alexander, chief counsel; L. P. McLendon, general counsel; Burkett Van Kirk, associate counsel; James H. Duffy, associate counsel; Walter Mote, professional staff member; William Ellis Meehan, investigator; Samuel Scott, investigator; and Alice Clark, staff.

The CHAIRMAN. The committee will please come to order.

It is necessary that I read this opening statement that the witnesses may know their rights before this committee.

A quorum being present, the committee will please come to order.

This committee is acting by direction and under the authority of Senate Resolution 212, agreed to October 10, 1963, and Senate Resolution 291, agreed to February 10, 1964.

Senate Resolution 212 authorizes and directs the Senate Committee on Rules and Administration—

To make a study and investigation with respect to any financial or business interests or activities of any officer or employee or former officer or employee of the Senate, for the purposes of ascertaining—

(1) whether any such interests or activities have involved conflicts of interest or other improprieties; and

(2) whether additional laws, rules, or regulations are necessary or desirable for the purpose of prohibiting or restricting any such interests or activities.

Witnesses have been interviewed by the staff and heard both in executive and in public sessions. Considerable evidence has been obtained and testimony received to date. Witnesses who have appeared previously, or who will be called in the future, possess information which the committee believes is material and pertinent to the provisions of the resolutions of direction and authorization, and which will aid the committee in fulfilling its legislative purpose.

The Chair advises each witness that he is entitled under the rules of procedure of the committee to retain and be accompanied by counsel. The counsel may advise the witness of his legal rights during the course of his testimony. Should the witness not fully understand any question, the witness might ask for clarification. Counsel, however, shall not coach the witness or answer for the witness.

The committee will now proceed to hear the testimony of Mr. Bordas.

Will you please rise, sir, and be sworn in?

Do you solemnly swear that the evidence you are about to give before this committee in the matter now under investigation is the truth, the whole truth, and nothing but the truth, so help you God?

Mr. BORDAS. I swear.

The CHAIRMAN. Thank you, sir.

Counsel, you may proceed.

Mr. McLENDON. Will you state your full name and your residence address?

TESTIMONY OF DIEGO BORDAS

Mr. BORDAS. My name is Diego Bordas. I live in New York, 30 Summers Street, Forest Hills Garden.

Mr. McLENDON. Do you have counsel with you this morning?

Mr. BORDAS. No, sir; I have no counsel.

Mr. McLENDON. You understood from the chairman's statement that you have a right to counsel?

Mr. BORDAS. Yes, sir.

Mr. McLENDON. Mr. Bordas, how long have you lived in New York?

Mr. BORDAS. I live in New York since 1955, sir.

Mr. McLENDON. What is your business?

Mr. BORDAS. Importer and exporter.

Mr. McLENDON. Importer and exporter?

Mr. BORDAS. Yes, sir.

Mr. McLENDON. Are you a citizen of the United States?

Mr. BORDAS. No, sir; I am a Dominican citizen, Dominican Republic citizen.

Mr. McLENDON. Beg pardon?

Mr. BORDAS. Dominican Republic citizen, sir.

Mr. McLENDON. Have you been a citizen of the Dominican Republic all your life?

Mr. BORDAS. Yes, sir; I was born there, son of Dominican parents, and I remain Dominican, sir.

Mr. McLENDON. When did you first become acquainted with Robert G. Baker?

Mr. BORDAS. I met him in Washington in, I believe, 1955 or 1956. I cannot tell you.

Mr. McLENDON. Do you recall the circumstances under which you met him?

Mr. BORDAS. I came with Mr. Jose Benitez, then chairman of the Democratic Party of Puerto Rico, to Washington, on a visit. He came to New York. And, at that time he was associated with us in the business, my brother and I. And then I was in New York, and he invited me to come to Washington. He had something to do with the Democratic slate of Puerto Rico. And then I came with him. We came to the Capitol Building, and I met Mr. Baker there.

Mr. McLENDON. Mr. Benitez introduced him to you?

Mr. BORDAS. That is correct, sir.

Mr. McLENDON. After that, did you see Mr. Baker very often?

Mr. BORDAS. After that, I saw him a few times here in Washington, and I saw him in the Dominican Republic during the inauguration. I invited him to go there, to the inauguration of the new government, constitutional government, of President Juan Bosch.

Mr. McLENDON. Were you a supporter of Mr. Bosch, who became President of the Dominican Republic?

Mr. BORDAS. Yes, sir; I was a party member, and I was a supporter of Mr. Bosch. When he came after being elected, he came to New York on December 23, 1962, and I worked with him day and night, and we went to Europe and all these countries that he visited before taking possession of power, and then he made me Secretary of State for Industry and Commerce. I returned to the Dominican Republic with him—no; he returned first on the 23d. I returned the 26th of February 1963, and I was sworn in as Secretary of State for Industry and Commerce the 27th day of February 1963, sir.

Mr. McLENDON. Twenty-second?

Mr. BORDAS. Twenty-seventh.

Mr. McLENDON. As Secretary of Industry and Commerce?

Mr. BORDAS. Yes, sir.

Mr. McLENDON. Prior to the inauguration of Mr. Bosch as President of the Dominican Republic, did you introduce Baker to him here in Washington?

Mr. BORDAS. No, sir; in New York.

Mr. McLENDON. In New York?

Mr. BORDAS. In New York; yes.

Mr. McLENDON. How did it happen that Baker was in New York on that occasion?

Mr. BORDAS. I invited him to go to New York to meet the President. I was there in New York, at the Hampshire House Hotel.

Mr. McLENDON. You invited Baker to come to New York to meet President Bosch?

Mr. BORDAS. That is right, sir.

Mr. McLENDON. Did you have any particular reason for wanting those two men to get acquainted?

Mr. BORDAS. Well, I wanted Mr. Baker to know my President. I had been telling him a long time that some day I would return to my country after 18 years of exile; I will become some political figure there. And this was an occasion for me to show him I was telling the truth in the last 7 or 8 years.

Mr. McLENDON. You were seeking information as a politician from another politician. Is that what you are saying?

Mr. BORDAS. Yes, sir; I respected his judgment in politics, because I don't think anyone will deny he was a good judgment in politics.

Mr. McLENDON. You were jubilant over the fact that you were going to be able to return to your native country; is that correct?

Mr. BORDAS. That is correct.

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

Mr. McLENDON. You had been in exile prior to that time?

Mr. BORDAS. I had been in exile since 1946, under the Trujillo dictatorship.

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

Mr. McLENDON. Had Mr. Baker been to the Dominican Republic prior to the time you had introduced him to Mr. Bosch?

Mr. BORDAS. I don't know, sir.

Mr. McLENDON. If he had, you had no knowledge of it?

Mr. BORDAS. I have no knowledge of it, sir. I know only that he went there during the inauguration, under the invitation of the Dominican Government.

Mr. McLENDON. Did you accept the appointment as Minister of Industry and Commerce under the Bosch administration?

Mr. BORDAS. Yes, sir; I did.

Mr. McLENDON. Did you move to Santo Domingo?

Mr. BORDAS. I moved, myself. My family I kept here in New York.

Mr. McLENDON. Beg pardon?

Mr. BORDAS. I kept my family in New York, sir. I moved myself there, because I was afraid to move my family, because you never know in Latin American politics when you are going to be in jail, or exile again, like happened. And I have my children in school. I don't want to jeopardize their school here in the United States to go to Santo Domingo, because even though we won an election by a big majority of the vote, 66 percent, there still were the remains of the dictatorship in some key positions, like the military were still the same of Trujillo. And even though they swore they would behave and everything, I never trusted them. And I was right. Because after 7 months of government, we were overthrown and put in jail and back in exile again.

Mr. McLENDON. So, if I understand you, when you accepted this official appointment by President Bosch, you took the risk as an individual of going back to the Dominican Republic?

Mr. BORDAS. That is correct, sir.

Mr. McLENDON. But you left your family in New York?

Mr. BORDAS. That is correct, sir.

Mr. McLENDON. How long did you serve in this official capacity?

Mr. BORDAS. I served for about 40 days as Minister, and then I resigned.

Mr. McLENDON. Why did you?

Mr. BORDAS. I have too much work to do, and it was—the opposition was too heavy to our government. I was spending about 20 hours a day working, and I have also the other job as president of the Dominican Sugar Commission who had to deal with all the sale and purchase of equipment and sugar, and the betterment of production of sugar of the 13 sugarmills owned by the Government. So I resigned as Minister, and I kept my job as president of the Sugar Commission, sir.

Mr. McLENDON. Well, now, the president of the Sugar Commission under the Dominican Government was a different office from the one that you were appointed to as Minister of the Department of Industry and Commerce?

Mr. BORDAS. That is right, sir. Sometimes the Minister also serves in that capacity. Some other times, they are different persons.

Mr. McLENDON. Well, in this case, were you serving in both jobs under your title as—

Mr. BORDAS. That is right. In the beginning I was serving both jobs by two appointments, one as Minister of Industry and Commerce, and the other one as president of the Sugar Commission. Then I resigned one, and I kept one.

Mr. McLENDON. Well, what were your duties as Minister of the Department of Industry and Commerce with respect to, for instance, hotels owned by the Government?

Mr. BORDAS. At that time the Ministry had no jurisdiction over hotels. That law, I believe, was passed after I resigned. Then the Government passed the hotel—as far as the operation and checking of hotels, passed it to the tourist department, which, in turn, was controlled by the Ministry of Industry and Commerce.

Mr. McLENDON. At the time Mr. Bosch became President you became his Minister?

Mr. BORDAS. Yes, sir.

Mr. McLENDON. And when you became Minister of the Department of Industry and Commerce, didn't the Government of the Dominican Republic own hotels?

Mr. BORDAS. Yes, sir.

Mr. McLENDON. How many?

Mr. BORDAS. They owned several hotels. I cannot tell you exactly how many. But I believe they owned about seven hotels throughout the country.

Mr. McLENDON. How many of those hotels had gambling casinos in connection with them?

Mr. BORDAS. Only one was operating a gambling casino.

Mr. McLENDON. Only one?

Mr. BORDAS. Yes, sir.

Mr. McLENDON. Where was that hotel?

Mr. BORDAS. El Embajador. You call it Ambassador Hotel?

Mr. McLENDON. In English, that is Ambassador?

Mr. BORDAS. That is correct.

Mr. McLENDON. What change was made with respect to the ownership of the hotels immediately after Mr. Bosch became President?

Mr. BORDAS. Will you please repeat the question, sir?

Mr. McLENDON. I say what change with respect to the ownership of hotels occurred after Mr. Bosch became President?

Mr. BORDAS. None that I know of, because they were rented—particularly that hotel was rented to Intercontinental Hotels Corp.

Mr. McLENDON. Didn't the Bosch government dispose of the hotels to private ownership?

Mr. BORDAS. No, sir; they were rented from the time of the Trujillo regime; they were rented to the Intercontinental Hotels Corp.

Mr. McLENDON. And the lease was still in effect?

Mr. BORDAS. The lease was in effect; that is right, sir.

Mr. McLENDON. Well, as Minister of the Department of Industry and Commerce, what did you do with respect to the hotels, if anything?

Mr. BORDAS. Nothing, sir. I was dealing with sugar, which accounted for 80 percent of the economy of the Dominican Republic.

Mr. McLENDON. Were the hotels under your jurisdiction as Minister?

Mr. BORDAS. When I was Minister, they were not under my jurisdiction, sir.

Mr. McLENDON. What about the gambling concessions? Were they under your jurisdiction?

Mr. BORDAS. Never. The gambling concession is always given by the President of the Republic, after a study made by what is called their Corporacion de Fomento, which is Development Corporation. And then this study pass along to the lawyers that work with the President which they call the council for the President, and after they make the study then they recommend what steps should be taken by the President, and he is the only one who can sign or deny or grant a gambling concession.

Mr. McLENDON. Did you make a recommendation to the President with respect to the hotels?

Mr. BORDAS. No, sir.

Mr. McLENDON. Or the gambling casinos?

Mr. BORDAS. No, sir.

Mr. McLENDON. Did the new President, Mr. Bosch, have a right, a legal right, to change the ownership of the hotels when he became President?

Mr. BORDAS. No, sir, because they were on a long lease contract basis to Intercontinental Hotels Corp., and the Government was a very respectful government of law. So we cannot change anything. We have to respect contracts previously awarded.

Mr. McLENDON. Mr. Bordas, the committee has some information indicating that President Bosch did have authority to approve or disapprove gambling concessions at these hotels. Will you clear that up for the committee? Tell us what the truth is about it.

Mr. BORDAS. Well, yes; he had the power to do it, sir.

Mr. McLENDON. He did have the power?

Mr. BORDAS. The power to do it. But the one we are talking—the one particular hotel I am talking about, Ambassador, was already rented on a long-term basis to Intercontinental Hotels Corp. The other hotel was rented in turn to a gentleman by the name of Flores.

Mr. McLENDON. How do you spell that—F-l-o-r-i-e-s?

Mr. BORDAS. That is right, sir. And I think he was given a gambling concession on the basis that he will invest about half a million dollars revamping the hotel and make it a tourist attraction.

Mr. McLENDON. Now, this was done by President Bosch?

Mr. BORDAS. That was done by President Bosch.

Mr. McLENDON. What did you have to do with it?

Mr. BORDAS. Nothing, sir.

Mr. McLENDON. Were you consulted?

Mr. BORDAS. No, sir.

Mr. McLENDON. Make any recommendation about it?

Mr. BORDAS. No, sir.

Mr. McLENDON. Do you have knowledge of any persons from the United States who were applicants for that concession?

Mr. BORDAS. No, sir.

Mr. McLENDON. Did you know a man named Levinson at that time?

Mr. BORDAS. No, sir. I met one man named Levinson in Santa Domingo—one fellow that lived there called Levinson. At one time I was having lunch at the Ambassador where I used to go every day at 1 o'clock for a quick lunch before going back to my office, and a

lady came and asked me if I will receive for 5 minutes some gentleman, some American gentleman. I saw him; he looked American—it was a matter of courtesy for me, even though I had no time on my lunch. I told her I would give him 5 minutes. The lady introduced herself as being Mrs. Levinson.

Mr. McLENDON. Mrs. Levinson?

Mr. BORDAS. Yes. And then he came in, and he told me that he had a concession on some sort of an establishment there; I don't know; I never saw it.

Mr. McLENDON. You mean in the Dominican Republic?

Mr. BORDAS. Yes, sir. And that it was running out of time, and that they wanted to cancel it or they wanted to increase the fare. It happened that I said, "What kind of a concession is that?" And he told me about it, and then I said, "This belongs to the city government of Santo Domingo."

Mr. McLENDON. It belongs to the city government?

Mr. BORDAS. To the city government; yes. What they call a *juento mento*. And I had nothing to do with that. That was the end of that conversation. That was the end of whatever was mentioned about Levinson.

Mr. McLENDON. Was this man Levinson to whom you refer named Edward Levinson, from Las Vegas?

Mr. BORDAS. No, sir. I don't know the first name of that gentleman.

Mr. McLENDON. You didn't know his first name?

Mr. BORDAS. No, sir.

Mr. McLENDON. Did he tell you that he knew Robert Baker?

Mr. BORDAS. No, sir.

Mr. McLENDON. Did he disclose to you any interest Baker had in the gambling casinos?

Mr. BORDAS. No, sir.

Mr. McLENDON. Did you know Mr. John Gates of the Pan American Airways at that time?

Mr. BORDAS. No, sir; not at that time, and not at this time. I never met Mr. Gates.

Mr. McLENDON. You never have known him?

Mr. BORDAS. No, sir.

Mr. McLENDON. How about Mr. Pryor with the same company—did you know him?

Mr. BORDAS. No, sir.

Mr. McLENDON. Have you ever had any conversation with anybody representing the Pan American Airways or the Intercontinental Hotels Corp.?

Mr. BORDAS. I had a conversation with Mr. Howard, the local representative of Pan American Airways, in Santo Domingo.

Mr. McLENDON. What about?

Mr. BORDAS. Regarding that we wanted them—there were only three flights from New York to Santo Domingo, and we wanted Pan American to increase to a daily flight, because we wanted to promote tourism, and bring people down there for business and so on. And he promised us he would pass the information along to the head of Pan American. I didn't know whether here or in Miami. But—

I think the service was increased one flight more a week. But that was it.

Mr. McLENDON. Did you discuss with any of those gentlemen the gambling concessions?

Mr. BORDAS. No, sir; they have no authority, and I have no authority, no connection, no interest whatsoever on gambling.

Mr. McLENDON. Now, you referred to the fact that on one occasion you invited Mr. Baker to New York to meet President Bosch.

Mr. BORDAS. That is correct, sir.

Mr. McLENDON. That was before he was actually inaugurated, was it not?

Mr. BORDAS. Before inauguration, sir. He was the President-elect, more or less, in exile here, because we never were sure whether he would take office or not.

Mr. McLENDON. Did you also invite him to the inauguration of President Bosch?

Mr. BORDAS. Yes, sir; I was handling the invitations in New York for the sake of the President, and I sent one to Bobby Baker.

Mr. McLENDON. Did he accept and attend?

Mr. BORDAS. He accepted; yes. He went in.

Mr. McLENDON. Was he your guest while he was in the Dominican Republic on that occasion?

Mr. BORDAS. He was invited by me, but he paid his expenses.

Mr. McLENDON. He did not visit you in your home?

Mr. BORDAS. I had no home at that time, sir. I had only a hotel room. I was very crowded. I had to share the hotel room with some other people.

Mr. McLENDON. How long was he there, Mr. Bordas?

Mr. BORDAS. On that occasion, I only saw him once, because I was very busy, as I told you before. And I saw him for about 1 hour there in the hotel. And I think he left the next day. I am not sure.

Mr. McLENDON. Did you discuss business with him?

Mr. BORDAS. I beg your pardon?

Mr. McLENDON. Did you discuss business with Mr. Baker on that occasion?

Mr. BORDAS. No, sir. I had no time to discuss anything. I was 20 hours on the job. I was called by the President. We had so many things to do, and so many guests at that time. We had six Presidents, I guess, in the Republic, and with the delegates, and many other people that were invited, from this country and many other countries.

Mr. McLENDON. Was Mr. Baker on that occasion accompanied by Mr. Edward Levinson?

Mr. BORDAS. I cannot tell you, sir; I do not know.

Mr. McLENDON. Was he accompanied by anyone?

Mr. BORDAS. Not when I saw him. In the hotel lobby, we said hello, had a drink, and then I had to run out.

Mr. McLENDON. When did you next see him in the Dominican Republic?

Mr. BORDAS. I saw him in the Dominican Republic, I believe, in April.

Mr. McLENDON. April of 1963?

Mr. BORDAS. 1963; yes. He called me from the hotel. At that time I had a house in the outskirts of the city, a place called Boca

Chica. He called me up. I said hello to him, and then I sent him one of my cars with a chauffeur to pick him up, because I had many people at my house, and I could not leave them. So he came and said hello; we spoke about 1 hour. He said he was on a little vacation. He spent 1 hour with me. He met a few guys there from the party. And then off he went to the airport.

Mr. McLENDON. Did you invite him there on that occasion?

Mr. BORDAS. No, sir.

Mr. McLENDON. Did he explain to you how he happened to be in the Dominican Republic?

Mr. BORDAS. No, sir.

Mr. McLENDON. This was April 1963?

Mr. BORDAS. That is right, sir.

Mr. McLENDON. Do you remember the exact date?

Mr. BORDAS. No, sir.

Mr. McLENDON. Did he make any explanation to you why he was there?

Mr. BORDAS. He told me it was some vacation; he was passing through, 1 or 2 days in the Caribbean.

Mr. McLENDON. On a vacation by himself?

Mr. BORDAS. Yes, by himself. I saw him by himself.

Mr. McLENDON. Did he come in on a commercial plane or private plane?

Mr. BORDAS. I don't know, sir.

Mr. McLENDON. Do you recall having a long-distance telephone conversation with him before he came on this trip?

Mr. BORDAS. I don't recall, sir. But it could be. I cannot assure you of anything.

Mr. McLENDON. Do you recall whether he called you, or did you call him?

Mr. BORDAS. I beg your pardon?

Mr. McLENDON. I say do you recall whether Baker called you, or whether you called Baker?

Mr. BORDAS. No; I don't recall, sir, even if we have any telephone conversation. I don't recall, sir.

Mr. McLENDON. We have a record dated the 15th day of April, Mr. Bordas, showing that he called you by long distance, and that you talked quite a long time.

Mr. BORDAS. As I said, it could be.

Mr. McLENDON. What would he be talking to you about?

Mr. BORDAS. Probably that he was coming down to Santo Domingo.

Mr. McLENDON. Well, it wouldn't take long to tell you he was coming, would it?

Mr. BORDAS. I don't know, sir. I don't recall that call. I don't recall how long it took.

Mr. McLENDON. Can't you refresh your recollection about this call? You were not accustomed to talking to Baker by long distance, were you?

Mr. BORDAS. Not necessarily. But it might be, sir. I don't recall.

Mr. McLENDON. You cannot remember anything about it?

Mr. BORDAS. I don't recall, sir. It is a long time. I have so many phone calls then.

Mr. McLENDON. Do you remember any other telephone calls that he made to you? I am talking about Baker. Any other telephone calls that Baker made to you?

Mr. BORDAS. Another telephone call that he made to me?

Mr. McLENDON. Yes. You can't remember any others?

Mr. BORDAS. No, sir.

Mr. McLENDON. Are you sure, Mr. Bordas, that Baker didn't ask you by telephone to arrange for him to meet persons who had some connection with the gambling casinos?

Mr. BORDAS. I cannot recall, sir.

Mr. McLENDON. You can't remember that?

Mr. BORDAS. No, sir.

Mr. McLENDON. Did you at that time know a man named Peter Grimm?

Mr. BORDAS. Peter?

Mr. McLENDON. Peter Grimm.

Mr. BORDAS. No, sir; I don't know that person.

Mr. McLENDON. Did you know a man named Dieckler?

Mr. BORDAS. No, sir.

Mr. McLENDON. Did you know a man named Hoyat?

Mr. BORDAS. No, sir.

Mr. McLENDON. You don't recall any of those names?

Mr. BORDAS. No, sir. I don't recall any one of them. I don't think I ever met them.

Mr. McLENDON. Now, when was the next time that you saw Baker in the Dominican Republic?

Mr. BORDAS. That was the last time I saw him in the Dominican Republic.

Mr. McLENDON. The last time?

Mr. BORDAS. Yes, sir.

Mr. McLENDON. After you resigned your official position in the Bosch government, did you remain in the Dominican Republic, or did you come back to New York?

Mr. BORDAS. Well, I remained, as I told you before—I remained as president of the Sugar Commission after resigning as Secretary of State.

Mr. McLENDON. How long were you there with the Sugar Commission?

Mr. BORDAS. I remained until August, middle of August, sir. But I told the President I would quit, because I have to come back to New York, and my family was waiting—I was living there all the time.

Mr. McLENDON. Did you leave the Dominican Republic before Mr. Bosch was replaced as President by the junta?

Mr. BORDAS. No, sir; I left the Dominican Republic around the 18th of August, if I recall well, and I came back the 16th of September. And the Government was overthrown a few days after. And every person that was strong in the party, a close supporter of Bosch, was put in jail. I was put in jail 7 days.

Mr. McLENDON. You were?

Mr. BORDAS. Yes, sir. And then I was put out of the country October 1.

Mr. McLENDON. You were expelled from the country?

Mr. BORDAS. Yes, sir.

Mr. McLENDON. Have you been back since?

Mr. BORDAS. No, sir; I have not been back since. I cannot go back.

Mr. McLENDON. Mr. Bordas, are you sure that in all of these conversations and meetings you had with Mr. Baker that he did not disclose to you that he had an interest in helping certain people get gambling concessions?

Mr. BORDAS. I don't recall that, sir.

Mr. McLENDON. You cannot recall any such conversations?

Mr. BORDAS. I don't recall anything like that. We just talked politics, and how you are, and we are friends, my family is friends with his family. And this is it.

Mr. McLENDON. After you returned to the United States, after the overthrow of Mr. Bosch as president, did you continue your friendship with Baker?

Mr. BORDAS. Yes, sir.

Mr. McLENDON. Have you seen him many times since?

Mr. BORDAS. I saw him in Washington during the funeral of President Kennedy—the late President Kennedy. I was nominated delegate to the funeral by the extinct constitutional Government—still a constitutional Government; sir. And they nominated me to come to Washington and pay respects to the late President Kennedy. So I came, and I saw Mr. Baker on that occasion. I think it was on November 24 or 25.

Mr. McLENDON. Have you seen him since then?

Mr. BORDAS. No, sir.

Mr. McLENDON. Have you ever had any business transaction with him?

Mr. BORDAS. No, sir.

Mr. McLENDON. Of any kind?

Mr. BORDAS. No, sir.

Mr. McLENDON. Has he ever advised you concerning business?

Mr. BORDAS. No, sir.

Mr. McLENDON. Have you ever asked his advice concerning any business?

Mr. BORDAS. No, sir.

Mr. McLENDON. Ever loaned him any money?

Mr. BORDAS. No, sir.

Mr. McLENDON. Mr. Bordas, what, if anything, did you have to do with the controversy that arose with respect to the dumping of cement in the United States?

Mr. BORDAS. At that time I was importing—my company, Bordas Corp., was importing cement.

Mr. McLENDON. From where?

Mr. BORDAS. From the Dominican Republic.

Mr. McLENDON. And what happened?

Mr. BORDAS. We had a complaint by 12 factories of cement here in the United States, a dumping complaint.

Mr. McLENDON. That is that you were violating the Anti-Dumping Act, as it is commonly referred to?

Mr. BORDAS. There were complaints that the factory in the Dominican Republic was violating the Anti-Dumping Act.

Mr. McLENDON. Meaning they were underselling the American market?

Mr. BORDAS. Yes, sir.

Mr. McLENDON. And were you represented by counsel in that proceeding?

Mr. BORDAS. Yes, sir.

Mr. McLENDON. And was it before the Tariff Commission, or before the division of the Treasury Department?

Mr. BORDAS. Both.

Mr. McLENDON. Who was your counsel?

Mr. BORDAS. Cichandwicz & Callan.

Mr. McLENDON. That firm has offices in New York City?

Mr. BORDAS. Yes, sir—26 Broadway.

Mr. McLENDON. And did you actually appear before the Tariff Commission and the committee in the Treasury Department?

Mr. BORDAS. Yes. They represented me and they appeared everywhere, and the case was—what is called the Customs Department found ground of dumping, and then they referred the matter to the Tariff Commission for action. The Tariff Commission, in its decision, said that no American industry was injured by the bringing in of cement from Santo Domingo, and dismissed the case.

Mr. McLENDON. It was dismissed?

Mr. BORDAS. Yes, sir.

Mr. McLENDON. Mr. Baker introduced you there to the Commission?

Mr. BORDAS. To what commission?

Mr. McLENDON. Did Mr. Robert Baker introduce you to the Tariff Commission?

Mr. BORDAS. No, sir; I was not even here in Washington when they had the hearing at the Tariff Commission.

Mr. McLENDON. What about your counsel? Did he introduce them?

Mr. BORDAS. No, sir.

Mr. McLENDON. Did he introduce you to the—any of the officers of the Treasury Department?

Mr. BORDAS. Not that I recall; sir.

Mr. McLENDON. Beg pardon?

Mr. BORDAS. Not that I recall. My counsel was here.

Mr. McLENDON. You would recall that, would you not, Mr. Bordas—if a man like Mr. Baker, in the important position he held, would go to the trouble of personally going down to the Treasury to introduce you—wouldn't you remember that?

Mr. BORDAS. To the Treasury; no, sir.

Mr. McLENDON. Yes. The U.S. Treasury Department.

Mr. BORDAS. No. One day we went to—he was with me, and he accompanied me to the Customs Bureau, not Treasury.

Mr. McLENDON. He accompanied you to the Customs Bureau?

Mr. BORDAS. Yes, sir.

Mr. McLENDON. Why?

Mr. BORDAS. He was with me, and I said, "Will you take me to that place?" And he took me in his car.

Mr. McLENDON. Why was he with you?

Mr. BORDAS. Because every time I was in Washington, he was with me all the time.

Mr. McLENDON. You mean the minute you landed in Washington Mr. Baker found you and stayed with you all day and all night?

Mr. BORDAS. He was my friend. I used to come and visit him. And we happened to have lunch that day

Mr. McLENDON. Mr. Bordas, tell us why Baker went to the Customs Bureau with you. You are bound to know. Why did you go?

Mr. BORDAS. I wanted him to take me there; sir.

Mr. McLENDON. Why? Why did you want him to take you there?

Mr. BORDAS. Because of the fact that I don't know how to go. I was in a strange city. He took me there—just put me in the Customs Bureau, and he left.

Mr. McLENDON. You mean you got him to show you the way down there?

Mr. BORDAS. He brought me to the Customs Bureau; sir.

Mr. McLENDON. Brought you to the Customs Bureau?

Mr. BORDAS. Yes.

Mr. McLENDON. When he got there, who did he introduce you to?

Mr. BORDAS. I don't recall the name of the gentleman. The one who was there.

Mr. McLENDON. You can't remember his name?

Mr. BORDAS. No, sir.

Mr. McLENDON. Do you remember the position he held?

Mr. BORDAS. No, sir.

Mr. McLENDON. What did he say when he introduced you?

Mr. BORDAS. Just he say, "Hello, this is Mr. Bordas," and he left.

Mr. McLENDON. He said, "This is Mr. Bordas."

Mr. BORDAS. Yes, sir.

Mr. McLENDON. "Anything you can do for him, I will appreciate it." Did he say that?

Mr. BORDAS. No, sir. He said, "Mr. Bordas, my friend," and he left.

Mr. McLENDON. He said, "This is Mr. Bordas, my friend."

Mr. BORDAS. Yes, sir.

Mr. McLENDON. Are you sure that is all he said?

Mr. BORDAS. Yes, sir.

Mr. McLENDON. How long did he stay?

Mr. BORDAS. That day—about half an hour.

Mr. McLENDON. During that half an hour, what occurred?

Mr. BORDAS. Nothing. My lawyer was discussing with the custom official what steps should be taken.

Mr. McLENDON. Did Mr. Baker make any suggestions?

Mr. BORDAS. Mr. Baker was not at the meeting, sir.

Mr. McLENDON. You said he was there 30 minutes.

Mr. BORDAS. No, no; I was there.

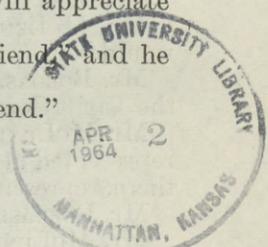
Mr. McLENDON. You were there?

Mr. BORDAS. He left right away, sir.

Mr. McLENDON. How long was Baker there? Ten minutes, five minutes?

Mr. BORDAS. One or two minutes. I don't recall.

Mr. McLENDON. Let me ask you one more time. Did you ask Baker to go with you down there and introduce you?



Mr. BORDAS. I don't know, sir. I think so.

Mr. McLENDON. You think you did?

Mr. BORDAS. Yes.

Mr. McLENDON. Let me ask you another way. Did Baker volunteer—did he say, "Mr. Bordas, I would be glad to go down there and introduce you"?

Mr. BORDAS. No; I think I asked him to take me there—I don't know the way—we had lunch, and then he took me there.

Mr. McLENDON. Well, is there any reason why you picked him out to go down there with you, rather than any one of hundreds of other people in Washington?

Mr. BORDAS. No particular reason, sir.

Mr. McLENDON. You had originally been introduced to him by Mr. Benitez?

Mr. BORDAS. Yes, sir.

Mr. McLENDON. Was Mr. Benitez a friend of yours?

Mr. BORDAS. He is a friend of mine, sir.

Mr. McLENDON. Did you know that he and Baker had some dealings together?

Mr. BORDAS. I learned that from the committee here.

Mr. McLENDON. From what?

Mr. BORDAS. From the hearing here.

Mr. McLENDON. This hearing?

Mr. BORDAS. Yes.

Mr. McLENDON. You didn't know that before?

Mr. BORDAS. I didn't know that before, sir.

Mr. McLENDON. You knew that Mr. Baker was a man who occupied an influential Government position at the time he went with you down to the Customs Department, did you not?

Mr. BORDAS. Yes; I do.

Mr. McLENDON. And you thought anything that he might say would be helpful to you?

Mr. BORDAS. No; not necessarily, because this is a matter that is—the Tariff Commission will have to decide.

Mr. McLENDON. I understand that. Were the American companies represented at this meeting in the Customs Department? Were they there, represented by counsel?

Mr. BORDAS. Will you please repeat the question?

Mr. McLENDON. I say at the time that you went to the Customs Department with Baker, were the American companies who were filing the protest—were they represented there?

Mr. BORDAS. No, sir.

Mr. McLENDON. They were not?

Mr. BORDAS. No, sir.

Mr. McLENDON. This, then, was an informal conversation between you and—

Mr. BORDAS. Informal conversation between me and my lawyer and the Customs Department.

Mr. McLENDON. Yes. And no decision, I assume, was made at that time.

Mr. BORDAS. No, sir.

Mr. McLENDON. Did you have another hearing after that?

Mr. BORDAS. No, sir.

Mr. McLENDON. You did go to the Treasury Department, though, before it was over, did you not?

Mr. BORDAS. No, sir. My lawyer came.

Mr. McLENDON. Your lawyer went, and you were not present?

Mr. BORDAS. No, sir.

Mr. McLENDON. Did Mr. Baker take your lawyers to the Treasury Department and introduce them?

Mr. BORDAS. No, sir.

Mr. McLENDON. How do you know? You said you were not there.

Mr. BORDAS. I know. Because the lawyer would have told me.

Mr. McLENDON. He would have told you?

Mr. BORDAS. Yes.

Mr. McLENDON. But he didn't tell you, did he?

Mr. BORDAS. No, sir. I don't think it happened.

Mr. McLENDON. You knew that you had to clear it also with the Treasury Department, did you not?

Mr. BORDAS. Repeat the question, sir.

Mr. McLENDON. I said in addition to appearing before the Customs Division, didn't you also know you had to go to the Treasury Department on this antidumping thing?

Mr. BORDAS. It is the same division, sir, I think.

Mr. McLENDON. You think it is the same thing?

Mr. BORDAS. Yes; sir; the Customs—they call it the Dumping Division of Customs.

Mr. McLENDON. And you say your lawyers were back on another occasion, and you were not present?

Mr. BORDAS. I was not present.

Mr. McLENDON. Did you communicate with Baker about the second visit?

Mr. BORDAS. No, sir.

Mr. McLENDON. Did he communicate with you? Did he tell you anything about what happened or whether he was willing to help you?

Mr. BORDAS. No, sir.

Mr. McLENDON. When was this—about what time was it?

Mr. BORDAS. 1961, I guess.

Mr. McLENDON. Is it that far back?

Mr. BORDAS. Yes, sir; 1960 or 1962. I cannot tell you exactly.

Mr. McLENDON. Did you ever have any trouble thereafter about the sale of cement in the United States?

Mr. BORDAS. No, sir.

Mr. McLENDON. That was the only time?

Mr. BORDAS. The only time.

Mr. McLENDON. I believe that is all, Mr. Chairman.

The CHAIRMAN. Senator Cannon?

Senator CANNON. I have no questions.

The CHAIRMAN. Senator Curtis?

Senator CURTIS. Mr. Bordas, do you have a family?

Mr. BORDAS. Yes, sir.

Senator CURTIS. Are they acquainted with Robert Baker?

Mr. BORDAS. Yes, sir.

Senator CURTIS. Are you acquainted with Robert Baker's family?

Mr. BORDAS. Yes, sir.

Senator CURTIS. Very close friends?

Mr. BORDAS. Yes, sir.

Senator CURTIS. Have been since 1955 or thereabouts?

Mr. BORDAS. Yes, sir.

Senator CURTIS. Did you take Robert Baker to the Hay-Adams Hotel here in Washington in January 1963, and introduce him to the President-elect of the Dominican Republic, Mr. Bosch?

Mr. BORDAS. No, sir; I did not come to Washington on that occasion; I remained in New York. I introduced Mr. Baker to the President in New York at the Hampshire House Hotel.

Senator CURTIS. A few days before that, didn't you introduce him—present him—to Mr. Bosch at the Hay-Adams here?

Mr. BORDAS. No, sir; I was not in Washington with Mr. Bosch. I remained in New York, because I was very busy in New York.

Senator CURTIS. But you do recall presenting him to Mr. Bosch—

Mr. BORDAS. Yes, sir.

Senator CURTIS. And this was before the inauguration?

Mr. BORDAS. Before the inauguration, sir. If I recall, it was during December 1963 or—1962, or early January, very early January.

Senator CURTIS. You introduced him to Mr. Bosch as your very dear friend?

Mr. BORDAS. My friend, sir; yes.

Senator CURTIS. Now, you were active in Mr. Bosch's campaign?

Mr. BORDAS. I was out of the country, sir.

Senator CURTIS. You didn't assist in his campaign for election?

Mr. BORDAS. No, sir. I was out of the country. My enemies were in power during the campaign. I had to remain in New York.

Senator CURTIS. I mean when he was elected.

Mr. BORDAS. I was in New York when he was elected, sir.

Senator CURTIS. You did not assist him financially?

Mr. BORDAS. My family assisted him financially in Santo Domingo; yes, sir.

Senator CURTIS. Substantially?

Mr. BORDAS. Substantially.

Senator CURTIS. I don't want the figures. You were regarded—you and your family—as principal supporters of President Bosch; were you not?

Mr. BORDAS. That is correct, sir.

Senator CURTIS. You had charge of the inauguration?

Mr. BORDAS. Will you please repeat the question?

Senator CURTIS. You had charge of the inauguration ceremonies; did you not?

Mr. BORDAS. If I have—

Senator CURTIS. Were you not in charge of the inauguration?

Mr. BORDAS. No, sir. In charge of the inauguration was the previous government, was the one who made all the arrangements for the inauguration. I was with Bosch here in New York.

Senator CURTIS. When they had the inauguration, what function did you perform, if any?

Mr. BORDAS. I just went there and swore in my post, and I have to go to my office right away.

Senator CURTIS. And how did it happen you were appointed to the government of Bosch?

Mr. BORDAS. I am a close friend of President Bosch since 1947. And I was working with him in New York. He wanted me to go back as a Secretary of Industry and Commerce, because he thought I know how to work—sugar, coffee, cocoa, all these commodities—through my experience here in New York. I was a member of the Coffee & Sugar Exchange since 1957. So I know a little bit about merchandising those commodities here in the States, which is our principal customer.

Senator CURTIS. That put you rather in touch with all the business operations of the country, did it not, pretty much?

Mr. BORDAS. Sugar operations they did. Thirteen sugar mills were run badly, and still they are. I have to spend—

Senator CURTIS. You had an official connection with the Tourist Development Corp.; did you not?

Mr. BORDAS. The Tourist Department became part of my Ministry, I believe, just when I resigned.

Senator CURTIS. Just when what?

Mr. BORDAS. When I resigned my post.

Senator CURTIS. Did you resign voluntarily?

Mr. BORDAS. Yes, sir.

Senator CURTIS. You had a disagreement with the President, though, did you not?

Mr. BORDAS. Not with the President.

Senator CURTIS. Any report that he fired you on April 16 would not be correct, then?

Mr. BORDAS. Not correct, sir. That is a political speculation. We have remained friends up to the last day, and still today we are good friends.

Senator CURTIS. Now, are you telling this committee that you had no discussions or conversations with anyone concerning gambling concessions in the Dominican Republic?

Mr. BORDAS. I told that to the committee, sir.

Senator CURTIS. Well, is it true?

Mr. BORDAS. Yes, sir.

Senator CURTIS. You have never discussed it with anybody?

Mr. BORDAS. About gambling concession? No. Everyone that went to Santo Domingo gambling concessions, they know where to go. They have to go to the fomento—Corporacion de Fomento, development corporation of the country.

Senator CURTIS. But they could get gambling concessions through the President?

Mr. BORDAS. The President was the only one who would give that, sir. I said that.

Senator CURTIS. You were a member of his Cabinet, and your family were one of his principal supporters.

Mr. BORDAS. That is correct, sir.

Senator CURTIS. And you were interested in tourist development?

Mr. BORDAS. I was devoting my time to revamp the sugar industry of the country that was in a very bad stage.

Senator CURTIS. The tourist industry?

Mr. BORDAS. The sugar industry.

Senator CURTIS. But you were interested in the tourist industry; were you?

Mr. BORDAS. Not particularly, sir. I had nothing to do with that.

Senator CURTIS. I asked you if you were interested in it. You gave some attention to it.

Mr. BORDAS. I could not give attention to that—even though I am interested in tourism in my country.

Senator CURTIS. What attracts tourists to your country?

Mr. BORDAS. I beg your pardon?

Senator CURTIS. What attracts tourists to your country?

Mr. BORDAS. Natural beauty, the hotels that are there now, the new hotels, and they have gambling casinos already, and they have good beaches, good mountains, ground for hunting; they have everything, almost; it is a small beautiful country, sir.

Senator CURTIS. And you stand on your statement that you never talked about the gambling business with anybody?

Mr. BORDAS. No, sir.

Senator CURTIS. Well, now, have you ever employed the firm of Tucker & Baker?

Mr. BORDAS. On one occasion during the cement dumping of Colombia, Benitez and I went to see Mr. Tucker.

Senator CURTIS. Who took you to see Mr. Tucker?

Mr. BORDAS. Mr. Benitez.

Senator CURTIS. Did Mr. Baker?

Mr. BORDAS. No, sir.

Senator CURTIS. Well, now, let me read here. This is from the hearings, part 2 of the testimony of Ernest C. Tucker, page 159:

Senator CURTIS. Do you know anything about business transactions in the Caribbean with reference to the importation of cement?

Mr. TUCKER. I knew that you would ask that one. And that was a client of mine in 1956, 1957 possibly, it has been so many years ago—some people came to me introduced to me by Mr. Baker. I represented them a short time. It had to do with the Anti-Dumping Act. It was a client from Colombia.

Is that where your cement was located?

Mr. BORDAS. Yes, sir.

Senator CURTIS (reading):

Senator CURTIS. What was the name of the client?

Mr. TUCKER. Well, it was a cement company in Colombia. I do not know of the name at the moment.

Senator CURTIS. Well, who were the individuals that you say Baker introduced you to?

Mr. TUCKER. A Mr. Bordas, and a Mr. Benitez, who, in turn, I believe, owned the company, and they imported from the main company.

Senator CURTIS. Do you know their first names?

Mr. TUCKER. Bordas' name is Diego, and I only looked this up this morning, and Benitez' is Jose. He and Mr. Bordas had a cement company, and I think they imported into New York.

So you had lawyers in addition to the New York lawyers that you mentioned.

Mr. BORDAS. Sir, I repeat to you that I was introduced to Mr. Tucker by Mr. Benitez at his office here in Washington. And all we did there was to answer a few questions of the Customs Department. That is all we did—in Mr. Tucker's office.

Senator CURTIS. Was the Customs Department official in Tucker's office?

Mr. BORDAS. No, sir. What we did was to use Mr. Tucker to get us an interview with the lawyers representing the cement factories here in the United States—the firm of Covington & Burling. So he called up, and Mr. Benitez and I went that afternoon, and we talked to Mr. — some lawyer by the name of Hiss, I guess.

Senator CURTIS. H-i-t-z?

Mr. BORDAS. No; Hiss, H-i-s-s.

Senator CURTIS. Donald Hiss?

Mr. BORDAS. Yes. And we told him that we were a small importer of cement into Puerto Rico; there was a vicious complaint, and why they did not withdraw the complaint, and so on. And he promised he would do something, but he would have to get the authorization from the 13 factories that he represented. And he worked on that. Finally, they did not give the authorization for him to withdraw the case, but the preliminary investigation that the customs officials did found there was no ground for the dumping case, so they dismissed the case.

Senator CURTIS. But if Mr. Tucker testified that Mr. Baker brought you men to him, you say that is wrong?

Mr. BORDAS. I beg your pardon, sir?

Senator CURTIS. Mr. Tucker said it was Mr. Baker that introduced you and Jose Benitez to Mr. Tucker?

Mr. BORDAS. I am telling you that, as I recall, Mr. Benitez introduced me to Mr. Tucker. Probably Mr. Baker introduced Mr. Benitez to Mr. Tucker, but not to me.

Senator PELL. Will the Senator yield? The record will show further on down the page that Mr. Tucker says:

I think Mr. Benitez, actually, as a matter of fact, Senator, introduced me to Mr. Bordas.

Mr. BORDAS. So my information is correct, sir. Thank you, Senator.

Senator CURTIS. Was there a fee paid to Mr. Tucker?

Mr. BORDAS. I beg your pardon?

Senator CURTIS. Was there an attorney fee paid to Mr. Tucker?

Mr. BORDAS. No, sir. He sent an invoice later for \$2,000, which I never paid, and Bobby told me not to pay it.

Senator CURTIS. Baker told you not to pay it?

Mr. BORDAS. Yes. All he did there—

Senator CURTIS. Why did Baker tell you that?

Mr. BORDAS. Because it was too high a fee for just going to an office and write a few pages, and make an interview.

Senator CURTIS. Now, Baker told you not to pay a bill to his law partner?

Mr. BORDAS. That is correct, sir.

Senator CURTIS. What favors were you doing for Baker that caused him to say that?

Mr. BORDAS. None. I complained how shall I pay \$2,000 just to go there and use the phone and make a phone call? And he said, "Don't pay it."

The CHAIRMAN. Senator Curtis, just let me make a statement for the record.

The Senate is now in session, and we have asked for permission to sit. It hasn't come yet. But I think it will. I have to excuse myself now. Senator Cannon will take over as chairman of the committee in my absence.

Senator SCOTT. Mr. Chairman, the witness—could he be asked if he has any objection to continuing with his testimony meanwhile?

The CHAIRMAN. If he has no objection, it is all right with me.

Senator SCOTT. I take it the witness has no objection to continuing while the Senate is in session until we can get permission to sit?

Mr. BORDAS. I don't understand the question, sir.

Senator SCOTT. The witness is entitled to this protection.

The CHAIRMAN. The witness does not have to answer any questions or do anything while the Senate is in session without permission to sit. So that—but if you don't object to answering questions while the Senate is in session without permission, you may do so. But it is your right not to, if you don't want to. We will have permission, I am sure, in a few minutes, because I don't know any reason why anybody should object to it.

Mr. BORDAS. If I understand what you said, you have to go to the session of the Senate.

The CHAIRMAN. I personally do. But the rest of them will be here. So there is no problem about that. There will still be a quorum present here for this hearing.

Mr. BORDAS. It is all right with me, sir.

The CHAIRMAN. Thank you very much. We appreciate your cooperation.

Mr. BORDAS. You are welcome, Mr. Chairman.

Senator CURTIS. Where did this conversation take place, in which Baker told you not to pay the fee of \$2,000?

Mr. BORDAS. Some time later, sir.

Senator CURTIS. Where?

Mr. BORDAS. I think I called him up. I said that to him.

Senator CURTIS. You called him up every once in awhile, didn't you? Your answer was yes?

Mr. BORDAS. I beg your pardon?

Senator CURTIS. When I asked you if you called him up every once in awhile, was your answer yes?

Mr. BORDAS. I called him up, and I said this is too high.

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

Senator CURTIS. Where did you call him?

Mr. BORDAS. To his law firm.

Senator CURTIS. At the Tucker-Baker law firm?

Mr. BORDAS. It could be. I don't know where I called, sir. It is a long time ago. You are talking about something that happened in 1957.

Senator CURTIS. Well, \$2,000 remains in your mind a long time.

Senator SCOTT. I guess you said, "I want to talk to Mr. Baker," and not Mr. Tucker, didn't you?

Mr. BORDAS. Yes; of course, sir.

Senator CURTIS. Just what did Baker say?

Mr. BORDAS. "Forget about it."

Senator CURTIS. "Forget about it"?

Mr. BORDAS. Yes, sir.

Senator CURTIS. That is what he told Mrs. Novak, when she was worried about the bill with Capital Transit. Did he say that he had talked it over with Tucker?

Mr. BORDAS. I don't know. I don't ask questions, sir. When somebody offers something to me, I don't ask questions.

Senator CURTIS. You knew they were partners?

Mr. BORDAS. I don't know, sir. I know now they are partners. I didn't know that before.

Senator CURTIS. Why did you ask Baker about this bill if it was Benitez that introduced you to—

Mr. BORDAS. Because Benitez was already in Puerto Rico, sir.

Senator CURTIS. He introduced you to Tucker—why didn't you call Tucker?

Mr. BORDAS. Because I didn't talk just for 5 seconds. I know Baker better.

Senator CURTIS. How long have you known Robert Baker's family?

Mr. BORDAS. I think I met them in 1957 or 1958.

Senator CURTIS. Where?

Mr. BORDAS. In Puerto Rico.

Senator CURTIS. They were down there?

Mr. BORDAS. Yes, sir.

Senator CURTIS. Where did Robert Baker get acquainted with your family?

Mr. BORDAS. In Washington, when on an occasion I came with my wife to show her Washington, and I took her to his house.

Senator CURTIS. Took her to his house?

Mr. BORDAS. Yes, sir.

Senator CURTIS. Well, now, what is your business?

Mr. BORDAS. Import and export, sir.

Senator CURTIS. What do you import?

Mr. BORDAS. I import coffee, I import cement—not any more now, because they dropped too much the price. And we cannot compete.

Senator CURTIS. What do you export?

Mr. BORDAS. I export general merchandise, whatever I can sell, anything.

Senator CURTIS. You are talking about your business in New York?

Mr. BORDAS. My business in New York, sir; yes, sir.

Senator CURTIS. What businesses have you been in down in the Caribbean?

Mr. BORDAS. I am half owner of Bordas & Co., Puerto Rico—a shipping company, and cement, corn, commodities, general commodities, import and export.

Senator CURTIS. Corn?

Mr. BORDAS. Yes, sir.

Senator CURTIS. Have you built any mills down there?

Mr. BORDAS. No, sir.

Senator CURTIS. For grinding either into flour or feed?

Mr. BORDAS. No, sir.

Senator CURTIS. What business dealings and business interests have you had in the Dominican Republic?

Mr. BORDAS. My family business interests, sir.

Senator CURTIS. What are those interests?

Mr. BORDAS. Coffee, bananas, cocoa, and farm—they are exporters there.

Senator CURTIS. And you have been interested in politics?

Mr. BORDAS. I have been interested in politics all of my life, and I will die that way.

Senator CURTIS. And so has your family?

Mr. BORDAS. Not my family; myself. My family is not political.

Senator CURTIS. I understood you to say they did help Mr. Bosch get elected.

Mr. BORDAS. They did help Bosch, on my request.

Senator CURTIS. On your request?

Mr. BORDAS. Yes, sir.

Senator CURTIS. And how did it happen Bosch picked you out for government appointment?

Mr. BORDAS. I don't understand the question, sir.

Senator CURTIS. How did you happen to get a job in the Bosch government?

Mr. BORDAS. Because I was working with him during 2 months after he was elected the President in the—the President in the Dominican Republic was elected December 20, 1962. And up until February 27, they cannot do anything there to take possession of the Government. So he came here to the States, and I was helping him meeting people, trying to bring investors to the Dominican Republic, because the Government was pro-American. And he liked the way I worked, as I told you previously. And then he told me that I should go there and help him out.

Senator CURTIS. You invited Mr. Baker down to the inaugural.

Mr. BORDAS. Yes, sir; I did.

Senator CURTIS. Now, you mean to say that through all these years of your acquaintance with Mr. Baker, your family acquaintance, that you have never had any business discussions with him?

Mr. BORDAS. Not particularly, sir.

Senator CURTIS. I—

Mr. BORDAS. Because I saw him as a politician; not as a businessman. And my interest in him was purely political.

Senator CURTIS. What is your answer? Have you ever talked business with him?

Mr. BORDAS. I don't recall, sir. I don't keep a record of what I talk to my friends, sir.

Senator CURTIS. I noted so many times today you said, "I don't recall."

Mr. BORDAS. Because I want to tell the truth.

Senator CURTIS. Have you had any business dealings with a Mr. Warren Neil?

Mr. BORDAS. No, sir. We—my brother and head of the office of Puerto Rico used to sell Warren Neil cement.

Senator CURTIS. Does Mr. Baker know Mr. Warren Neil?

Mr. BORDAS. I don't know. I believe so.

Senator CURTIS. You believe so. What causes you to say that?

Mr. BORDAS. I don't know. He is in Puerto Rico, and he probably knows him. I don't know.

Senator CURTIS. Do you know Paul Aguirre?

Mr. BORDAS. No, sir.

Senator CURTIS. Never heard of him?

Mr. BORDAS. No, sir; I am out of Puerto Rico since 1955. I lived in Puerto Rico from 1948 to 1955, and then I only go on occasion there to visit my brother, and to——

Senator CURTIS. And you have never heard of Paul Aguirre?

Mr. BORDAS. No, sir.

Senator CURTIS. When did you last talk to Mr. Baker on the telephone?

Mr. BORDAS. When I came here in November—November 24, I called him up to say hello to him.

Senator CURTIS. You haven't talked to him since?

Mr. BORDAS. No, sir.

Senator CURTIS. You saw him, then. That was the time of the funeral?

Mr. BORDAS. Yes, sir; I called him up; I told him I was here. He invited me to his home, and I went to his home with my wife.

Senator CURTIS. When he visited down there, you sent a car and a chauffeur for him?

Mr. BORDAS. I did send a car and chauffeur for him when he visited the Dominican Republic.

Senator CURTIS. Did he ever do the same for you here?

Mr. BORDAS. No; because I don't think he had any chauffeur. But, at that time, I had three cars and three chauffeurs.

Senator CURTIS. Was Jack Cooper or Edward Levinson with Baker any time you saw him?

Mr. BORDAS. No, sir; I saw him alone.

Senator CURTIS. What did you talk about?

Mr. BORDAS. Just to say hello. He came there on a visit one day, and he went.

Senator CURTIS. Well, you saw him a number of times in the Dominican Republic, did you not?

Mr. BORDAS. Sir, I stated before, and I repeat now, I saw him twice—during the inauguration for 1 hour, and 1 hour, I think, in April.

Senator CURTIS. For an hour?

Mr. BORDAS. Probably less than an hour.

Senator CURTIS. Did you ever meet Mr. Grant Stockdale there with Mr. Baker?

Mr. BORDAS. Who, sir?

Senator CURTIS. Grant Stockdale, with Mr. Baker.

Mr. BORDAS. I don't recall.

Senator CURTIS. You don't recall that?

Mr. BORDAS. No.

Senator CURTIS. Well, who was Mr. Baker getting in touch with when he would come down there?

Mr. BORDAS. I don't know, sir.

Senator CURTIS. He was alone? His family wasn't along?

Mr. BORDAS. He was alone; yes, sir.

Senator CURTIS. Now, the first time you saw him, did he spend any time going to the beaches or did he come down there alone and spend his time in the business area, and leave, or what?

Mr. BORDAS. I cannot tell you. I told you I was very busy. I only saw him for less than 1 hour, and then I have to run. He stayed at the hotel.

Senator CURTIS. Was the Levinson that you said you talked to Louis Levinson?

Mr. BORDAS. I don't know his first name.

Senator CURTIS. What is his business; the Levinson you talked with?

Mr. BORDAS. He told me he had some concession from the previous government, about some park—I don't know.

Senator CURTIS. What kind of concession?

Mr. BORDAS. I don't know—rent something.

Senator CURTIS. But it did involve a gambling concession, didn't it?

Mr. BORDAS. I don't know, sir. I never saw the place; I only talked to him for 5 minutes. I told him I had nothing to do with it, and I told him he should better go and see the mayor of the city.

Senator CURTIS. It is your testimony to this committee that Baker or no one in his group ever talked to you about acquiring gambling concessions in the Dominican Republic or any country around there?

Mr. BORDAS. That is correct, sir.

Senator CURTIS. Do you have any interests in any casinos?

Mr. BORDAS. No, sir.

Senator CURTIS. Is there a casino at the Hotel Hispaniola?

Mr. BORDAS. I don't know, sir. I left the country on October 1, and there was no casino at the Hotel Hispaniola.

Senator CURTIS. You have no interest in that hotel or any activity there?

Mr. BORDAS. No, sir; I just used to live there.

Senator CURTIS. Were you in any way employed in the Trujillo government?

Mr. BORDAS. No, sir.

Senator CURTIS. That is all.

Senator CANNON. I wish to announce that the committee does have permission to sit while the Senate is in session.

Senator PELL?

Senator PELL. Mr. Bordas, I would like to refer to your visit to the Customs Bureau of the Treasury Department. Who was the lawyer who accompanied you there—your lawyer?

Mr. BORDAS. The lawyer was one of the younger lawyers of the office I had employed. His name was Mr. Wing.

Senator PELL. Of Covington & Burling?

Mr. BORDAS. Of Cichandwicz.

Senator PELL. Thank you. I wonder if you could, after thinking over a bit, have any further thought as to who the individual was in the Treasury Department or in the Customs Bureau with whom you spoke. Do you recall? Was it a man or a woman?

Mr. BORDAS. He was a man. I don't recall his name.

Senator PELL. Do you recall the name of the office that he was in, or his title?

Mr. BORDAS. The Dumping Division. I only recall Dumping Division, because there was a sign there, "No Dumping."

Senator PELL. Do you happen to recall if he was the Chief of the Division?

Mr. BORDAS. No. I think he was the counsel for the Dumping Division.

Senator PELL. The principal lawyer?

Mr. BORDAS. Yes.

Senator PELL. Government lawyer?

Mr. BORDAS. Yes.

Senator PELL. For it?

Mr. BORDAS. I don't recall the name. You know by experience yourself, Senator, probably you have better memory than me—you meet 10 people in a strange city, and I bet you never recall after 5 years who they were.

Senator PELL. No. And I realize the difficulties of going back that far. But this is only about 2 years ago, really.

Mr. BORDAS. Even 2 years.

Senator PELL. Three years ago. Did you have any social or business relations with any other Senate employees besides Bobby Baker?

Mr. BORDAS. No, sir.

Senator PELL. Or former ones?

Mr. BORDAS. No, sir.

Senator PELL. Thank you.

Senator CANNON. Senator Scott?

Senator SCOTT. Mr. Bordas, you—in addition to being Minister of Industry and Commerce, President Juan Bosch also made you Chairman of the Development Corporation and head of tourism, did he not?

Mr. BORDAS. No, sir. I was not Chairman of the Development Corporation. As Minister of Industry and Commerce, I had to attend the meetings of the Board of Directors as what they call *ex officio* member.

Senator SCOTT. Of the Board of the Development Corporation?

Mr. BORDAS. Yes, sir.

Senator SCOTT. And that Corporation also had tourism as part of its responsibility?

Mr. BORDAS. That is right, sir.

Senator SCOTT. Now, were you not able to assist in putting the Government hotels, for example, the Hispaniola and El Ambassador, and others, into private hands, turn them over to private enterprise?

Mr. BORDAS. I had nothing to do with that.

Senator SCOTT. That did happen?

Mr. BORDAS. It did happen, but I had nothing to do with it.

Senator SCOTT. Then, if they had any gambling concessions, they would have been arranged through the private owners of the hotels, rather than the Government?

Mr. BORDAS. No; I believe the way it works is that the Government grants the concession to the hotel itself. And then the Government regulates the way it should be run—that is all.

Senator SCOTT. You testified with regard to a Mr. Levinson, but you did not talk about gambling concessions; is that right?

Mr. BORDAS. What I said, that while I was having lunch at the Ambassador Hotel, Santo Domingo, one day, one of these busy days, a lady approached me and she asked that I receive a gentleman who was there for 5 minutes—even I was having lunch I said, "OK, tell him to come in." And then he started telling me his problem of some concession he had that would be canceled and this and that. I said, "I have nothing to do with that. You better go and see the mayor, because that is a city matter."

Senator SCOTT. That belonged to the municipal government?

Mr. BORDAS. That is correct, sir.

Senator SCOTT. Did you ever have any conversation with Mr. Baker regarding the possibility of establishing an airline or air service between Puerto Rico and Santo Domingo?

Mr. BORDAS. No, sir. We—I have interests in a small airline in Santo Domingo called Aereovias Quisqueyana. And we are applying for an air route between San Juan and Santo Domingo.

Senator SCOTT. And you had no discussions with Mr. Baker or Mr. Tucker about this?

Mr. BORDAS. No, sir.

Senator SCOTT. Were you ever registered in the United States as an agent of a foreign government at any time?

Mr. BORDAS. No, sir.

Senator SCOTT. What is meant in Santo Domingo by reference to the triumvirate?

Mr. BORDAS. The triumvirate is a facade of civil government that the military have there now.

Senator SCOTT. Do you know a Mr. Palacio in Santo Domingo?

Mr. BORDAS. No, sir; I don't.

Senator SCOTT. Do you know the ex-Finance Secretary, Dr. Pedro Manuel Casals Victoria?

Mr. BORDAS. I don't know him personally. I know he belonged to a different party, opposition party, and they acted together with the military to overthrow our government.

Senator SCOTT. So this is then a man not connected with the old Trujillo government, but with the military who overthrew the Bosch government; is that right?

Mr. BORDAS. That is correct, sir.

Senator SCOTT. And you say you don't know him personally?

Mr. BORDAS. No, sir—even though I regard him as a political enemy.

Senator SCOTT. He is a political enemy?

Mr. BORDAS. That is right, sir.

Senator SCOTT. Do you know Bonilla Atilés?

Mr. BORDAS. Another bitter political enemy of mine.

Senator SCOTT. But you do not know Bonilla Atilés?

Mr. BORDAS. Bonilla Atilés, I believe, is a fellow that runs the El Diario in Miami. I don't know him personally. But I heard he is chief of that newspaper.

Senator SCOTT. Do you know Taveres y Espailat?

Mr. BORDAS. Yes. I met him in my trip of October—of September 18 to Santo Domingo. He was in the plane—probably plotting to overthrow our government, because he is a member of the junta now.

Senator SCOTT. He is a member of the present junta?

Mr. BORDAS. That is correct, sir.

Senator SCOTT. Do you know anything about the arrangements for the hiring of public relations firms in this country, the United States, by the Bosch government?

Mr. BORDAS. No, sir. We always wanted to hire somebody, but we never did. We had no time. We were overthrown too quick.

Senator SCOTT. Who was Juan Laboy?

Mr. BORDAS. Juan Laboy was the personal secretary to the President.

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

Senator SCOTT. Was he ever present in either of the two meetings you had with Mr. Baker?

Mr. BORDAS. In the inauguration, he was there in the lobby of the hotel with a group, and I was there for a few minutes.

Senator SCOTT. With Baker, among others?

Mr. BORDAS. Yes, sir.

Senator SCOTT. You say he was private secretary of President Bosch; is that right?

Mr. BORDAS. That is correct, sir.

Senator SCOTT. And he was one of your political allies, too, was he not?

Mr. BORDAS. That is right, sir.

Senator SCOTT. Now, did he have any other duties in the Government beyond being the private secretary of President Bosch?

Mr. BORDAS. No, sir.

Senator SCOTT. Mr. Chairman, that is all I have. While this next request is not directly related to the testimony of this witness, I would request that a newspaper, a letter or statement appearing in the newspaper Listen Diario of Santo Domingo entitled "Ex-Secretary of Finance Refutes Palacio Letter," a statement by the ex-Secretary, Dr. Pedro Manuel Casals Victoria, as reported, be made a part of the record, since it makes certain charges which I think ought to be followed up.

Senator CANNON. May I ask the Senator whether or not it relates to matters involved in this hearing?

Senator SCOTT. In my judgment it relates to matters involved in this hearing, because it refers to money; it alleges certain attempts to bribe persons in this country. I doubt very much if it is correct. But I think it will lead to certain investigation of certain other persons.

Senator CANNON. The Chair will withhold judgment on that at the present time, and ask counsel to review it. And may I ask counsel—have you had the opportunity to see that before?

Mr. McLENDON. I have never seen it.

Senator CANNON. The Chair will ask counsel to review it. The matter will be considered by the committee at a later time.

Senator CURTIS. Mr. Chairman—do you know a concern down there called Laferia?

Mr. BORDAS. Will you please repeat that?

Senator CURTIS. L-a-f-e-r-i-a.

Mr. BORDAS. Laferia Ground is the remains of the warfare that Trujillo made in 1955, ever since called Laferia.

Senator CURTIS. It is sort of a little Coney Island?

Mr. BORDAS. I never saw it, sir.

Senator CURTIS. But there is a gambling concession there?

Mr. BORDAS. I don't know.

Senator CURTIS. The gambling concession is run by Louis Levinson, is it not?

Mr. BORDAS. Is that his place you are telling me now? I don't know. I never went to his place; I never passed through there.

Senator CURTIS. And he was in some danger of losing his concession, and do you know whether or not Baker had any part in saving it for him?

Mr. BORDAS. No, sir.

Senator CURTIS. But a man by the name of Levinson did ask to see you when you were eating lunch?

Mr. BORDAS. That is right.

Senator CURTIS. And it was about a concession?

Mr. BORDAS. No, sir. It was about they wanted to—the present Government was increasing the rate or taking the concession away from him—I cannot recite what it was. He came to me, and I said, “This is not my problem, my friend. You better go to see the mayor. He is the one who has to do with it.”

Senator CURTIS. You say you have not talked to Mr. Baker since last November. Have you talked to anybody else about this investigation?

Mr. BORDAS. No, sir.

Senator CURTIS. Mr. Baker is your dear friend, of many years?

Mr. BORDAS. Yes, sir. But I don't want to jeopardize my witnessing by talking to anyone.

Senator CURTIS. You never made inquiry of anyone about this investigation?

Mr. BORDAS. I read every day in the paper, sir. My interest is keen on this.

Senator CURTIS. No one called you up or came to see you?

Mr. BORDAS. No, sir.

Senator CURTIS. You didn't call up anybody or go to see anybody about this?

Mr. BORDAS. No, sir. I came—I took the plane this morning at 7 o'clock. I arrived here at 8:30. I had breakfast at the airport. I came direct to the room 312, and there I was at 9:30.

Senator CURTIS. I mean prior to today.

Mr. BORDAS. No, sir.

Senator CURTIS. Haven't you talked to anybody?

Mr. BORDAS. No, sir.

Senator CURTIS. That is all.

Senator CANNON. Senator Pell?

Senator PELL. I have one further question in connection with the visit to the Customs Bureau. Do you happen to recall if Mr. Baker made a phone call first, or made an arrangement for your appointment, when you went down there?

Mr. BORDAS. No; I think we just walked in. We were having lunch. I said to him, take me to the Customs. He went, he said hello, this is Mr. Bordas, this is the lawyer, and he went out.

Senator PELL. And to the best of your recollection, it was not the result of a previously made appointment?

Mr. BORDAS. No, sir.

Senator PELL. Thank you; that is all.

Senator CANNON. Any other questions, Counsel?

Mr. McLENDON. No, sir.

Senator CANNON. Senator Cooper?

Senator COOPER. I have no questions.

Senator CANNON. You may be excused, Mr. Bordas. Thank you very much for appearing here.

Mr. Mazza?

Do you solemnly swear that the testimony you will give before this committee in the matter now under investigation is the truth, the whole truth, and nothing but the truth, so help you God?

Mr. MAZZA. I do.

Senator CANNON. Be seated, please.

Mr. McLENDON. Give your full name and your residence address.

TESTIMONY OF GARY EMANUEL MAZZA

Mr. MAZZA. My full name is Gary Emanuel Mazza. I live at 160 Alta Vista Drive, Crestwood, N.Y.

Mr. McLENDON. You do not have counsel with you this morning?

Mr. MAZZA. No; I do not.

Mr. McLENDON. You understand you have a right to counsel?

Mr. MAZZA. I do.

Mr. McLENDON. Mr. Mazza, what business are you engaged in?

Mr. MAZZA. At the present time, I am vice president of Aereovias Quisqueyana, Dominican Airlines, located in Santo Domingo.

Mr. McLENDON. Do you spend your time in New York or in Santo Domingo?

Mr. MAZZA. Well, most of the time is spent in transit. But most of the time is spent in New York.

Mr. McLENDON. Are you a lawyer?

Mr. MAZZA. Yes; I am. Not admitted to practice. I completed law school, and then I went for a master's degree in international law. And I was employed by Joseph Dean Edwards in New York, who was contemplating the purchase of this airline. Originally I had gone down to conduct a survey in the international structure of routes.

Mr. McLENDON. What interest does Mr. Bordas have in that airline?

Mr. MAZZA. Mr. Bordas is a stockholder of the airline. He was former president of the airline.

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

Mr. McLENDON. Are you employed by Mr. Bordas?

Mr. MAZZA. No; I am not.

Mr. McLENDON. Either permanently or temporarily?

Mr. MAZZA. No; I am not.

Mr. McLENDON. Have you ever been employed by him?

Mr. MAZZA. Pardon, sir?

Mr. McLENDON. Have you ever been employed by him?

Mr. MAZZA. No; I have not.

Mr. McLENDON. Were you in the United States when President Bosch became President of the Dominican Republic in 1963?

Mr. MAZZA. Would you repeat that question?

Mr. McLENDON. I say were you in the United States when Mr. Bosch became President of the Dominican Republic in 1963?

Mr. MAZZA. Yes; I was in New York.

Mr. McLENDON. Did you know him?

Mr. MAZZA. No; I don't.

Mr. McLENDON. Do you have any acquaintance at all with him?

Mr. MAZZA. No; I don't.

Mr. McLENDON. When did you first become acquainted with Mr. Robert G. Baker?

Mr. MAZZA. I don't know Mr. Robert G. Baker.

Mr. McLENDON. You never have seen him?

Mr. MAZZA. Never have seen him.

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

Mr. McLENDON. Were you ever asked by Mr. Bordas to take messages to him or give him a message?

Mr. MAZZA. No, sir.

Mr. McLENDON. Were you ever present in Washington, D.C., when Mr. Bordas was here and visited with Mr. Baker?

Mr. MAZZA. No, sir.

Mr. McLENDON. Were you in New York when Mr. Baker visited New York upon the invitation of Mr. Bordas?

Mr. MAZZA. No, sir.

Mr. McLENDON. Do you know Mr. Edward Levinson?

Mr. MAZZA. No; I don't.

Mr. McLENDON. Do you know Mr. Jack B. Cooper?

Mr. MAZZA. No; I don't.

Mr. McLENDON. Do you know George Simon?

Mr. MAZZA. No, sir.

Mr. McLENDON. Have you ever had any connection, professionally or otherwise, with gambling concessions in the Dominican Republic?

Mr. MAZZA. No, sir.

Mr. McLENDON. Have you ever been employed by anyone interested in the gambling concessions there?

Mr. MAZZA. No, sir.

Mr. McLENDON. You have no information about the ownership of the gambling concessions?

Mr. MAZZA. No, sir.

Mr. McLENDON. You don't know anyone who has owned them, or owns them now?

Mr. MAZZA. I am not acquainted with that, except for the fact that the hotel I was staying at just very recently I understand has a gambling casino setup. That is the extent of any knowledge I have.

Mr. McLENDON. What hotel is that?

Mr. MAZZA. I think that was the Hispaniola.

Mr. McLENDON. Do you know who owns the gambling concession or who leases it?

Mr. MAZZA. I know the owner of the Hispaniola is Mr. Flores, but I don't know if he is the lessor or the lessee, as the case may be.

Mr. McLENDON. Have you ever had any conversations by telephone with Robert G. Baker?

Mr. MAZZA. No, sir.

Mr. McLENDON. I believe that is all, Mr. Chairman.

Senator CURTIS. You were the private secretary to President Bosch?

Mr. MAZZA. No, sir.

Senator CURTIS. You were not?

Mr. MAZZA. No, sir.

Senator CURTIS. Well, now, this airline that you purchased, what route does it have?

Mr. MAZZA. At the present time we are flying from Santo Domingo to Curacao, vis-a-vis, Santo Domingo Aruba, vis-a-vis. We are applying for Santo Domingo-San Juan. We fly nonscheduled to Miami on occasion. We fly on Dominican flights to Barahona, Carhoba, in the Dominican Republic.

Senator CURTIS. Quite a little of your business is tourist business?

Mr. MAZZA. Yes, sir.

Senator CURTIS. And the promotion of tourism between those points you mentioned down there?

Mr. MAZZA. Well, as an airline, obviously we are concerned with traffic in the Dominican Republic. I must say there is no tourism. We really acquire the trade of the local Dominican which will go to Curacao or Aruba for business.

Senator CURTIS. You fly cargo, too?

Mr. MAZZA. On occasion.

Senator CURTIS. But most of your business is passengers.

Mr. MAZZA. Passengers.

Senator CURTIS. Well, now, isn't a good share of your business the flying of tourists?

Mr. MAZZA. No. Most of our trade, as I said before, is based and geared to Dominican trade or possibly businessmen who might want to go to Curacao. But it is not on tourists. Other airlines take care of that. We are based and operated for the sole purposes of—

Senator CURTIS. Are you familiar with Mr. Bordas' business operations?

Mr. MAZZA. No; I am not familiar with his business other than the airline. That is what I am familiar with.

Senator CURTIS. Is he interested in the airline, too?

Mr. MAZZA. Yes; he is.

Senator CURTIS. Are others interested in it?

Mr. MAZZA. Oh, yes; there are a large number of stockholders—mostly Dominican.

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

Senator CURTIS. Is it necessary for the airline to get a permit or license from any agency of the U.S. Government?

Mr. MAZZA. Yes; it is.

Senator CURTIS. Do you have any application pending now?

Mr. MAZZA. The application—we have one application which will be before the Civil Aeronautics Board, but as yet it is still in the State Department.

Senator CURTIS. Have you had any previous applications?

Mr. MAZZA. Not since the time I have been with the company.

Senator CURTIS. Well, when did you join the company?

Mr. MAZZA. I was elected as vice president and director to the board of the company approximately October.

Senator CURTIS. Did they have some applications pending prior to that?

Mr. MAZZA. Yes; they did.

Senator CURTIS. Who told you about them?

Mr. MAZZA. Prior management.

Senator CURTIS. Who is that?

Mr. MAZZA. The president was a Dominican. I believe his name was Bonilla. And the executive vice president was an American, I believe, a Floridian attorney, Mr. March.

Senator CURTIS. And was Bordas in, too, prior to you?

Mr. MAZZA. No; he wasn't.

Senator CURTIS. He came in the same time you did?

Mr. MAZZA. That is right.

Senator CURTIS. Have you been associated together in other activities?

Mr. MAZZA. No, sir.

Senator CURTIS. Did Bordas or any of the other officers of this airline ever discuss any of their hearings before the Civil Aeronautics Board here?

Mr. MAZZA. Repeat that question, sir. I didn't hear it.

Senator CURTIS. Did you ever hear any discussion by the officials of your airline, or prior officials of the airline, concerning your applications before the CAB here?

Mr. MAZZA. No. Usually I was the one who submitted the applications in front of the Board, and I was the one who advised them of the pendency of various actions.

Senator CURTIS. Do you know Mr. Tucker?

Mr. MAZZA. No; I don't, sir.

Senator CURTIS. Do you have any attorneys here in Washington—your airline?

Mr. MAZZA. No, we don't.

Senator CURTIS. You handle it personally?

Mr. MAZZA. No. The firm of Joseph Dean Edwards, law offices in the city of New York, take care of it. They have a law office in the city of New York as well as Washington. They are the attorneys of record for the airline.

Senator CURTIS. You don't know who they contacted down here, if anyone?

Mr. MAZZA. No; I don't.

Senator CURTIS. Do you know whether they contacted a law office down here?

Mr. MAZZA. Whether or not the airline did contact?

Senator CURTIS. The New York lawyer that you mentioned—do you know whether or not he contacted a Washington lawyer?

Mr. MAZZA. No, sir; I don't know.

Senator CURTIS. That is all.

Senator CANNON. Senator Pell?

Senator PELL. No questions.

Senator CANNON. Senator Cooper?

Senator COOPER. Do you have an application now before the CAB for a charter for cargo from Santo Domingo to Miami, Fla.?

Mr. MAZZA. Yes. I don't know if it is in the CAB hands as yet. I do know it is in the State Department for review.

Senator COOPER. Where?

Mr. MAZZA. The last time I spoke with the State Department it was in their hands. I don't believe it is yet in the hands of the CAB.

Senator COOPER. Have you also an application for a charter to fly passengers from Santo Domingo to San Juan?

Mr. MAZZA. That is right.

Senator COOPER. Are these applications before the CAB?

Mr. MAZZA. As yet, I don't think they are. As of last week, they were not.

Senator COOPER. Did you say you had a law firm here in Washington that represented your company with respect to these applications?

Mr. MAZZA. Yes; there is a law firm of Joseph Dean Edwards.

Senator COOPER. What firm?

Mr. MAZZA. Joseph Dean Edwards.

Senator COOPER. I think you said they have an office here in Washington.

Mr. MAZZA. Yes, sir.

Senator COOPER. And is this firm representing the company with which you are connected with respect to these charters before the CAB?

Mr. MAZZA. I didn't hear that question, sir.

Senator COOPER. Is this firm in Washington—New York and Washington—Joseph Edwards, representing your airline company with respect to its applications for charter before the CAB?

Mr. MAZZA. Yes; they will do so when the time comes for hearing.

Senator CURTIS. One more question. Were you in the Dominican Republic during Bosch's term of office?

Mr. MAZZA. I was.

Senator CURTIS. Were you there at the time Mr. Bordas ceased to be Minister of Finance and Industry?

Mr. MAZZA. I was there when Dr. Bordas was no longer Minister of Industry and Commerce.

Senator CURTIS. In connection with him leaving the Government, did you make a call to the American Embassy?

Mr. MAZZA. Would you repeat that again?

Senator CURTIS. In connection with Mr. Bordas leaving the Government—did you make a call at the American Embassy in reference to the sending of some cables?

Mr. MAZZA. The only time that I was at the American Embassy was during the time of the revolution, when I was trying to make a cable to my home personally, because there was no means of communication at all available. And as an American I was concerned about the political conditions of the country.

Senator CURTIS. But that was the time of the revolution; not the time Bordas left?

Mr. MAZZA. Right; it was the time of the revolution.

Senator CURTIS. Did you contact the Embassy in connection with Bordas leaving the Government?

Mr. MAZZA. Well, I don't know what you mean by "connection," sir. I knew—I was aware that Dr. Bordas was in jail.

Senator CURTIS. I am not talking about the revolution. I am talking about the time that he either resigned or was fired, whichever it was, by Mr. Bosch.

Mr. MAZZA. Well, first of all, Senator, I was not there at the time when Dr. Bordas resigned from his office.

Senator CURTIS. Then I misunderstood.

Mr. MAZZA. I arrived in the Dominican Republic on the 3d of August. That was my first connection with that country.

Mr. McLENDON. Were you ever employed in any capacity under the Bosch government?

Mr. MAZZA. No, sir.

Mr. McLENDON. None at all?

Mr. MAZZA. No, sir.

Mr. McLENDON. Did you ever meet Louis Levinson?

Mr. MAZZA. No, sir.

Mr. McLENDON. Do you know who he is?

Mr. MAZZA. No; I don't.

Mr. McLENDON. Were you—did you spend any time in Santo Domingo during the Bosch administration?

Mr. MAZZA. Yes; I did.

Mr. McLENDON. What were you doing?

Mr. MAZZA. Well, I was managing the airline, and conducting a survey of its operations and management to a point of meeting with various people, such as the administrator, vice president, treasurer, secretaries.

Mr. McLENDON. When the Bosch regime was overthrown, were you arrested and put in prison?

Mr. MAZZA. No; I wasn't.

Mr. McLENDON. You were not in exile, then?

Mr. MAZZA. No, sir. I am a U.S. citizen, and very happy to be.

Mr. McLENDON. That is all, Mr. Chairman.

Senator CANNON. Any further questions?

You may be excused.

Mr. McLENDON. Mr. Drennan?

Senator CANNON. Mr. Drennan, you have already been sworn in this proceeding.

Counsel, you may proceed.

Mr. McLENDON. Mr. Drennan, have you, in connection with your duties as an investigator for this committee, made a study and prepared a summary of the stock ownership of Robert G. Baker individually and jointly with others in the Mortgage Guaranty Insurance Corp.?

TESTIMONY OF LORIN DRENNAN

Mr. DRENNAN. Yes, sir; I have.

Mr. McLENDON. Do you have a sheet with you which shows the results?

Mr. DRENNAN. Yes, sir.

Mr. McLENDON. Will you go over that briefly with the committee?

Mr. DRENNAN. This sheet is entitled "Robert G. Baker, Ownership of Stock, Mortgage Guaranty Insurance Corp." It shows his apparent ownership at two dates—February 1, 1963, which is a date of the most recent financial statement that we have for Mr. Baker.

Mr. McLENDON. That is the one that has been put in evidence?

Mr. DRENNAN. Yes, sir.

Mr. McLENDON. Let's speed this up as much as we can, because the Senate is calling for a vote. It shows, does it not, as of the date of that last financial statement of Baker, the ownership in several names of the total amount of 12,065 shares, does it not?

Mr. DRENNAN. Yes, sir; in several names, one-half of which is Mr. Baker, apparent ownership.

Mr. McLENDON. And Baker's apparent ownership at that date was what?

Mr. DRENNAN. The total amount is 15,306 shares, apparently owned by Mr. Baker.

Mr. McLENDON. How does that compare with the number of shares that he listed in his financial statement?

Mr. DRENNAN. He listed 15,130 shares. So this is slightly in excess of that amount that he had listed.

Mr. McLENDON. And then you have a compilation of the ownership of the stock as of November 1963?

Mr. DRENNAN. Yes, sir.

Mr. McLENDON. And that shows ownership of how many shares?

Mr. DRENNAN. Total apparently owned by Mr. Baker of 13,556.

Mr. McLENDON. And what else does it show?

Mr. DRENNAN. It shows the location of these shares as of both of these dates, February 1, 1963, and November 1, 1963.

Mr. McLENDON. That is the banks where they were pledged?

Mr. DRENNAN. The banks where they were pledged, and the other items not located at banks.

Mr. McLENDON. All right. Now, do you also have a summary of the bank records and other financial institutions from which Baker borrowed money, again January 1, 1959, through November 1, 1963?

Mr. DRENNAN. Yes, sir.

Mr. McLENDON. How many different institutions are listed, Mr. Drennan?

Mr. DRENNAN. We have 16 on the summary list. And it is supported by schedules showing the details on the 16 banks and other financial institutions.

Mr. McLENDON. What is the total amount of loans involved in all of these 16 institutions between those dates; loans by Baker?

Mr. DRENNAN. The gross amount of the loans is \$2,509,338, not all of which, of course, Mr. Baker had an interest in.

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

Mr. DRENNAN. These are only the original loans made during the period cited. It does not include loan renewals or any loans made prior to January 1, 1959. It, of course, does not represent the amount outstanding as of the end of this period.

Mr. McLENDON. It is a list of the original loans made to him by these institutions?

Mr. DRENNAN. During that period; yes, sir.

Mr. McLENDON. And were you able to break it down so as to show how much of that total of \$2,509,000 that Baker apparently would owe himself?

Mr. DRENNAN. Yes, sir—that is shown in the second column.

Mr. McLENDON. What is the total amount of that?

Mr. DRENNAN. \$1,533,538.

Mr. McLENDON. And when you found a case where the loan was made for Baker and another person, or other persons, how did you allocate it to Baker?

Mr. DRENNAN. This was split on the basis of the joint ventures involved, based on the testimony we have received, and other evidence.

Mr. McLENDON. Well, to use an illustration—can you pick one out?

Mr. DRENNAN. For example, item No. 7, under the name of Thompson there were two loans totaling \$221,000 each. Mr. Thompson has testified that these two loans were for joint ventures, one in MGIC stock and one in another stock, and that Mr. Baker was a one-half partner in those ventures.

Mr. McLENDON. Even though Baker's name did not appear on the note?

Mr. DRENNAN. Yes, sir.

Mr. McLENDON. Go ahead.

Mr. DRENNAN. Under item 8, the loan in Fred Black's name, Mr. Black has testified that initially that was a joint venture between Mr. Baker and Mr. Black, Mr. Baker to be a one-half owner of the stock purchased from this loan. Subsequently, it became a one-quarter venture. But at the time the loan was executed, it was a joint venture with Mr. Black.

Mr. McLENDON. And would it be true in each case, therefore, the last column, Baker's apparent interest in the loans, that you arrived at the figures in the manner you have just illustrated?

Mr. DRENNAN. Yes, sir. On the Serv-U loans, we used 28½ percent, which was Mr. Baker's ownership of the stock at the time the loan was made.

Mr. McLENDON. Now, in addition to these 16 institutions that you have listed in the summary, have you and the other investigators for the committee ascertained that there are a few other cases in which he borrowed money that are not shown in this summary?

Mr. DRENNAN. Yes, sir; we have identified eight other sources of significance. We do not have all the details on those, but we can give you some ballpark figures on those, if you would like.

Mr. McLENDON. Will you summarize them?

Mr. DRENNAN. Well, the eight other banks or other sources of credit total about \$275,000, and Baker's apparent interest in these obligations at the time they were made is about \$170,000.

Mr. McLENDON. So in the column of total amounts on your summary sheet you would add approximately \$275,000?

Mr. DRENNAN. Yes, sir.

Mr. McLENDON. And in the apparent interest of Baker you would add what?

Mr. DRENNAN. About \$170,000.

Mr. McLENDON. \$170,000?

Mr. DRENNAN. Yes, sir.

Mr. McLENDON. This summary is supported, you say, by supporting sheets attached to this group of documents?

Mr. DRENNAN. Yes, sir. There is 1 sheet for each of the 16 banks, showing the details on the loans—some of which are for periods other than those shown on the summary schedule.

Mr. McLENDON. All of these computations and figures are taken from the bank records or the lending institution records in each case?

Mr. DRENNAN. Yes, sir—with possibly one or two exceptions where the split is based on information provided by the witnesses under testimony.

Mr. McLENDON. But as to the original loans, those figures come from the bank records on the lending institutions, do they not?

Mr. DRENNAN. Yes, sir.

Mr. McLENDON. Mr. Chairman, I would like to introduce the entire packet of documents, including the summary of the MGIC which has already been marked, and the summary of loans, and the accompanying documents.

FINANCIAL INTERESTS OF SENATE OFFICERS OR EMPLOYEES 1519

Mr. Reporter, you can mark and give the others appropriate numbers.

Senator CANNON. Without objection, they will be submitted for the record.

(The documents referred to were marked "Drennan exhibits 1 through 8," and are as follows:)

DRENNAN EXHIBIT 1

ROBERT G. BAKER

Ownership of stock, Mortgage Guaranty Insurance Corp.

Registered owner	Total shares	Shares apparently owned by Baker	Purchase price
At Feb. 1, 1963:			
Robert G. Baker.....	9,274	9,274	¹ \$18,150
Robert F. Thompson.....	9,990		
Francis Law.....	525		
Ken Curtis.....	525		
Thomas Webb, Jr.....	525		
Robert Comstock.....	500		
	12,065	6,032	149,460
Total ²		15,306	167,610
At Nov. 1, 1963:			
Robert G. Baker.....	9,274	9,274	¹ 18,150
Robert F. Thompson and others.....	8,565	4,282	103,630
Total ²		13,556	121,780

¹ Includes \$4,600 paid to James Wilson for stock in August 1960. Such stock was transferred to name of W. A. Jernigan in December 1960 and then to Baker's name in March 1961. Effect on purchase price of transaction between Baker and Jernigan not yet known.

² Richard Darling testified that in 1961, he bought 500 shares of MGIC stock with \$13,750 supplied by Baker and gave the endorsed stock certificate to Baker. A stock dividend increased the number of shares to 525. MGIC registrar agent records show that 525 shares are still registered in Mr. Darling's name. We have not determined the status of these shares; accordingly they are not included in the tabulations shown above.

Location of shares apparently owned by Baker

Location	Shares	
	Feb. 1, 1963	Nov. 1, 1963
Fidelity National Bank & Trust Co., Oklahoma City, Okla. (collateral).....	9,273	9,273
First National Bank in Dallas, Dallas, Tex. (collateral).....	5,995	4,245
Robert F. Thompson.....	37	37
Unknown.....	1	1
Total.....	15,306	13,556

1520 FINANCIAL INTERESTS OF SENATE OFFICERS OR EMPLOYEES

DRENNAN EXHIBIT 2

ROBERT G. BAKER

Summary of loans from banks, Jan. 1, 1959, through Nov. 1, 1963

[The following summary relates to banks from which Mr. Baker obtained new or additional loans during the period Jan. 1, 1959, through Nov. 1, 1963. Loans originally made prior to Jan. 1, 1959, and loan renewals are not included.]

Bank	Number of loans	Total amount of loans	Baker's apparent interest in loans
1. McLachlen Banking Corp.....	2	\$16,000	(¹)
Baker's name.....	(1)	(10,000)	(\$10,000)
Baker and Tucker's names.....	(1)	(6,000)	(²)
2. The National Bank of Washington.....	3	28,000	28,000
3. Suburban Trust Co.....	3	10,100	(³)
Baker's name.....	(2)	(8,100)	(8,100)
Baker and Peek's names.....	(1)	(2,000)	(²)
4. State Bank & Trust Co.....	1	25,000	25,000
5. Home Building Association (none during period).....			
6. First National Bank of South Carolina.....	2	13,238	13,238
7. First National Bank in Dallas.....	3	471,000	235,500
Name of Baker and Thompson.....	(1)	(250,000)	(125,000)
Name of Thompson.....	(2)	(221,000)	(110,500)
8. The Fidelity National Bank & Trust Co.....	6	475,000	387,500
Baker's name.....	(5)	(300,000)	(300,000)
Fred Black's name.....	(1)	(175,000)	(87,500)
9. American Security and Trust Co.....	19	223,000	223,000
10. Beckley National Bank.....	1	10,000	10,000
11. Fidelity Investment Co. and related notes (Baker and Novak's names).....	1	40,600	20,300
12. District of Columbia National Bank.....	2	135,000	135,000
13. The South Carolina National Bank (Greenville) (none during this period).....			
14. American National Bank of Silver Spring.....	4	262,000	120,700
Baker and Novak's names.....	(2)	(214,000)	(107,000)
Serv-U Corp.'s name.....	(2)	(48,000)	(13,700)
15. Fraternity Federal Savings & Loan Association.....	3	746,000	290,000
Baker and Novak's names.....	(2)	(360,000)	(180,000)
Baker and Serv-U Corp.'s names.....	(1)	(386,000)	(110,000)
16. Small Business Administration (Baker and Novak's names).....	1	54,400	27,200
Total.....	51	2,509,338	1,533,538

¹ \$10,000 plus.

² Unknown.

³ \$8,100 plus.

NOTE.—Mr. Baker is known to have borrowed money from 8 additional banks or other sources. Complete data on these loans has not yet been assembled.

DRENNAN EXHIBIT 3

BANK LOANS TO ROBERT G. BAKER NO. 1, McLACHLEN BANKING CORP., WASHINGTON, D.C.

Robert G. and Dorothy C. Baker

Date	Amount	Term	Interest rate (percent)
July 31, 1962.....	\$10,000	90 days.....	6

This loan was renewed four times, in lesser amounts each time; the last renewal was on August 7, 1963, for \$6,000. All of the notes were unsecured, but were endorsed by Fred B. Black, Jr.

At November 1, 1963, balance due on principal of note was \$6,000. (Note paid in full on November 12, 1963.)

FINANCIAL INTERESTS OF SENATE OFFICERS OR EMPLOYEES 1521

Robert G. and Dorothy C. Baker and Ernest C. and Margaret W. Tucker

Date	Amount	Term	Interest rate (percent)
Aug. 11, 1959.....	\$6,000	90 days.....	6

This loan was renewed four times, in lesser amounts each time, and was paid in full September 20, 1960. All of the notes were unsecured.

Proceeds of both of the loans above were deposited in the Tucker-Baker checking account at this bank.

BANK LOANS TO ROBERT G. BAKER NO. 2, THE NATIONAL BANK OF WASHINGTON, WASHINGTON, D.C.

Bobby G. Baker and Dorothy C. Baker, unsecured

Date	Amount	Period	Interest rate (percent)
1. June 28, 1957 ¹ (renewed for \$1,000, paid in full Dec. 30, 1957)-	\$1,500	90 days.....	6
2. Mar. 17, 1958 ¹ (renewed for \$1,000, paid in full Sept. 16, 1958)-	2,000	90 days.....	6
3. Jan. 23, 1959 (renewed for \$1,500, paid in full July 22, 1959)-	3,000	90 days.....	6
4. Dec. 14, 1959 (paid in full Feb. 16, 1960).....	5,000	90 days.....	6

¹ Loan in name of Bobby G. Baker only.

Bobby G. Baker and Dorothy C. Baker, secured

Date	Amount	Period	Interest rate (percent)
Oct. 3, 1960.....	\$20,000	90 days.....	6

This loan was renewed four times, at reduced amounts; the principal balance of \$14,000 was paid in full on October 19, 1961.

On October 3, 1960, Mr. Baker put up 512 shares of Mortgage Guaranty Insurance Co. stock and 128 shares of Guaranty Insurance Agency, Inc., stock as collateral for this loan. On March 23, 1961, these stock certificates were exchanged for new certificates for 5,888 shares of MGIC stock. (Stock split plus retirement of Guaranty Insurance Agency, Inc., stock.) Collateral was withdrawn on October 25, 1961.

The proceeds of the above loans were deposited in Mr. Baker's checking account at this bank.

BANK LOANS TO ROBERT G. BAKER NO. 3, SUBURBAN TRUST CO., HYATTSVILLE, MD.

Robert G. and Dorothy C. Baker and Scott L. and Lillian B. Peck, unsecured

Date	Amount	Period
Feb. 10, 1958.....	\$1,200 (including interest)...	12 months—installment.

This loan was paid down to \$200 on January 2, 1959, when it was increased to \$2,200, including interest. Loans repaid \$100 per month; final payment made September 12, 1960.

1522 FINANCIAL INTERESTS OF SENATE OFFICERS OR EMPLOYEES

Robert G. and Dorothy C. Baker and Scott I. and Lillian B. Peek, secured

Date	Amount	Period	Interest rate (percent)
Feb. 10, 1958.....	\$4,800	90 days.....	5

This loan was renewed eight times, at the same or lesser amounts; the principal balance of \$2,800 was repaid in full on February 18, 1960.

On February 10, 1958, Baker deposited 60 shares of Kerr-McGee Oil Industries, Inc., stock and Baker and Peek each deposited 100 shares of Winn-Dixie Stores, Inc., stock as collateral for this loan. Part of this collateral was withdrawn on December 23, 1958; the balance was withdrawn on February 18, 1960.

Robert G. and Dorothy C. Baker, unsecured

Date	Amount	Period	Interest rate (percent)
Sept. 23, 1959.....	\$2,700	60 days.....	6

This note was endorsed by Don and Geraldine Reynolds; it was paid in full on November 23, 1959.

Robert G. and Dorothy C. Baker, secured

Date	Amount	Period	Interest rate (percent)
Feb. 18, 1960.....	\$5,400	90 days.....	5½

This loan has been renewed 15 times for the same amount. At November 1, 1963, the principal amount outstanding was \$5,400.

On February 18, 1960, Mr. Baker deposited as collateral 48 shares of stock in the Pickens Bank, 75 shares of stock in the National Bank of Maryland, and 100 shares of stock in Winn-Dixie Stores, Inc. This collateral was being held by the bank at January 21, 1964.

BANK LOAN TO ROBERT G. BAKER NO. 4, STATE BANK & TRUST CO., COLUMBIA, S.C.

Robert G. Baker

Date	Amount	Period	Interest rate (percent)
May 30, 1963.....	\$25,000	Demand.....	6

The entire amount of this loan was outstanding at November 1, 1963. (Interest was paid on December 27, 1963.) The note is unsecured.

The proceeds of the loan were deposited in Mr. Baker's checking account at this bank.

Also, Mr. Baker endorsed a \$105,000 secured demand note dated May 16, 1963, from Alvin Leitman, Jacksonville, Fla., to this bank. This note was outstanding at November 1, 1963.

FINANCIAL INTERESTS OF SENATE OFFICERS OR EMPLOYEES 1523

BANK LOAN TO ROBERT G. BAKER No. 5, HOME BUILDING ASSOCIATION,
WASHINGTON, D.C.

Bobby G. and Dorothy C. Baker

Date	Amount	Period	Interest rate (percent)
Mar. 19, 1954	\$17,000	17 years ¹	5

¹ Approximate.

This is a mortgage loan secured by Mr. Baker's house at 3324 Northampton Street NW., Washington, D.C. The loan was paid down to \$14,414 at November 5, 1957, at which time it was increased back to the original amount of \$17,000.

At November 1, 1963, the balance due on the loan was \$12,218. (House was sold and loan was repaid in full on January 20, 1964.)

BANK LOAN TO ROBERT G. BAKER No. 6, THE FIRST NATIONAL BANK OF SOUTH CAROLINA, DENMARK, S.C. (FORMERLY THE EDISTO BANK)

Robert G. Baker

Date	Amount	Interest rate (percent)
Feb. 14, 1958	\$2,300	5½
Oct. 9, 1958	41,079	(1)
	43,379	

¹ Unknown.

At June 24, 1959, this loan had been paid down to \$5,253; at that time it was increased to \$8,491. The balance of the loan was paid in full on July 16, 1959.

Proceeds of this loan were used as part payment to the bank for securities purchased by the bank for Mr. Baker. The securities were retained by the bank as collateral for the loan. At October 9, 1958, the collateral consisted of 300 shares of Spiegel, Inc., stock and 1,450 shares of Seaboard Airline Railroad stock.

Date	Amount	Interest rate (percent)
Aug. 12, 1959	\$10,000	5½

This loan was paid in full on November 18, 1959. At August 12, 1959, the loan was secured by collateral, apparently consisting of 300 shares of Spiegel, Inc., stock, 60 shares of Kerr-McGee Oil Co. stock, and 2,500 Spiegel, Inc., bonds. The collateral was sold through the bank on November 6, 1959.

Proceeds of this loan were deposited in Mr. Baker's checking account at this bank.

This loan was renewed four times—latest renewal was on April 24, 1963.

At November 1, 1963, balance due on principal of note was \$133,674 of which Mr. Baker was responsible for one-half or \$66,837.

Proceeds of this loan were deposited in Mr. Thompson's checking account at this bank from which \$247,500 was withdrawn to buy 9,000 shares of Mortgage Guaranty Insurance Co. stock. This stock, none of which is registered in Mr. Baker's name, was deposited in the bank as collateral for the loan. Mr. Thompson also put up some other securities as collateral.

At November 1, 1963, the bank held 5,500 shares of MGIC stock as part of the collateral for this loan; Mr. Baker's interest was one-half or 2,750 shares.

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BANK LOANS TO ROBERT G. BAKER No. 7, FIRST NATIONAL BANK IN DALLAS, DALLAS, TEX.

Robert G. and Dorothy C. Baker and Robert F. Thompson

Date	Amount	Period	Interest rate (percent)
Oct. 24, 1961.....	\$250,000	6 months....	6

Robert F. Thompson

Date	Amount	Period	Interest rate (percent)
Dec. 13, 1960.....	\$110,000	6 months....	5½

Mr. Thompson has testified that this loan was made for the purpose of buying 5,000 shares of MGIC stock jointly with Mr. Baker. However, only 2,990 shares of MGIC stock were obtained; the unused proceeds of the loan were applied to reduce the loan to \$64,311 on February 20, 1961. Mr. Baker has paid Mr. Thompson for one-half of the interest on this loan. The loan has been renewed several times; the latest renewal was on July 15, 1963.

At November 1, 1963, the principal balance of the loan was \$64,311 of which Mr. Baker was responsible for one-half or \$32,155.

The 2,990 shares of MGIC stock purchased with the proceeds of this loan were deposited in this bank as collateral for the loan; none of these shares were in Mr. Baker's name. At November 1, 1963, Mr. Baker's interest in this collateral was one-half or 1,495 shares.

Date	Amount	Period	Interest rate (percent)
Apr. 19, 1961.....	\$111,000	6 months....	6+

Mr. Thompson has testified that this loan was made for the purpose of buying 500 shares of Investors Diversified Service, Inc., stock jointly with Baker.

Mr. Baker paid Mr. Thompson for one-half of the interest on the loan. The loan was repaid in full about October 20, 1961.

BANK LOANS TO ROBERT G. BAKER No. 8, THE FIDELITY NATIONAL BANK & TRUST Co., OKLAHOMA CITY, OKLA.

Robert G. Baker

Date	Amount	Interest rate (percent)
May 10, 1962.....	\$50,000	6
July 18, 1962.....	145,000	6
July 30, 1962.....	55,000	6
Oct. 8, 1962.....	25,000	6
Jan. 17, 1963.....	25,000	6
Total.....	300,000	

These loans were renewed at various dates. At November 1, 1963, the principal balance was \$300,000, represented by two notes.

Proceeds of these loans were deposited in Mr. Baker's checking account at this bank, except for the first \$50,000 loan which was used to cancel a \$50,000 note dated May 7, 1962, which Mr. Fred B. Black, Jr., signed on Mr. Baker's behalf.

Mr. Baker put up securities as collateral for these loans. At November 1, 1963, the bank held as collateral 9,273 shares of Mortgage Guaranty Insurance Corp. stock, 2,850 shares of Serv-U Corp. stock, and 149 shares of Mecklenburg Enterprises, Inc., stock.

Fred B. Black, Jr.

Date	Amount	Interest rate (percent)
Mar. 20, 1962.....	\$175,000	5

Mr. Black has testified that this loan was originally made for the purpose of buying 6,400 shares of stock in the Farmers & Merchants State Bank of Tulsa jointly with Mr. Baker. However, in 1962 the arrangements were changed so that Messrs. E. Levinson, B. Sigelbaum, Black, and Baker each had a one-fourth interest in the venture.

The loan was renewed several times and on July 5, 1963, was reduced to \$89,400. Mr. Black testified that the reduction represented payments by Messrs. Levinson and Sigelbaum for their share of the cost of the stock; thus leaving the loan a joint responsibility of Black and Baker.

Mr. Baker has paid Mr. Black for a proportionate share of the interest on the loan.

At November 1, 1963, the principal balance of the loan was \$89,400 of which Mr. Baker was responsible for one-half or \$44,700.

Mr. Black's testimony indicates that at November 1, 1963, the bank held 3,200 shares of Farmers & Merchants State Bank of Tulsa stock as collateral for the loan. Mr. Baker's interest was one-half or 1,600 shares.

BANK LOANS TO ROBERT G. BAKER NO. 9, AMERICAN SECURITY & TRUST CO., WASHINGTON, D.C.

Robert G. and Dorothy C. Baker, unsecured

Date	Amount	Period	Interest rate (percent)
Feb. 16, 1960.....	\$8,000	90 days.....	6

This loan was renewed three times, in lesser amounts each time; it was paid in full on February 10, 1961.

Robert G. Baker, secured

Date	Amount	Interest rate (percent)
Mar. 24, 1959.....	\$3,000	6

This loan was renewed once; it was paid in full on November 12, 1959. The loan was secured by 500 shares of American Heritage Life Insurance Co. stock.

Date	Amount	Interest rate (percent)	Date	Amount	Interest rate (percent)
Dec. 20, 1960.....	\$5,000	6	Jan. 15, 1962.....	\$7,500	6
Jan. 6, 1961.....	3,000	6	Jan. 30, 1962.....	18,000	6
Mar. 22, 1961.....	20,000	6	Feb. 28, 1962.....	15,000	6
May 10, 1961.....	3,000	6	Mar. 5, 1962.....	2,000	6
July 7, 1961.....	11,500	6	July 2, 1962.....	6,000	6
Oct. 19, 1961.....	27,000	6			
Nov. 21, 1961.....	12,000	6	Total.....	130,000	

These loans were renewed at various times for various periods—\$15,601 was paid on July 19, 1962, and the balance of \$114,399 was paid in full on July 25, 1962.

1526 FINANCIAL INTERESTS OF SENATE OFFICERS OR EMPLOYEES

The loans were secured by various securities which were deposited as collateral. At July 2, 1962, the collateral consisted of the following stocks—9,273 shares of Mortgage Guaranty Insurance Corp.; 600 shares of Winn-Dixie Stores, Inc.; 200 shares of Mansfield Industries; 200 shares of Southern Bank of Norfolk, and 50 shares of Truck Underwriters Association.

Date	Amount	Interest rate (percent)
Jan. 2, 1963.....	\$10,000	5½
Jan. 22, 1963.....	3,000	6
Apr. 23, 1963.....	56,000	5½
Apr. 25, 1963.....	3,000	5½
Total.....	72,000	
May 3, 1963.....	-52,456	(1)
July 12, 1963.....	10,000	5½
Total.....	29,544	

¹ Payment.

These loans were renewed at various times for various periods. At November 1, 1963, the principal balance was \$29,544.

At November 1, 1963, the following stocks were held by the bank as collateral—1,500 shares of the District of Columbia National Bank and 3,000 shares of the First Virginia Corp.

The proceeds of the loans shown above were deposited in Mr. Baker's checking account at this bank.

BANK LOANS TO ROBERT G. BAKER No. 10, BECKLEY NATIONAL BANK, BECKLEY, W. VA.

Robert G. Baker

Date	Amount	Period	Interest rate (percent)
Nov. 13, 1962.....	\$10,000	90 days.....	6

This note has been renewed four times; the latest renewal was on November 13, 1963. All of the notes were unsecured. However, the first note was endorsed by Mr. N. Joe Rahall.

At November 1, 1963, the balance due on the principal of the note was \$10,000.

The proceeds of the loan were used to reduce a note dated September 14, 1962, signed by Mr. N. Joe Rahall.

BANK LOANS TO ROBERT G. BAKER No. 11, FIDELITY INVESTMENT Co., WASHINGTON, D.C.

Mrs. Novak testified that Messrs. Baker, A. Novak, and D. Novak purchased 40-plus acres of land known as Snowden's Manor. Mr. Baker had a one-half interest and the Novaks had a one-fourth interest each.

These records show that the property was purchased on December 28, 1960, for \$50,500. The partners made a downpayment of \$9,900; the balance of \$40,600 was to be paid as follows:

<i>Fidelity Investment Co.</i>	\$11,500
Partners assumed mortgage. The mortgage is payable in full on July 5, 1964; 6 percent interest is payable quarterly.	
<i>Notes to former owners</i>	29,100
Partners gave four notes. One each to J. and N. Heilman, L. and A. Heilman, L. and M. Esenstad, and A. and R. Gilder. Each note is for \$7,275 and is payable \$1,455 per year plus interest at 6 percent.	
Total.....	40,600

At November 1, 1963, the principal balance of the above loans was \$28,960—, \$11,500 owed Fidelity Investment Co. and \$17,460 owed former owners. Mr. Baker was responsible for one-half of loans or \$14,480.

DRENNAN EXHIBIT 4

BANK LOANS TO ROBERT G. BAKER NO. 12, DISTRICT OF COLUMBIA NATIONAL BANK, WASHINGTON, D.C.

Robert G. and Dorothy C. Baker

Date	Amount	Term	Interest rate (percent)
Apr. 23, 1963.....	\$125,000	2 years.....	5½

This loan is secured by title to land and house at 5115 Van Ness NW., Washington, D.C.

At November 1, 1963, the principal balance of the loan was \$125,000.

Robert G. Baker

Date	Amount	Term	Interest rate (percent)
July 19, 1963.....	\$10,000	90 days.....	5½

This loan has been renewed twice. The loan is considered by the bank to be unsecured; however, the bank holds, as collateral, a note dated August 15, 1962, from Staley and Frances Brinkley to Mr. Baker for \$11,111.11. Such note is due August 15, 1965, with interest at 4¼ percent a year.

At November 1, 1963, the principal balance of Mr. Baker's loan was \$10,000.

DRENNAN EXHIBIT 5

BANK LOAN TO ROBERT G. BAKER NO. 13, THE SOUTH CAROLINA NATIONAL BANK, GREENVILLE, S.C.

Robert G. Baker

Date	Amount	Term	Interest rate (percent)
Oct. 1, 1958.....	\$10,000	Demand.....	5

This loan was reduced twice by \$1,000 each time; the last payment was on February 6, 1961. The interest rate is currently 6 percent. The note is secured by 2,500 shares of Carolina Pipeline Co. stock.

At November 1, 1963, balance due on principal of the note was \$8,000.

The proceeds of the loan were deposited in Baker's checking account at this bank.

DRENNAN EXHIBIT 6

BANK LOAN TO ROBERT G. BAKER NO. 14, AMERICAN NATIONAL BANK OF SILVER SPRING, SILVER SPRING, MD.

Robert G. and Dorothy C. Baker and Mr. and Mrs. D. Novak

Date	Amount	Term	Interest rate (percent)
Aug. 17, 1962.....	\$114,000	5 years.....	7+

The loan commitment was made in April 1962; short-term notes were issued for drawings totaling \$114,000 at August 17, 1962, when a long-term note for \$142,500, including interest, was issued. Under terms of sale of Carousel Motel,

1528 FINANCIAL INTERESTS OF SENATE OFFICERS OR EMPLOYEES

effective January 1, 1963, payments on note have been made by the Serv-U Corp. The note is unsecured. At November 1, 1963, the balance of the note was \$106,875.

Date	Amount	Term	Interest rate (percent)
May 29, 1962	\$100,000	15 days	5

This loan was secured by its proceeds which were deposited in a special account which could not be drawn upon. It was automatically paid from such account on June 13, 1962.

Also, in October 1963, Mr. and Mrs. Baker endorsed two unsecured notes of the Serv-U Corp. At November 1, 1963, the balance of those two notes was \$48,000.

DRENNAN EXHIBIT 7

BANK LOAN TO ROBERT G. BAKER NO. 15, FRATERNITY FEDERAL SAVINGS & LOAN ASSOCIATION, BALTIMORE, MD.

Robert G. and Dorothy C. Baker and Mr. and Mrs. D. and A. Novak

Date	Amount	Term	Interest rate (percent)
Oct. 20, 1961	\$270,000	15 years	6
Apr. 9, 1962	90,000	do	6
Total	360,000		

These loans were secured by mortgages on the Carousel Motel. Effective January 1, 1963, the Carousel Motel was purchased by the Serv-U Corp. On March 15, 1963, the \$360,000 loan was paid (replaced) by a \$746,000 loan to the Serv-U Corp. The \$746,000 loan is repayable monthly for 15 years beginning September 15, 1963, with interest at 6 percent a year. It is secured by a mortgage on the Carousel Motel which is signed by Ernest C. Tucker as vice president of Serv-U Corp. and by Mr. and Mrs. Baker as individuals. At November 1, 1963, balance of loan was \$736,208.

DRENNAN EXHIBIT 8

BANK LOAN TO ROBERT G. BAKER NO. 16, SMALL BUSINESS ADMINISTRATION, WASHINGTON, D.C.

Robert G. and Dorothy C. Baker and Mr. and Mrs. D. and A. Novak

Date	Amount	Term	Interest rate (percent)
June 9, 1962	\$54,400	20 years	3

This is a disaster loan made to repair storm damage to Carousel Motel. Loan is secured by a mortgage on the Carousel Motel; such mortgage is secondary to mortgage held by Fraternity Federal Savings & Loan Association, Baltimore, Md. Under terms of sale of Carousel Motel, effective January 1, 1963, payments on this loan have been made by the Serv-U Corp. On March 15, 1963, Serv-U Corp. became a coobligor on the note; however, the Bakers and the Novaks were not relieved of their legal liability for the loan. At November 1, 1963, principal balance of note was \$51,672.

Mr. McLendon. That is all I want to ask him.

Senator Cooper. I have no questions.

Senator PELL. Mr. Chairman, has there been any search undertaken of the records of the MGIC company to see if there are any other employees of the Senate or officers of the Senate or people in the legislative branch of the Government, in addition to Congressman Byrnes, who had bought stock at the favorable rate; that is, prior to the reorganization in 1960?

Mr. DRENNAN. Specifically, I cannot answer your question, Senator. I know Richard Darling, in the footnote here, is an employee of the Senate. Whether there are others, I do not know.

Senator PELL. I wonder if such an examination of the records of the company would not be a good idea.

Mr. McLENDON. I believe we have that information. I think we do. I am glad you called that to our attention. We will check it again.

Senator CANNON. We will request counsel to make that information available and submit it for the record.

Senator PELL. Thank you very much.

Senator CANNON. Are there further questions of Mr. Drennan?

If not, you may be excused.

Senator COOPER. May I just ask a question?

In this report you don't attempt to show whether payments have been made on the principal sums?

Mr. DRENNAN. Senator, in the summary we have not shown that. In the 16 detail pages we show the status of the loan as of November 1, 1963; how much is currently due.

Senator COOPER. That is all.

Senator CANNON. You may be excused, Mr. Drennan.

The committee will stand in recess until—subject to the call of the Chair.

(Whereupon, at 12 o'clock noon, the committee recessed subject to the call of the Chair.)

Senator Nathan, Mr. Chairman, has there been any search undertaken of the records of the A. J. Walker Company to see if there are any other employees of the company in the State of New York in the records of the State of New York, in addition to Congressman Byrnes, who had been one of the trustees of the company prior to the re-organization in 1924?

Mr. Nathan: Specifically, I cannot answer your question, Senator. I know Richard Dettling in the lounge here is an employee of the company. Whether there are others, I do not know.

Senator Nathan: I wonder if such an examination of the records of the company would not be a good idea.

Mr. Nathan: I believe we have had information. I think we do.

I am glad you called that to our attention. We will check it again.

Senator Nathan: We will request counsel to make that information available and submit it for the record.

Senator Nathan: Thank you very much.

Senator Nathan: Are there further questions of Mr. Nathan?

Mr. Nathan: No, you may be excused.

Senator Nathan: Why I just ask a question?

In this report you don't attempt to show whether payments have been made on the principal sum?

Mr. Nathan: Senator, in the summary we have not shown that. In the 100th page we show the status of the loan as of November 1, 1924; how much is currently due.

Senator Nathan: That is all.

Senator Nathan: You may be excused, Mr. Nathan.

The committee will stand in recess until subject to the call of the

Chair.

(A recess of 15 minutes from the committee recessed subject to the call of the Chair.)

FINANCIAL OR BUSINESS INTERESTS OF OFFICERS OR EMPLOYEES OF THE SENATE

MONDAY, MARCH 9, 1964

U.S. SENATE,
COMMITTEE ON RULES AND ADMINISTRATION,
Washington, D.C.

The committee met, pursuant to recess, at 9 a.m., in room 318, Old Senate Office Building, Senator B. Everett Jordan (chairman) presiding.

Present: Senators Jordan, Hayden, Cannon, Pell, Clark, Curtis, and Scott.

Also present: Gordon F. Harrison, staff director; Hugh Alexander, chief counsel; L. P. McLendon, general counsel; Burkett Van Kirk, associate counsel; James H. Duffy, associate counsel; William B. Whitley, staff assistant to Senator Jordan; Walter Mote, professional staff member; William Ellis Meehan, investigator; Samuel Scott, investigator; and Alice Clark, staff.

The CHAIRMAN. The committee will come to order.

We have three Senators, which is a quorum. The meeting was called for 9 o'clock this morning, and it is past 9 o'clock now.

Will the witnesses please come forward—Mr. Richie and Mr. Stewart?

Mr. Stewart, if you will have a seat behind Mr. Richie.

In order that you may know why you are here this morning, and your rights before this committee, it is necessary that I read this opening statement.

A quorum being present, the committee will please come to order.

The committee is acting by direction and under the authority of Senate Resolution 212, agreed to October 10, 1963, and Senate Resolution 291, agreed to February 10, 1964.

Senate Resolution 212 authorizes and directs the Senate Committee on Rules and Administration—

To make a study and investigation with respect to any financial or business interests or activities of any officer or employee or former officer or employee of the Senate, for the purposes of ascertaining—

- (1) whether any such interests or activities have involved conflicts of interest or other improprieties, and
- (2) whether additional laws, rules, or regulations are necessary or desirable for the purpose of prohibiting or restricting any such interests or activities.

Witnesses have been interviewed by the staff and heard both in executive and in public sessions. Considerable evidence has been obtained and testimony received to date. Witnesses who have appeared previously, or who will be called in the future, possess information which the committee believes is material and pertinent to the

provisions of the resolutions of direction and authorization, and which will aid the committee in fulfilling its legislative purpose.

The Chair advises each witness that he is entitled under the rules of procedure of the committee to retain and be accompanied by counsel. The counsel may advise the witness of his legal rights during the course of his testimony. Should the witness not fully understand any question, the witness might ask for clarification. Counsel, however, shall not coach the witness or answer for the witness.

The committee will now proceed to hear the testimony of Mr. Richie.

Mr. Richie, will you kindly stand, please, and be sworn?

Place your left hand on the Bible, please, and raise your right hand.

Do you solemnly swear that the evidence you are about to give before this committee in the matter now under investigation is the truth, the whole truth, and nothing but the truth, so help you God?

Mr. RICHIE. I do.

The CHAIRMAN. Thank you.

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

Mr. McLENDON. Will you state your full name and residence address?

TESTIMONY OF BOYD LYNN RICHIE, ACCOMPANIED BY BRADY EUGENE RICHIE, COUNSEL

Mr. RICHIE. Boyd Lynn Richie, University of the South, Sewanee, Tenn.

Mr. McLENDON. Do you have your father with you now?

Mr. RICHIE. Yes, sir; I do.

Mr. McLENDON. Is he an attorney?

Mr. RICHIE. Yes, sir; he is.

Mr. McLENDON. Mr. Richie, will you state your full name and address?

Mr. BRADY RICHIE. Brady Eugene Richie. I am from Wichita Falls, Tex., 201 Panhandle Building.

Mr. McLENDON. Mr. Richie, were you ever employed in the office of the secretary to the Senate majority?

Mr. RICHIE. Yes, sir; I was.

Mr. McLENDON. By whom were you first employed?

Mr. RICHIE. Mr. Baker.

Mr. McLENDON. Robert G. Baker?

Mr. RICHIE. Yes, sir.

Mr. McLENDON. Do you remember the date of your employment, your original employment, approximately?

Mr. RICHIE. It ran approximately from October of 1961 to July 1, 1962.

Mr. McLENDON. What position were you employed in?

Mr. RICHIE. As a telephone page.

Mr. McLENDON. Telephone page?

Mr. RICHIE. Yes, sir.

Mr. McLENDON. Under whose direction did you work?

Mr. RICHIE. Under the direction of Mr. Baker, sir.

Mr. McLENDON. And, briefly, what were your duties?

Mr. RICHIE. Well, sir, we were to work in the cloakroom, taking care of phone calls that came into the cloakroom, and placing calls, outgoing calls, for the Senators, and just generally keeping the cloakroom in order.

Mr. McLENDON. You were under the direct supervision of Robert G. Baker all the time that you were there?

Mr. RICHIE. Well, sir, he was my employer. I worked with Joe Stewart and Richard C. Darling.

Mr. McLENDON. And what position did Joe Stewart occupy at that time?

Mr. RICHIE. He worked in approximately the same capacity that I did, sir.

Mr. McLENDON. Was he your senior?

Mr. RICHIE. Yes, sir.

Mr. McLENDON. And had a higher rank than you did, I assume—paywise and otherwise?

Mr. RICHIE. I don't know, sir.

Mr. McLENDON. You don't know about that. And what position did Darling occupy?

Mr. RICHIE. The same that Joe did, sir.

Mr. McLENDON. Did you receive a letter from Senator Mansfield on or about October 4, 1963?

Mr. Alexander, would you give the witness a copy of that letter?

My question was: Did you receive a letter from Senator Mansfield on or about October 4, 1963?

Mr. RICHIE. Yes, sir; I did.

Mr. McLENDON. Will you look at the copy which has just been handed to you and state whether or not that is a correct copy of the letter you received from the Senator?

Mr. RICHIE. As far as I can tell, yes, sir; it is.

Mr. McLENDON. And did you answer it by telegram?

Mr. RICHIE. Yes, sir; I did.

Mr. McLENDON. Look at the document attached to the letter and state whether or not that is a copy of the telegram that you sent to Senator Mansfield.

Mr. RICHIE. Yes, sir; it is.

Mr. McLENDON. The letter from Senator Mansfield refers to an article appearing in the Washington Daily News, which stated that, while you were working as an employee of the Senate Democratic cloakroom, \$50 was deducted from your salary each month for 3 months, without your consent, does it not?

Mr. RICHIE. Yes, sir.

Mr. McLENDON. And your telegram was your answer to that?

Mr. RICHIE. Yes, sir.

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

Mr. McLENDON. Mr. Reporter, will you mark these two documents, the letter No. 1 and the telegram No. 2?

(The documents referred to were marked "Richie Exhibit 1" and "Richie Exhibit 2," and are as follows:)

RICHIE EXHIBIT 1

MIKE MANSFIELD

United States Senate
Office of the Majority Leader
Washington, D.C.

October 4, 1963

Mr. Boyd Richie
University of the South
Sevanee, Tennessee

Dear Mr. Richie:

In the Washington Daily News, October 2, 1963 (page 12) there is a reference which alleges that while you were working as an employee of the Senate Democratic Clonkroom that \$50 was deducted from your salary each month for three months without your consent and paid to someone else, allegedly Walter J. Stewart. The article also said that this deduction was stopped after you complained about it.

I request that you make whatever comment you wish in connection with this article. And, specifically, I ask you to reply to the following question: If the deductions took place as alleged, to the best of your knowledge, what was the official or unofficial basis for the deductions and who authorized them?

I would appreciate any information you may have on this matter and would like to hear from you at your earliest convenience.

Sincerely yours,

/s/ Mike Mansfield.

Enclosure

RICHE EXHIBIT 2

Copy
Three
or a 5 cent stamp, ad by the sender optional.

WESTERN UNION

TELEGRAM

W. P. MARSHALL, President

SYMBOLS	
DL	Day Letter
NL	Night Letter
LT	International Letter Telegram

The filing time shown in this date line on domestic telegrams is LOCAL TIME at point of origin. Time of receipt is LOCAL TIME at point of destination.

NFD085 RA413

WE442 WW NFA133 (CT TUB078) COLLECT SEWANEE TENN
7 415P CST

SENATOR MIKE MANSFIELD USS OFC OF THE MAJORITY LEADER

RM 5-208 US CAPITOL WASHDC 113

DURING THE MONTHS OF JANUARY AND FEBRUARY OF 1962 THERE WAS FIFTY DOLLARS A MONTH TAKEN FROM MY SALARY. NO AMOUNT WAS TAKEN OUT BY THE DISBURSING OFFICE. I WAS PAID THE FULL AMOUNT (\$403) BY THE DISBURSING OFFICE THEN I WAS TOLD BY WALTER J STEWART, WHO HAD BEEN TOLD BY MR BAKER, TO PAY MR STEWART FIFTY DOLLARS A MONTH. I WAS ALREADY PAYING MR STEWART FIFTY DOLLARS A MONTH FOR RENT. THIS MADE A TOTAL OF ONE HUNDRED DOLLARS A MONTH THAT I PAID MR STEWART FOR A PERIOD OF TWO MONTHS. I HAVE THE CANCELLED CHECKS WHICH I PAID TO MR STEWART TO VERIFY THIS STATEMENT. AT THE TIME, MR STEWART WAS CALLED AS AN ACTIVE RESERVIST. HE SPENT PART OF HIS TIME STILL WORKING FOR BAKER

AND THE OTHER PART AT ANDREWS AFB. ONE DAY IN THE CLOAKROOM MR BAKER TOLD ME THAT THIS FIFTY DOLLARS WAS GOING TO HELP MR STEWART FOR THE TIME HE SPENT AT THE SENATE. AFRAID OF A KICKBACK, I TALKED TO THE VICE-PRESIDENT AND HE TALKED TO MR BAKER IN ORDER TO CORRECT THE SITUATION. AFTER MR JOHNSON TALKED TO MR BAKER, I WAS ALLOWED TO LIVE AT MR STEWART'S FOR TWO MONTHS RENT-FREE. THIS WAS TO COMPENSATE FOR THE MONEY I HAD PAID TO MR STEWART. I WAS NO LONGER REQUIRED TO PAY MR STEWART ANY MONEY OTHER THAN WHAT I NORMALLY PAID FOR RENT AFTER THAT TIME. SINCERELY
BOYD RICHIE.

Mr. McLENDON. Mr. Richie, did you rent a room or housing facilities from Joe Stewart, while you were employed in the Senate, in the majority secretary's office?

Mr. RICHIE. Yes, sir; I did.

Mr. McLENDON. Upon whose suggestion, if anyone's, did you rent from Stewart?

Mr. RICHIE. Well, sir, I had known Joe. He asked if I would like to room there.

Mr. McLENDON. And what did you tell him?

Mr. RICHIE. Yes, sir; I told him I would like to room there, and I did so.

Mr. McLENDON. Did you enter into an agreement with respect to what rent you would pay?

Mr. RICHIE. Yes, sir; we did.

Mr. McLENDON. Will you state to the committee what the agreement was?

Mr. RICHIE. That I would pay Mr. Stewart \$50 a month rent.

Mr. McLENDON. Was this room you rented occupied by you alone, or did you occupy it along with someone else?

Mr. RICHIE. I occupied it along with a roommate.

Mr. McLENDON. Who was your roommate?

Mr. RICHIE. David Hawser and Thomas Ford.

Mr. McLENDON. Three of you?

Mr. RICHIE. Well, sir, Davy was there for a while, and then when he graduated, then Tommy moved in with me.

Mr. McLENDON. You had two occupants of the room all the time; is that what you are saying?

Mr. RICHIE. Yes, sir.

Mr. McLENDON. And do you know what the other boy paid—the other occupant paid?

Mr. RICHIE. I believe that he paid \$50 a month, also.

Mr. McLENDON. Do you know that to be true?

Mr. RICHIE. No, sir; I do not.

Mr. McLENDON. Now, while you were renting this room from Mr. Stewart, was any money taken out of your pay for additional rent, or for any other purpose?

Mr. RICHIE. No, sir; there was no additional amount taken out of the paycheck I received from the Senate Disbursing Office. I paid Joe with private checks.

Mr. McLENDON. Let's be sure about your answer. You tell the committee that there was no deduction made by the Disbursing Office?

Mr. RICHIE. Yes, sir; that is correct.

Mr. McLENDON. You received the exact compensation that you were entitled to?

Mr. RICHIE. Yes, sir; I did.

Mr. McLENDON. And now what happened after that?

Mr. RICHIE. Well, sir, when I first went on Mr. Baker's payroll, I talked to him in his office, and he said that since I was young and inexperienced in the job, that he would like to cut my pay back for awhile, until I gained some experience. Later on I spoke to Joe about this, and he said that he would see what arrangements Mr. Baker had made. He came back and talked to me, and told me that he had

been told by Mr. Baker that I was to pay him, Joe Stewart, an extra \$50 a month, by personal check.

Mr. McLendon. And did you do that?

Mr. Richie. Yes, sir; I did.

Mr. McLendon. And what was that extra \$50 a month supposed to be for?

Mr. Richie. I was told that it was going to help Joe for the time that he was spending in the Senate in the mornings, since he had been called into active duty in the Air Force.

Mr. McLendon. Now, adding this \$50 to the \$50 that you previously paid, would that amount to \$100 per month that you were paying?

Mr. Richie. Yes, sir.

Mr. McLendon. And your roommate was paying how much?

Mr. Richie. I don't know for sure, sir. I think that he was paying \$50 a month.

Mr. McLendon. How many months—for how many months was this extra \$50 paid upon the suggestion of Mr. Baker?

Mr. Richie. I believe for 2 months, sir.

Mr. McLendon. Would that be January and February 1962?

Mr. Richie. Yes, sir.

Mr. McLendon. Thereafter, did you make complaint about this?

Mr. Richie. Yes, sir; I did.

Mr. McLendon. And as a result of your complaint, was any adjustment made of it?

Mr. Richie. Yes, sir; it was.

Mr. McLendon. Tell the committee exactly what happened. Did you talk to Baker about it? The question was: Did you talk to Baker about the adjustment?

Mr. Richie. No, sir; I did not.

Mr. McLendon. Well, how did the adjustment come about, then? Explain it to the committee.

Mr. Richie. I spoke to Mr. Johnson, and he worked out an arrangement with Mr. Baker whereby I received compensation for the money I paid Mr. Stewart by living in Mr. Stewart's house for the next 2 months free.

Mr. McLendon. The Mr. Johnson you referred to was the majority leader at that time, Senator L. B. Johnson?

Mr. Richie. No, sir; he was the Vice President at that time.

Mr. McLendon. And you don't know what took place between him and Baker?

Mr. Richie. No, sir; I do not.

Mr. McLendon. Well, what did Baker say to you about it?

Mr. Richie. He just told me that this arrangement would be fine with him, and the matter was not discussed any more.

Mr. McLendon. Well, was the \$100 you had paid returned to you?

Mr. Richie. Yes, sir; for the next 2 months I lived at Mr. Stewart's house without paying any rent.

Mr. McLendon. Without paying any rent?

Mr. Richie. Yes, sir.

Mr. McLendon. And was that satisfactory to Mr. Stewart?

Mr. Richie. Yes, sir; I suppose it was.

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

Mr. McLendon. Well, you had no further controversy about it, I take it?

Mr. Richie. No, sir; none whatsoever.

Mr. McLendon. And the matter ended that way?

Mr. Richie. Yes, sir; it did.

Mr. McLendon. Now, Mr. Richie, is this the only transaction that you had while you were working in the office of the secretary of the majority that had anything to do with money or finances?

Mr. Richie. Yes, sir; it is.

Mr. McLendon. Did you ever buy any property upon the recommendation of Mr. Baker?

Mr. Richie. No, sir; I did not.

Mr. McLendon. Did he ever discuss any business transactions with you?

Mr. Richie. No, sir; he did not.

Mr. McLendon. How old were you at that time?

Mr. Richie. I was 16 at that time, sir.

Mr. McLendon. How old are you now?

Mr. Richie. I am 18, sir.

Mr. McLendon. I believe you are a student at Sewanee University now, are you not?

Mr. Richie. Yes, sir.

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

Mr. McLendon. While you were in the office there, did you observe whether or not Mr. Baker received gifts?

Mr. Richie. Yes, sir; he did.

Mr. McLendon. Were you there at Christmas in 1961?

Mr. Richie. Yes, sir; I was.

Mr. McLendon. What sort of gifts did he receive? Will you describe them to the committee?

Mr. Richie. He received gifts of rather large amounts of liquor and foodstuffs, candy, oranges, grapefruit.

Mr. McLendon. You say large amounts of liquor. That expression may mean one thing to somebody and might mean something else to somebody else. Can you elaborate on that a little bit?

Mr. Richie. Well, sir, he received several cases.

Mr. McLendon. I see. All right. Did you make observation of any particular gift that attracted your attention?

Mr. Richie. Do you mean a large gift, sir?

Mr. McLendon. Yes, sir. A gift of some value, for instance, as compared with fruit and liquor?

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

Mr. Richie. Yes, sir.

Mr. McLendon. What was it? Tell the committee about it.

Mr. Richie. This was a ring that we received in the office.

Mr. McLendon. You say "we received." You mean it came by mail?

Mr. Richie. Well, sir, it was brought into the office. I am not sure how it was delivered.

Mr. McLendon. And how did you happen to observe it, or know about it?

Mr. Richie. Well, sir, Mr. Stewart was taking care of these gifts, taking names of who sent the gifts, so that Mr. Baker later on could

write thank you notes. And when the ring came in, it was opened, the box was opened, to determine who had sent the gift, and I saw it at that time.

Mr. McLENDON. You saw the ring itself?

Mr. RICHIE. Yes, sir.

Mr. McLENDON. And did you see anything on the ring, or the container in which the ring came, to identify the giver?

Mr. RICHIE. The only name that was on the box was the name of Neiman Marcus, of Dallas.

Mr. McLENDON. That is a mercantile establishment in Dallas, is it?

Mr. RICHIE. Yes, sir.

Mr. McLENDON. And it was addressed to Mr. Baker, was it?

Mr. RICHIE. Well, I didn't see the wrapper on the package, sir. I assume that it was.

Mr. McLENDON. Did you talk to Baker about it?

Mr. RICHIE. No, sir; I did not.

Mr. McLENDON. Did he ever make any comment to you about it?

Mr. RICHIE. No, sir; he did not.

Mr. McLENDON. Do you know anything about jewelry so you could give the committee any estimate of what the ring might be worth?

Mr. RICHIE. No, sir; I don't.

Mr. McLENDON. Other than these gifts that you described, including the ring, do you have any knowledge of any other gifts that Baker received while you were working in the office?

Mr. RICHIE. No, sir; I don't.

Mr. McLENDON. And I believe you say you had no knowledge of any business transactions that he was engaged in?

Mr. RICHIE. No, sir; I did not.

Mr. McLENDON. That is all I care to ask him, Mr. Chairman.

The CHAIRMAN. Senator Pell, do you have any questions?

Senator PELL. I have no questions.

The CHAIRMAN. Senator Curtis?

Senator CURTIS. I am sorry I was a bit late. I made an appointment for 9 o'clock last week, not realizing that the committee was not starting at its usual time, so I may have to repeat a little bit, if you will bear with me. In reference to this \$50 a month taken out of your salary, how many months did that occur?

Mr. RICHIE. For 2 months, sir.

Senator CURTIS. What do you believe was the real purpose for the deduction?

Mr. RICHIE. I believe that it was going to help Mr. Stewart.

Senator CURTIS. Did you have an agreed amount of room rent that you were to pay?

Mr. RICHIE. Yes, sir; I did.

Senator CURTIS. And how much was that?

Mr. RICHIE. \$50 per month, sir.

Senator CURTIS. And the \$50 taken from your pay was then not to pay the room rent; is that correct?

Mr. RICHIE. As I understand it, that is correct, sir.

Senator CURTIS. How long had you kept the room?

Mr. RICHIE. For about 5 months, sir.

Senator CURTIS. And you were in the room when—you were occupying that as your room at the time this \$50 transaction took place?

Mr. RICHIE. Yes, sir; that is true.

Senator CURTIS. Now, relate in your own words, as best you can, how you were informed that you should take \$50 out of your salary and give it to somebody else. Where did the conversation take place?

Mr. RICHIE. The conversation took place in the Senate Democratic cloakroom.

Senator CURTIS. Who was present?

Mr. RICHIE. Joe Stewart and myself, sir.

Senator CURTIS. And what did he say to you?

Mr. RICHIE. I had asked him about the cut in pay that Mr. Baker and I had discussed earlier that month.

Senator CURTIS. Mr. Baker had discussed it first?

Mr. RICHIE. Yes, sir.

Senator CURTIS. Well, let's start with that conversation. Where was that?

Mr. RICHIE. That took place in Mr. Baker's office, in the Capitol.

Senator CURTIS. Were you there, or did he send for you?

Mr. RICHIE. He sent for me, sir.

Senator CURTIS. Do you remember about when it was?

Mr. RICHIE. It was right around the first of the second session of Congress that year. I believe that was the 87th Congress.

Senator CURTIS. And that was in 1962?

Mr. RICHIE. Yes, sir.

Senator CURTIS. Toward the beginning of the year 1962?

Mr. RICHIE. Yes, sir.

Senator CURTIS. What did Mr. Baker tell you?

Mr. RICHIE. He informed me that since I was young and inexperienced in the job, that he would like to cut my pay back a little until I gained more experience in the job that I was—the position I was occupying.

Senator CURTIS. Well, did he reduce your pay, then, at the Disbursing Office?

Mr. RICHIE. No, sir; he did not.

Senator CURTIS. At that time, did he tell you how he was going to reduce your pay because you were young and inexperienced?

Mr. RICHIE. No, sir; he did not. He just said that he would take care of it.

Senator CURTIS. Said he would take care of it. Did he tell you at that time you would draw the pay, but turn it over to someone else?

Mr. RICHIE. Not at that time; no, sir.

Senator CURTIS. Then the second time it was mentioned to you was about how much later?

Mr. RICHIE. About 3 weeks later.

Senator CURTIS. And who talked to you then?

Mr. RICHIE. Joe Stewart.

Senator CURTIS. Now, tell us what Mr. Stewart said.

Mr. RICHIE. I asked him if he knew anything about the cut that was supposed to come. He said he would go down and clarify it with Mr. Baker. And when he returned to the cloakroom, he told me that Mr. Baker had told him that I was to turn over \$50 a month to Mr. Stewart.

Senator CURTIS. And what did Mr. Stewart say it was for?

Mr. RICHIE. He didn't say, sir.

Senator CURTIS. Did he say it was to help him?

Mr. RICHIE. No, sir; he did not.

Senator CURTIS. His statement was that it was Mr. Baker's direction?

Mr. RICHIE. Yes, sir.

Senator CURTIS. And this was continued for 2 months?

Mr. RICHIE. Yes, sir.

Senator CURTIS. How did it happen to become discontinued?

Mr. RICHIE. I discussed the matter with Mr. Johnson. He, in turn, talked to Mr. Baker about the matter, and they worked out an agreement whereby I would live for the next 2 months at Joe Stewart's rent free in order to compensate for the extra money I paid him.

Senator CURTIS. You went to Senator Johnson?

Mr. RICHIE. Yes, sir.

Senator CURTIS. Or to Vice President Johnson. This is in 1962. This would be the Vice President.

Mr. RICHIE. Yes, sir.

Senator CURTIS. Did you have any conversation with anyone else that prompted you to go see the Vice President?

Mr. RICHIE. I had talked to my father about it; yes, sir.

Senator CURTIS. Your father suggested you talk to Mr. Johnson?

Mr. RICHIE. Yes, sir.

Senator CURTIS. And what did Mr. Johnson tell you?

Mr. RICHIE. I talked to him one night—I don't remember the exact date. He said that he would speak to Mr. Baker about it, and would like to talk to me the next day. I talked to him the next day, and he informed me that they had worked out this agreement.

Senator CURTIS. At the time you reported the incident to him, what, if anything, did you say as to why the money was being taken from your account?

Mr. RICHIE. I hold him that I had discussed it with Mr. Baker at one point in the cloakroom, and that Mr. Baker had told me that this money was going to help Joe for the time he was spending in the Senate in the mornings.

Senator CURTIS. And then it was cleared up after the Vice President talked to Mr. Baker?

Mr. RICHIE. Yes, sir; it was.

Senator CURTIS. Now, coming back to this ring that arrived at Mr. Baker's office; this was at Christmastime in 1961?

Mr. RICHIE. Yes, sir.

Senator CURTIS. It was in a box from Neiman Marcus Department Store, Dallas?

Mr. RICHIE. Yes, sir.

Senator CURTIS. Did you see the ring, yourself?

Mr. RICHIE. Yes, sir; I did.

Senator CURTIS. Do you know what kind of a stone it was?

Mr. RICHIE. No, sir—discussing it with Joe at that point, he said he thought it might be a sapphire stone.

Senator CURTIS. A sapphire. Was it a good sized stone?

Mr. RICHIE. I would say about the size of a penny, sir.

Senator CURTIS. About the size of a penny. Did it appear to be made up for a lady's ring or a man's ring?

Mr. RICHIE. A man's ring, sir.

Senator CURTIS. Was anything said in your presence as to—to give you any information as to from whom the ring was given?

Mr. BRADY RICHIE. Could I interrupt, Senator? By whom? You said was something said. By whom?

Senator CURTIS. By anyone present.

Mr. RICHIE. Yes, sir. Mr. Stewart.

Senator CURTIS. What did he say?

Mr. RICHIE. He said that he thought that the ring came from the Murchisons.

Senator CURTIS. From the Murchisons?

Mr. RICHIE. Yes, sir.

Senator CURTIS. Who else saw the ring besides you and Mr. Stewart that you know of?

Mr. RICHIE. I do not know, sir.

Senator CURTIS. Did you ever see the ring after that?

Mr. RICHIE. Yes, sir; I did.

Senator CURTIS. Where did you see it?

Mr. RICHIE. Mr. Baker was wearing it, sir.

Senator CURTIS. Did you learn from any other Senate employee of any similar transactions of employees having to turn back part of their salary to anybody?

Mr. RICHIE. No, sir.

Senator CURTIS. I think that is all.

The CHAIRMAN. Senator Scott?

Senator SCOTT. Mr. Richie, last week, I think, when you were on the Walter Cronkite television news program, I understood you to say that you noticed other improprieties in the office of the secretary of the majority. Would you go on and explain this?

Mr. RICHIE. Well, sir, I don't think I noticed any other improprieties other than what has been discussed here this morning, as far as gifts, et cetera.

Senator SCOTT. You have no recollection of anything else that would have led to that statement to Mr. Cronkite?

Mr. RICHIE. No, sir.

Senator SCOTT. Have you ever seen large sums of cash in evidence in Mr. Baker's office?

Mr. RICHIE. No, sir; I have not.

Senator SCOTT. Have you ever seen anybody go to the safe there and take money out?

Mr. RICHIE. No, sir.

Senator SCOTT. I think that is all.

Senator PELL. Mr. Chairman?

The CHAIRMAN. Senator Pell.

Senator PELL. I have a couple of questions here.

I find it difficult very often to improve upon the line of questioning of the committee's counsel, who, I think, does a fine job in developing all the aspects of the case. I join with Senator Scott in commending the counsel in the thoroughness with which he conducts his questioning.

I deplore one member of the committee attacking all the members on the other side, and reducing this to a partisan matter, and saying that we do not ever ask "searching or probing questions. Almost all the work in exposing this corruption and conflict of interest has come from the Republican minority, or the questions of the committee's counsel."

I submit that the majority of the work that has come out of this committee has come as a result of the excellent questions of the counsel. I don't like to see this become a partisan matter. We want to do a job, and we hope that all of us will join together, not only in writing a good report, describing what has happened, but when the door is shut to the barn and the cow has gone out we will try and come up with some rules together that will make sense afterward.

Now, Mr. Richie, I was wondering, in connection with this statement you have made as to other improprieties in the majority secretary's office, if you could search your mind carefully and think what else was in your mind when you made that statement on that broadcast.

MR. RICHIE. Nothing except the gifts that we have spoken of here this morning, sir.

Senator PELL. And the only gifts we have spoken of were your \$50 gifts to Mr. Stewart, and the ring; is that correct? Were there any others in your mind?

MR. RICHIE. If you want to refer to the \$50 as a gift, sir. I was speaking of the gifts that we had discussed earlier this morning—the foodstuffs, the liquor, and the ring.

Senator PELL. The foodstuffs, the liquor, and the ring.

I wonder if we could have one of the investigators, Mr. Counsel, find out from a bill of sale, or a record, what the value of the ring was.

MR. McLENDON. We are trying to do that.

Senator PELL. Thank you; that is all.

MR. McLENDON. May I ask one question?

When Mr. Alexander of the staff interviewed you by telephone, you disclosed to him in the beginning of your statement here this morning about the gifts; did you not?

MR. RICHIE. Yes, sir; I did.

MR. McLENDON. That is all.

The CHAIRMAN. The witness may be excused.

MR. McLENDON. Mr. Stewart?

The CHAIRMAN. Mr. Stewart, will you remain standing?

You heard the opening statement which I read before the committee this morning?

MR. STEWART. Yes, sir; I did.

The CHAIRMAN. Will you raise your right hand, please?

Do you solemnly swear that the evidence you are about to give before this committee, in the matter now under investigation, is the truth, the whole truth, and nothing but the truth, so help you God?

MR. STEWART. I do.

The CHAIRMAN. Have a seat, sir.

Counsel, you may proceed with your questions.

MR. McLENDON. Will you state your full name and your residence address?

TESTIMONY OF WALTER JOSEPH STEWART

Mr. STEWART. My name is Walter Joseph Stewart. I reside at 413 A Street Southeast.

Mr. McLENDON. Washington?

Mr. STEWART. Washington, D.C.

Mr. McLENDON. Do you have counsel with you this morning?

Mr. STEWART. I do not.

Mr. McLENDON. Mr. Stewart, were you ever employed in the office of the secretary to the majority?

Mr. STEWART. I have been employed in the office of the secretary of the majority in one capacity or another since 1951.

Mr. McLENDON. And are you still employed there?

Mr. STEWART. I am still employed there.

Mr. McLENDON. During 1960, 1961, and 1962, and up through October 1963, what was your exact position?

Mr. STEWART. The payroll title, I think, was "Chief Telephone Page to the Majority."

Mr. McLENDON. Would you then be in order of rank next to Mr. Baker in the office?

Mr. STEWART. No. There is an assistant secretary for the majority, and then I would have come after that.

Mr. McLENDON. Who was the assistant secretary for the majority?

Mr. STEWART. Rein Vander Zee was the latest, and John Graves is the acting secretary, and will be the next assistant secretary.

Mr. McLENDON. Did you receive a letter from Senator Mansfield dated October 8, 1963?

Mr. STEWART. I did.

Mr. McLENDON. Will you look at the copy?

Mr. STEWART. This is the letter dated October 4, which was sent to me, and my reply was dated October 8. It seems to be an accurate copy.

Mr. McLENDON. In the letter from Mr. Mansfield dated October 4, he called attention first to some news article to the effect that Mr. Baker had often used his Senate-provided Lincoln to haul supplies from the District to his luxury oceanfront motel near Ocean City, Md. I am quoting. And you answered that. What was your answer, and what is your answer now?

Mr. STEWART. My answer then was that I had never made any trips to Ocean City to haul guests or supplies.

Mr. McLENDON. And did you say that you had made one trip there?

Mr. STEWART. I did make the one trip to Ocean City in the company of Mr. Baker and his two sons on Sunday evening, June 24. This was in the Senate car.

Mr. McLENDON. Was that the only trip that you ever made to the place known as the Carousel, using the Senate car?

Mr. STEWART. That is the only trip that I can recall going in the Senate limousine. I made other trips there in both my car, and in Mr. Baker's other cars.

Mr. McLENDON. Were you also asked in this letter from Senator Mansfield about the payment by Boyd Richie to you?

Mr. STEWART. Yes, sir; I was.

Mr. McLENDON. Of rent?

Mr. STEWART. Correct.

Mr. McLENDON. And you gave your explanation of that; did you not?

Mr. STEWART. That is correct.

Mr. McLENDON. And is that explanation, as stated in your letter, correct?

Mr. STEWART. That is correct.

Mr. McLENDON. I would like to ask you to state it again now, orally, please—your entire explanation of this transaction involving the payment of rent by Richie to you.

Mr. STEWART. Fine. In about September of, I guess it was, 1961, I was being called up to active duty. I was looking for someone who would look after this place, which I am buying. So I asked Boyd. I said, "Now in case I am sent overseas, would you be willing to collect the rent, stay here and just look over it generally and make the mortgage payment?" He said "Yes." Also, at that time, Boyd was making about \$200 a month, a very low salary. The other boys, two other boys—and I think two of them work here on the Hill still—I had charged \$75 a month. But Boyd said, "I cannot afford that." So I quoted him a price of \$50 a month. Later on when Boyd went on a higher salary, I told him that I thought he should pay \$75 a month. I also asked for payments for past reductions. And he gave me—for 2 months he paid this amount to me.

Mr. McLENDON. What was that amount—\$50 per month?

Mr. STEWART. Well, I got \$50 a month from Boyd up through January, at which time Boyd went on a higher salary. And I collected a hundred dollars a month, in probably February and March, from Boyd.

Mr. McLENDON. And that was by arrangement between you and Boyd?

Mr. STEWART. Yes. I told Boyd I would expect a hundred dollars a month, and I considered it rental income, and reported it as such on my taxes.

Mr. McLENDON. Did you have any agreement with Baker about this arrangement?

Mr. STEWART. No, sir; I did not.

Mr. McLENDON. And you say you reported this money you collected from Boyd as income and paid taxes on it?

Mr. STEWART. All the moneys which I received from Boyd Richie have been reported by me on my income taxes as rental income.

Mr. McLENDON. Now, with reference to the home, the house that you said you bought, will you tell the committee a little bit about how you acquired it, and how long you had owned it?

Mr. STEWART. Well, I acquired it in 1959. It was a tenement-type dwelling, which I purchased for a very low figure. Do you want me to go into detail?

Mr. McLENDON. Yes.

Mr. STEWART. I purchased it for about \$7,500. I spent a large sum remodeling it. And, then, of course, I got a mortgage to cover the entire cost of purchase plus remodeling.

Mr. McLENDON. And were you paying for it monthly? Monthly installments?

Mr. STEWART. Well, when I first purchased it for \$7,500, I paid monthly installments for about a year. I am not sure I paid installments, or maybe I just paid interest. I had an agreement with—I think I paid no installments on that. I had an agreement with the gentleman I purchased it from that I would pay him the entire purchase price, less the \$500 which I had given him as a downpayment, in 1 year, by which time I hoped to have it remodeled and completed. I think when the year was up, I told him that it would be a couple of weeks before I could pay him off. And he said, "Fine." When the place was completely remodeled, I got a mortgage to cover this—everything I had in the place.

Mr. McLENDON. Were you using the rent that you collected from the young men you rented rooms to to pay for the property?

Mr. STEWART. Yes, sir.

Mr. McLENDON. What rent did the other occupants of rooms pay?

Mr. STEWART. Boyd paid \$50. Bill Miller paid \$75. Sam Stilwell paid \$75. Joe Major—he was from South Carolina; he just left to go home—he paid me \$75. My present roommate pays \$75, also.

Mr. McLENDON. Now, if I understand you, this arrangement was made between you and Richie, and not through Baker; is that your statement?

Mr. STEWART. That is correct.

Mr. McLENDON. Now, did Richie make some complaint to you after he had occupied the room some time, and had paid about a hundred dollars—I believe exactly a hundred dollars, according to his testimony?

Mr. STEWART. He did not make any complaint to me, but Mr. Baker called to my attention that he was terribly disgruntled; he was displeased; he thought he was being overcharged; and he thought that this money was in the nature of a kickback. I approached Boyd and asked him what his problem was. He told me. I said, "If you feel that way, I will refund the hundred dollars which you have given me. You can move out and find another place to live." He said, "No"; he would prefer to stay on there. I said, "Then you can stay here for 2 months rent free."

Mr. McLENDON. Did he report to you that he had complained to the Vice President about this affair?

Mr. STEWART. I don't recall any such conversations with him.

Mr. McLENDON. You don't recall that he mentioned any conversation with Baker?

Mr. STEWART. No. The first time it came to my attention was through Mr. Baker. He called it to my attention.

Mr. McLENDON. Well, did he mention the fact that Boyd Richie had complained to the Vice President?

Mr. STEWART. He did not tell me where his information had come from.

Mr. McLENDON. Well, were you told by Richie that he, Richie, had complained to the Vice President?

Mr. STEWART. I don't recall being told.

Mr. McLENDON. When you suggested, then, that this extra \$50 be paid back by letting him stay in the room rent free, or, I believe you said, you offered to pay him in cash?

Mr. STEWART. If he was unhappy, I would be happy to refund what he considered overpayment, and he could find another place to live. He didn't want to do that.

Mr. McLENDON. The agreement you worked out was satisfactory to both of you?

Mr. STEWART. Satisfactory to him and to me. I anticipated him moving out at the end of his 2 months. He then came to me and said he needed a place to stay for another month and could he stay on, and I said all right.

Mr. McLENDON. Mr. Reporter, will you mark the documents?

(The documents referred to were marked "Stewart Exhibit 1" and "Stewart Exhibit 2," and are as follows:)

STEWART EXHIBIT 1

MIKE MANSFIELD
MONTANA

United States Senate
Office of the Majority Leader
Washington, D.C.

October 4, 1963

Mr. Walter J. Stewart
Senate Democratic Cloakroom
United States Capitol
Washington 25, D. C.

Dear Mr. Stewart:

In the Washington Daily News, October 4, it is alleged as follows:

"Mr. Baker often used his Senate-provided Lincoln to haul supplies from the District to his luxury ocean-front motel near Ocean, Md."

There is a statement in the article to the effect that you drove the Senate-assigned car to Ocean City, acting as chauffeur for Mr. Baker and, further, there is an inference that you drove the car when it was used to transport "supplies" to the motel.

I would appreciate it if you would give me frank answers to the following questions:

1. Did you drive or were you a passenger in the Senate car assigned to Mr. Baker in trips between Washington and Ocean City during the year 1962?
2. If so, approximately how many such trips did you make in the Senate-assigned car?
3. Did you, in connection with these trips, to the best of your knowledge, carry guests of the motel or supplies for the motel? If you did carry supplies, to the best of your knowledge, of what did they consist?
4. Did you make any trip or trips during 1962 from Washington to the motel for the purpose of hauling supplies during the normal work week, that is, during the hours of 9:00 a.m. to 5:00 p.m., Monday through Friday? If so, approximately how many?

STEWART EXHIBIT 1--Continued

Mr. Walter J. Stewart

- 2 -

October 4, 1963

Further, in the Washington Daily News, October 2, 1963, Mr. Boyd Richie (alleged to be a roommate of yours and a former cloakroom employee) is quoted as saying: "I was told unofficially that \$50 a month was being taken from my salary to help Mr. Stewart along--\$50 a month, on top of the \$50.00 a month I was paying him for rent."

The article indicates that this arrangement occurred during three months in 1962 and was for your benefit.

With reference to the above allegation:

1. Did you receive, beyond the alleged \$50.00 a month room-rent any other amount directly from Mr. Richie?
2. If not directly, did you receive a sum of approximately \$50.00 from Mr. Baker or any other Senate employee which you understood to be derived from Mr. Richie's salary or any other Senate employee?

The above questions are of concern to the Senate and to the Majority Conference in particular and I would appreciate your immediate response to them as well as any other information relative to these matters which you feel may help to clarify them.

Sincerely yours,

/s/ Mike Mansfield

Enclosures -- 2

STEWART EXHIBIT 2

ROBERT B. BAKER

United States Senate
SECRETARY FOR THE MAJORITY

October 8, 1961

Honorable Mike Mansfield
Majority Leader
United States Senate
The Capitol
Washington 25, D. C.

Dear Senator Mansfield:

Enclosed please find the answers to the questions which you submitted to me by letter dated October 4, 1961.

I went to Ocean City with Mr. Baker in the Senate Lincoln in 1962. We went down on Saturday evening, June 23, 1962, and returned on Sunday evening June 24. I drove part of the way and Mr. Baker drove part of the way.

Other than the trip above described, I made no other trip to Ocean City in the Senate assigned car.

I never carried any guests or supplies.

I have never made any such trips during working hours at any time.

In August or September 1961, Boyd Ritchie became a tenant of mine and paid me \$50 per month rent. This was \$25 a month less than any other tenants had been paying. I charged him less because at the time he was receiving a low salary.

When Boyd went to a higher salary in February 1962, I saw no reason why he should not pay the same rent as the other tenants. I also felt that he could afford and should make up for past reductions.

STEWART EXHIBIT 2—Continued

I therefore increased his rent to \$100 beginning in February 1962, and he continued paying this amount for two months.

When Mr. Ritchie indicated displeasure over this arrangement, I reduced his rent back to \$50 per month and gave him credit for two months rent for the amount he claimed was excessive. He paid no rent for the months of May and June 1962.

Sincerely yours,

Walter J. Stewart

WJS:a

Mr. McLENDON. Mr. Stewart, did you ever have any business or financial transactions with Robert G. Baker while you were working in the office with him?

Mr. STEWART. The only—no; I have never had any business transactions with him.

Mr. McLENDON. Did you ever make any purchases upon his recommendation?

Mr. STEWART. No; not on his recommendation.

Mr. McLENDON. Did you ever make any purchases in businesses or enterprises in which Baker himself was interested financially?

Mr. STEWART. Yes; I did.

Mr. McLENDON. Tell the committee about it.

Mr. STEWART. I purchased 10 shares of a little company called Blue Ridge Development Corp., in South Carolina.

Mr. McLENDON. What place in South Carolina?

Mr. STEWART. I think it is Pickens, but I am not positive.

Mr. McLENDON. Tell the committee the circumstances. What happened?

Mr. STEWART. Dwight Holder, who is a good friend of Mr. Baker's, and I think he is president of the corporation, at any rate he looks after it—we were having dinner one night. He told me he thought that a large manufacturing concern was coming down to Pickens to locate, and that he was starting this little development company, and that he and Bobby, of course, were going to buy up some property and hope to develop it, maybe build houses on it. I asked him if—I said, "If you have any extra shares, I would like to get in on it." And, well, he said, "Sure, how much do you have?" And I said, "Well, I have a thousand dollars right now." And I invested a thousand dollars in it.

Mr. McLENDON. Was it stock and bonds?

Mr. STEWART. It was stock and a note receivable.

Mr. McLENDON. Referred to as debentures; was it not?

Mr. STEWART. Well, I am not sure of the exact title.

Mr. McLENDON. All right. And did you keep it—keep the stock and the debentures or bonds?

Mr. STEWART. I think I kept it for about 4 years. Mr. Holder was up here on one occasion. I told him that I needed a little money. He said, "Well, would you like to sell all of your stock?" or he said,

"Perhaps the note receivable you would like to turn in." I said, "Fine." So he paid me for the note, plus 6-percent interest from the date that I had purchased it.

Mr. McLENDON. And how much money was that; do you remember?

Mr. STEWART. I think it was around \$600 on the original investment of five.

Mr. McLENDON. And did he buy both the stock and the note?

Mr. STEWART. Not at that time. I retained the five shares of stock.

Mr. McLENDON. What did you finally do with it?

Mr. STEWART. About 2 years later I sold him the remaining five—the other five shares of stock under the same arrangement. He paid me for the money I had invested, plus 6-percent interest.

Mr. McLENDON. And did that end your connection with the enterprise?

Mr. STEWART. That ended my connection with Blue Ridge.

Mr. McLENDON. Did you ever buy some uranium stock?

Mr. STEWART. I bought some uranium stock in 1954 or 1953, as I recall. I would not like to tell about it, though.

Mr. McLENDON. How much did you pay for it?

Mr. STEWART. I think about \$600.

Mr. McLENDON. What happened?

Mr. STEWART. I lost four.

Mr. McLENDON. You lost \$400?

Mr. STEWART. Yes, sir.

Mr. McLENDON. Was that purchase made upon the recommendation of Baker?

Mr. STEWART. No, sir.

Mr. McLENDON. Did he have any connection with it?

Mr. STEWART. No, sir; he did not.

Mr. McLENDON. Is there any other business venture that you engaged in while you were in the office of the secretary for the majority?

Mr. STEWART. No, sir; except for the property which I own, and rental income—this is the only outside income I have.

Mr. McLENDON. Did you ever discuss the business affairs of Baker himself with him?

Mr. STEWART. Only in a very casual way.

Mr. McLENDON. Did he make any comment or explanation to you of any of his business affairs, transactions?

Mr. STEWART. No, sir. I never asked him any questions, and he never volunteered any comments.

Mr. McLENDON. Did he ever ask you to do anything for him in connection with any of these enterprises?

Mr. STEWART. No, sir.

Mr. McLENDON. Specifically, the MGIC transactions—did he mention that to you?

Mr. STEWART. No, sir; he certainly did not.

Mr. McLENDON. And he didn't recommend that you purchase any of it?

Mr. STEWART. No, sir; he did not.

Mr. McLENDON. Well, were you in his good graces at that time?

Mr. STEWART. I thought I was, but obviously not.

Mr. McLENDON. You can't explain why he didn't mention this to you?

Mr. STEWART. No, sir.

Mr. McLENDON. Did you know anything about it, Mr. Stewart?

Mr. STEWART. No, sir.

Mr. McLENDON. MGIC I am talking about.

Mr. STEWART. The first time it came to my attention was when I met a man who was connected with it downtown at a social function.

Mr. McLENDON. Who is that?

Mr. STEWART. Mr. Max Karl.

Mr. McLENDON. He is the same Max Karl that has testified before the committee, I assume.

Mr. STEWART. Yes, sir; he is.

Mr. McLENDON. Did he give you any information about it at that time?

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

Mr. STEWART. He was telling me that they had a private enterprise that was going into the mortgage insurance business, and he thought this was one area where the Government could stay out, if private enterprise could do a competent job. I was very intrigued by it, but was never offered any stock, and so never purchased any.

Mr. McLENDON. Was this before the company was authorized to issue stock to the general public?

Mr. STEWART. I don't know, Major. My guess is I met Mr. Karl approximately 2 years ago—maybe 3.

Mr. McLENDON. You don't know enough about it to know whether this conversation took place before the public issue or not?

Mr. STEWART. No, sir; I don't.

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

Mr. McLENDON. What about the Serv-U Corp.? Did Baker ever discuss that with you?

Mr. STEWART. No, sir; he mentioned once that he had a business on the west coast. He might have mentioned it casually, but certainly nothing that stood out in my mind.

Mr. McLENDON. To the best of your recollection, was he referring to the Serv-U Corp., or do you know?

Mr. STEWART. I just don't know, sir. I do know we discussed the vending business on a couple of occasions.

Mr. McLENDON. Well, tell us about that.

Mr. STEWART. He just thought it had great possibilities. He said that it was getting to the place where the schoolchildren would buy their notebook paper and pencils out of a vending machine, and factory workers will buy their lunch out of a vending machine. He said this business has great possibilities.

Mr. McLENDON. Did he identify any particular individuals with whom he had been discussing the vending business?

Mr. STEWART. No, sir; he did not.

Mr. McLENDON. How about Mr. Bostick, of Melpar?

Mr. STEWART. No, sir.

Mr. McLENDON. Did you know Mr. Bostick?

Mr. STEWART. I have met Mr. Bostick on, I think, one or two occasions.

Mr. McLENDON. At Baker's office?

Mr. STEWART. He came by the office once, but it was with some lady named Myers, I think, with the National Catholic Animal Welfare League.

Mr. McLENDON. National what?

Mr. STEWART. Catholic Animal Welfare League.

Mr. McLENDON. Animal?

Mr. STEWART. Animal.

Mr. McLENDON. Do you remember that that was his mission on that occasion?

Mr. STEWART. Yes; because he wanted some copies of some bills. He wanted 10 copies, when I think he could only get 3, from the docket room. So I went and got them for him.

Mr. McLENDON. Well, referring again to the vending business, did he ever mention to you a man named Eugene Hancock?

Mr. STEWART. No, sir.

Mr. McLENDON. Did you personally know Fred Black?

Mr. STEWART. I would not count him among my personal friends. I know of Fred Black, and I have met him.

Mr. McLENDON. Was he ever a visitor to Mr. Baker's office?

Mr. STEWART. Well, I met Mr. Black on several occasions downtown. I don't think I ever saw him in our office.

Mr. McLENDON. You don't recall seeing him in the office at all?

Mr. STEWART. No, sir.

Mr. McLENDON. Did Mr. Baker tell you that he and Black were interested in this vending business?

Mr. STEWART. No, sir; he did not.

Mr. McLENDON. Did you have any knowledge of the individuals who turned out to be the originators and organizers of the Serv-U Corp.?

Mr. STEWART. No, sir.

Mr. McLENDON. I refer particularly to Mr. Levinson. Did you know him?

Mr. STEWART. No, sir; I did not.

Mr. McLENDON. Did you ever see him in Baker's office?

Mr. STEWART. No, sir.

Mr. McLENDON. How about Mr. Sigelbaum?

Mr. STEWART. No, sir.

Mr. McLENDON. How about Mr. Cooper of Miami?

Mr. STEWART. No, sir.

Mr. McLENDON. Or Simon of Miami?

Mr. STEWART. No, sir; I wouldn't know them if I saw them on the street.

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

Mr. McLENDON. Did you know Ernest Tucker, Mr. Baker's associate in his legal practice?

Mr. STEWART. Yes, sir; I have known Mr. Tucker for 8 or 10 years.

Mr. McLENDON. Did he frequently visit the office?

Mr. STEWART. Oh, he might have been by a couple of times, or maybe even more. It wouldn't be unusual, because at one time his wife, of course, was Mr. Baker's secretary.

Mr. McLENDON. Tucker's wife worked for Mr. Baker?

Mr. STEWART. Yes, sir.

Mr. McLENDON. As his secretary?

Mr. STEWART. Yes, sir.

Mr. McLENDON. When did she quit, if you know?

Mr. STEWART. 1961, early 1961 or early 1962; I am not sure.

Mr. McLENDON. Was she and Mr. Baker finally divorced?

Mr. STEWART. She and Mr. Tucker were finally divorced.

Mr. McLENDON. I beg your pardon. Divorced?

Mr. STEWART. Yes, sir.

Mr. McLENDON. And she is now Mrs. Broome?

Mr. STEWART. Yes, sir.

Mr. McLENDON. Mr. Stewart, when Mr. Baker would leave the office on trips, what instructions would he give you about how and where he could be reached?

Mr. STEWART. If he was going out of town, sometimes he would tell me exactly where he was going.

Mr. McLENDON. Can you give us an illustration of a case like that?

Mr. STEWART. Once he said he was going to the west coast, and he said, "I will be in touch with you." More frequently it was handled this way: He would say, "I am going to be out of town, but I will call in." He might call in and give me a number where he can be reached. And he said, "If anyone calls me or anything comes up that I should know about, contact me immediately."

Mr. McLENDON. Referring to this trip to the west coast, would that be in December 1961?

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

Mr. STEWART. It could have been, but I just cannot recall.

Mr. McLENDON. You cannot fix the date exactly?

Mr. STEWART. No, sir.

Mr. McLENDON. Do you happen to know that he did go to the west coast in December and early January—December 1961 and early January 1962?

Mr. STEWART. Well, I am sure he was at the west coast at some time, but when, I don't know. At least he said he was.

Mr. McLENDON. Did he tell you what his mission was?

Mr. STEWART. No, sir.

Mr. McLENDON. Did you have any knowledge of why he was going to the west coast at that time?

Mr. STEWART. No, sir.

Mr. McLENDON. What other places do you remember that he went and left instructions with you about how he could be reached?

Mr. STEWART. He went to Puerto Rico on one occasion, and left instructions as to where he could be reached.

Mr. McLENDON. Do you know what his mission was on that trip?

Mr. STEWART. Yes; he took his wife and his family down. He was there at Christmastime. Said he was going down for Christmas vacation.

Mr. McLENDON. Do you remember what Christmas that was; what year?

Mr. STEWART. Christmas 1961 or 1962.

Mr. McLENDON. Either one of those 2 years?

Mr. STEWART. Yes, sir.

Mr. McLENDON. Is that the only trip that you recall that he made to Puerto Rico and told you about in advance?

Mr. STEWART. Yes, sir.

Mr. McLENDON. What other places can you remember that he went?

Mr. STEWART. New York.

Mr. McLENDON. Did he tell you how he could be reached in New York?

Mr. STEWART. Well, he would tell me what hotel he would be staying at.

Mr. McLENDON. Did he disclose to you the purpose of his trip?

Mr. STEWART. No, sir.

Mr. McLENDON. Did he ever tell you he was going to visit Mr. Bordas?

Mr. STEWART. No, sir.

Mr. McLENDON. Did you know Mr. Bordas?

Mr. STEWART. No, sir; I don't think I have ever met him.

Mr. McLENDON. You don't recall his ever being in the office?

Mr. STEWART. No, sir.

Mr. McLENDON. Mr. Stewart, the committee has evidence indicating that on one occasion Mr. Benitez—you know him, do you not?

Mr. STEWART. Yes; I know Mr. Benitez.

Mr. McLENDON. Visited Mr. Baker's office with a man named Lopez and his wife, and had a conversation with Mr. Baker, and Mr. Baker referred them to the firm of Webb & Law. Do you have any knowledge of that visit by Mr. Benitez and his wife and Lopez?

Mr. STEWART. No, sir.

Mr. McLENDON. Did you learn of it later after it happened?

Mr. STEWART. No, sir.

Mr. McLENDON. You have no information about that you can give the committee?

Mr. STEWART. No, sir.

Mr. McLENDON. The committee has evidence indicating that as a result of these conferences, arrangement was made by which Baker and Tucker were compensated at the rate of so much per pound of meat sold by the Hampeco Co., owned by the Murchisons in Haiti. Do you have any knowledge of that?

Mr. STEWART. No, sir; not until I read it in the papers.

Mr. McLENDON. Baker had never disclosed any information about that to you?

Mr. STEWART. No, sir.

Mr. McLENDON. Did he ever send you on any mission, such as to introduce Mr. Benitez or anyone associated with him at any department of the Government?

Mr. STEWART. No, sir.

Mr. McLENDON. Did he ever send you to the Department of Agriculture with anyone?

Mr. STEWART. No, sir.

Mr. McLENDON. To introduce?

Mr. STEWART. No, sir.

Mr. McLENDON. Can you recall any occasion when you went as the agent or emissary of Mr. Baker to introduce anyone in any of the departments of the Government?

Mr. STEWART. No, sir; I cannot recall a single occasion.

Mr. McLENDON. Now, will you tell the committee, Mr. Stewart, about what presents, if any, Mr. Baker received at his office or other-

wise, if you have knowledge of it, during the time that you were associated with him?

Mr. STEWART. Well, every Christmas you get the usual assortment—more cheese than most supermarkets in town, a few bottles of liquor here and there, bags of fruit, onions, potatoes; all of the local industries seem to send you something that is representative of their State.

Mr. McLENDON. Was it sent to Mr. Baker? Was it sent to the office, or can you tell the committee?

Mr. STEWART. Well, a lot of the articles would be just addressed to the office of the secretary for the majority. I think some of the dairy associations would send cheese, and, of course, you would get liquor around Christmastime. This is a common practice around the Hill.

Mr. McLENDON. Were you here this morning when Mr. Richie testified about the ring?

Mr. STEWART. Yes, sir.

Mr. McLENDON. Can you give the committee all the knowledge you have about the ring?

Mr. STEWART. Such a ring did come in. It came from Neiman Marcus. And, as I recall, and I have later confirmed, this was a present from Mr. Bob Thompson to Mr. Baker.

Mr. McLENDON. Now, just a minute. Mr. Bob Thompson?

Mr. STEWART. Yes, sir.

Mr. McLENDON. Do you know, or did you know, that he was associated with the Murchisons in the operation of a construction company?

Mr. STEWART. No; I knew that he was associated with them in the Dallas Cowboys football team. He occupied some position with them. His law firm represented them.

Mr. McLENDON. Well, go ahead with your explanation.

Mr. STEWART. Of what?

Mr. McLENDON. Of the ring. All the knowledge you have about the ring.

Mr. STEWART. Well, it came into the office. It was opened. I looked at it. And it was addressed to Mr. Baker. And, as I recall, it was from Mr. Bob Thompson.

Mr. McLENDON. Is it true that you made a list—made a habit or practice of making a list of gifts that came in Christmas and other times?

Mr. STEWART. Yes, sir. If someone brought something in, I would take the tag off of it, and put the person from whom it was received, and compile a list, and put it on his desk—or the secretary's desk—to make sure that thank-you notes went out.

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

Mr. McLENDON. Was that the only purpose of keeping the list?

Mr. STEWART. Yes, sir.

Mr. McLENDON. Do you have any idea what the value of this ring was that you told us about?

Mr. STEWART. Well, it was just a plain department store ring. I couldn't tell you whether it was worth \$50 or \$200.

Mr. McLENDON. Mr. Richie said that you thought it might be a sapphire.

Mr. STEWART. It was a black star sapphire.

Mr. McLENDON. Black what?

Mr. STEWART. Black star sapphire.

Mr. McLENDON. And you have no knowledge of what it is worth?

Mr. STEWART. No, sir; I have no knowledge of the value.

Mr. McLENDON. Did you ever see Baker wear it?

Mr. STEWART. Yes, sir.

Mr. McLENDON. Do you know what became of it?

Mr. STEWART. I think it is still on his finger.

Mr. McLENDON. Did you ever see any other gifts of unusual character, such as jewelry or gold trinkets or anything?

Mr. STEWART. No, sir.—cuff links; maybe a tie pin, shirts.

Mr. McLENDON. You can't remember any other gifts?

Mr. STEWART. No, sir.

Mr. McLENDON. Do you have any knowledge of any money, cash, currency, being paid to Baker at any time?

Mr. STEWART. No, sir.

Mr. McLENDON. Do you have any knowledge of currency being delivered at Baker's office to any individuals who might have called there?

Mr. STEWART. No, sir.

Mr. McLENDON. Particularly, do you have any knowledge of Mrs. Novak picking up substantial sums of cash in Baker's office?

Mr. STEWART. No, sir.

Mr. McLENDON. Did you ever see Mrs. Novak and Miss Tyler counting money in the office?

Mr. STEWART. No, sir.

Mr. McLENDON. Did he ever give you any instructions about delivering money to anyone?

Mr. STEWART. No, sir.

Mr. McLENDON. Did you have any duties to perform in connection with answering phone calls coming into Baker's office for him?

Mr. STEWART. Well, generally not. But it would not be unusual if I were to pick up the phone. If someone calls, I would ask for their name and take messages.

Mr. McLENDON. Do you recall ever taking any message from anyone for Mr. Baker relating to any business or financial transactions?

Mr. STEWART. No, sir. But, of course, if someone called up and said, "Mr. Brown is calling," I would not know for what purpose he wanted to speak to Mr. Baker.

Mr. McLENDON. But my question is: Did anyone ever call and tell you that he wanted you to deliver a message to Mr. Baker about some particular transaction?

Mr. STEWART. No, sir.

Mr. McLENDON. You have no knowledge of that?

Mr. STEWART. No, sir.

Mr. McLENDON. And what would you do when you received these messages from people who were calling for him? Would you make a memorandum of it?

Mr. STEWART. I would use a standard Government memorandum pad. You just put, "Mr. Baker, you were called by" Mr. whoever his name was, put the time, and if he left a message, write that at the bottom.

Mr. McLENDON. And you would put that on his desk, would you?

Mr. STEWART. Yes, sir.

Mr. McLendon. Were there other people in the office who would ordinarily answer the phone before you would?

Mr. Stewart. Yes. Miss Tyler would ordinarily answer the telephone.

Mr. McLendon. Was she Mr. Baker's secretary?

Mr. Stewart. Yes, sir; she was.

Mr. McLendon. His personal secretary?

Mr. Stewart. Yes, sir.

Mr. McLendon. Do you have knowledge that she conducted his correspondence for him?

Mr. Stewart. Well, she was the only person who could type; so I assume she would.

Mr. McLendon. Well, if a message came in for Mr. Baker and he wasn't there, would you turn the phone over to Miss Tyler to answer, or would you take the message?

Mr. Stewart. Well, unless they asked to speak to Miss Tyler I would just take the message.

Mr. McLendon. I see. Do you recall that sometimes they did ask to speak to Miss Tyler?

Mr. Stewart. Well, it wouldn't be unusual. I don't recall any specific instance, but it could have happened very easily.

Mr. McLendon. Did he ever tell you, Mr. Stewart, that he was expecting a call of importance, such as from this same Mr. Thompson you referred to?

Mr. Stewart. No, sir.

Mr. McLendon. You don't recall that?

Mr. Stewart. No, sir.

Mr. McLendon. Was Mr. Thompson a visitor in the office?

Mr. Stewart. No, sir; I don't think I have ever seen Bob Thompson in the office.

Mr. McLendon. Were you ever present when Mr. Baker talked to Thompson over the telephone?

Mr. Stewart. No, sir.

Mr. McLendon. What arrangements did you have in the office with respect to work on days when the Senate was not in session—for instance, Saturdays?

Mr. Stewart. Generally we would have the office covered by one person. We would alternate. If there was anything important going on, the whole staff would be there, or, otherwise, perhaps, Miss Tyler would be there one weekend, I would be there the next.

Mr. McLendon. Would that also be true on holidays?

Mr. Stewart. Well, on holidays the office would be closed. But if you mean days the Senate is not in session, no, sir; that was an ordinary workday for us, and the office was open.

Mr. McLendon. And between sessions of Congress, who manned the office?

Mr. Stewart. We generally kept our office open between sessions of Congress.

Mr. McLendon. What does that mean? You kept the door open, or did you have somebody in there?

Mr. Stewart. The door was open, and somebody was there to talk to whoever would come in. We would take—divide the time up. Say they were out of session 3 months; we might each have 1 month's

vacation. This was to compensate you for the long hours you worked while the Senate was in session.

Mr. McLENDON. Did you have any knowledge of any business arrangement or agreement between Mr. Baker and Don B. Reynolds?

Mr. STEWART. Not until I read it in the newspaper.

Mr. McLENDON. You are referring to the newspaper story that appeared in one of the local papers in 1962?

Mr. STEWART. I don't remember the date, but it came out and said that Mr. Baker and Mr. Reynolds were business partners in the insurance business.

Mr. McLENDON. Is that the same article that you called my attention to some weeks ago?

Mr. STEWART. Correct.

Mr. McLENDON. Other than that, you had no knowledge of any business arrangement between Baker and Reynolds?

Mr. STEWART. No, sir.

Mr. McLENDON. Did you have any knowledge of Baker's referring prospects—insurance prospects—to Mr. Reynolds?

Mr. STEWART. No, sir.

Mr. McLENDON. Did you have any knowledge of any transaction by which Reynolds sold insurance to Senator L. B. Johnson?

Mr. STEWART. No, sir.

Mr. McLENDON. Did he ever talk with you about that?

Mr. STEWART. No, sir.

Mr. McLENDON. Reynolds ever speak to you about it?

Mr. STEWART. No, sir.

Mr. McLENDON. Did you know Ralph Hill?

Mr. STEWART. No, sir.

Mr. McLENDON. You don't even know him at all?

Mr. STEWART. Don't think I would know him if I saw him.

Mr. McLENDON. You couldn't identify him?

Mr. STEWART. No, sir, except his photographs, which have appeared in the papers, when he was here.

Mr. McLENDON. You would not know, then, on numerous occasions if he brought money to the office to pay to Mr. Baker?

Mr. STEWART. No, sir.

Mr. McLENDON. I believe that is all, Mr. Chairman.

Senator PELL. Mr. Stewart, with the exception of young Mr. Richie, did any other tenants of yours ever pay less than \$75 a month rent?

Mr. STEWART. At one time there was one tenant who shared a room who I let stay there for about 4 months, and he paid \$50 a month.

Senator PELL. And, in toto, how many paid the \$75 a month?

Mr. STEWART. Well, I would guess—at that time, I would say two others. But all pay that at the present time, and even before that time.

Senator PELL. And as of now, they are paying \$75 a month?

Mr. STEWART. Yes, sir.

Senator PELL. Do you have any knowledge of any contacts made or calls made, efforts made by Mr. Baker to influence the course of Government contracts?

Mr. STEWART. No, sir; I do not.

Senator PELL. Do you have any knowledge of any efforts—I realize you have made none yourself, or you did not act as his agent, but do

you have knowledge of any efforts made by Mr. Baker to influence contracts with the North American Aviation Co.?

Mr. STEWART. No, sir.

Senator PELL. Any other corporations?

Mr. STEWART. No, sir.

Senator PELL. Do you have knowledge of the visit of Mr. McCloskey, who is the builder for the Arena Stadium—do you have knowledge of his visit to Mr. Baker's office?

Mr. STEWART. No, sir; I have never seen Mr. McCloskey in our office.

Senator PELL. That is all, thank you.

Senator CURTIS?

Senator CURTIS. What years were you working for the Senate in association with Mr. Baker?

Mr. STEWART. Well, I started out here as a page in 1951—about 1950 or 1951. I worked in that capacity for 2 years. At that time, I think the Democrats went into the minority, and I was then under no particular Senator. I became under what they call career, or minority patronage. And I had been under his jurisdiction ever since that time.

Senator CURTIS. Under Mr. Baker's?

Mr. STEWART. Yes, sir.

Senator CURTIS. Was his office your headquarters where you were supposed to report when you came to work?

Mr. STEWART. No, sir; my headquarters are upstairs on the Senate floor.

Senator CURTIS. On the Senate floor?

Mr. STEWART. Yes, sir. My duties in his office are incidental.

Senator CURTIS. Well, but when you arrive in the morning, is it your responsibility to go direct to the Senate floor?

Mr. STEWART. Yes, sir; I go directly to the cloakroom and floor.

Senator CURTIS. And stay there?

Mr. STEWART. Yes, sir.

Senator CURTIS. Well, did you have any duties that put you in Mr. Baker's office?

Mr. STEWART. Yes, sir; quite frequently, if I had some legislation, or if the Senate had legislation coming up, and I had to write a résumé, or find out—I had a desk in Mr. Baker's office which I would utilize. And sometimes I could go there at 9 o'clock and stay until 12, when the Senate was in session.

Senator CURTIS. Well, I was interested in the query about your answering the phone. Were you attached to Baker's office?

Mr. STEWART. I was under his jurisdiction. Ordinarily I would not answer the telephone in his office. But I did frequently, as a matter of fact.

Senator CURTIS. You did frequently.

Mr. STEWART. Yes, sir.

Senator CURTIS. Would you say you were in there most every day?

Mr. STEWART. I would say I was in there 2 or 3 days a week, anyway.

Senator CURTIS. How long would you stay? What I am getting at—did you just drop in and pick up a paper or take a paper, or were you a part of Mr. Baker's office setup?

Mr. STEWART. No, sir. I would say I was down there when I was summoned, or had some specific reason for being there. My main duties were up on the Senate floor.

Senator CURTIS. Well, how do you have knowledge as to how the office was run on Saturdays, and when the Congress was not in session? I gather that you took your turn.

Mr. STEWART. I did. You see, what we would do is divide it up, and on Saturdays we would have one person covering the cloakroom. We have three employees. And then, of course, we would have one covering Mr. Baker's office, assuming that there was no important business going on.

Senator CURTIS. What is your title now?

Mr. STEWART. Chief telephone page for the majority.

Senator CURTIS. I see. And sometimes you would be in Mr. Baker's office for a half a day?

Mr. STEWART. Yes, sir.

Senator CURTIS. How often would that happen?

Mr. STEWART. Well, as I said before, it might be 2 days a week; maybe 3.

Senator CURTIS. And then an additional number of days you might spend an hour in there or a half hour?

Mr. STEWART. Correct. And, of course, when the Senate is out of session, you know we close up the Senate floor, and then we operate out of Mr. Baker's office, or the two offices, the secretary of the majority and minority, stay open then.

Senator CURTIS. Now, did you hear Mr. Boyd Richie?

Mr. STEWART. Yes, sir; I did.

Senator CURTIS. When was the first conversation you had with him about the extra \$50 payment?

Mr. STEWART. When he was going to a higher salary.

Senator CURTIS. When?

Mr. STEWART. Well, I have no date for it, but I would guess it would probably be the first part of February.

Senator CURTIS. Where was it?

Mr. STEWART. Couldn't tell you where it was.

Senator CURTIS. Was it in the cloakroom?

Mr. STEWART. It could have been. I just don't know.

Senator CURTIS. Did it open, as he said it did, that he asked you how about the payment Mr. Baker had spoken to him about?

Mr. STEWART. No, sir; I recall no such question by Mr. Richie to me of that nature.

Senator CURTIS. In this first conversation, he never stated that Mr. Baker had told him that he was expected to make a payment?

Mr. STEWART. Well, I cannot say what he stated to me, because I don't recall that.

Senator CURTIS. Well, he was talking to you, wasn't he?

Mr. STEWART. Certainly he was.

Senator CURTIS. Now, his testimony was that he brought it up to you, and asked how he should carry out the instructions of Mr. Baker that his salary would be lessened. Did he make any such statement to you about that?

Mr. STEWART. I don't recall any such statement made to me.

Senator CURTIS. By not recalling, he might have made it?

Mr. STEWART. No, sir; I just say I do not recall it. I can't speculate on what he said.

Senator CURTIS. If you don't recall it, then are we to assume that what he said might have happened?

Mr. STEWART. Well, you can assume anything.

Senator CURTIS. No, no. I don't mean to be argumentative. But I don't want to put him in the light of having at least intentionally misinformed the committee. And so I want to know whether your statement that you do not recall, whether or not you mean to say that it might have happened, but you do not recall.

Mr. STEWART. No, sir; I don't mean to say that at all. What I am saying is that I do not recall any such conversation taking place between Mr. Richie and myself.

Senator CURTIS. You are stating to us, then, that it did not take place?

Mr. STEWART. I am stating I don't recall any such conversation taking place.

Senator CURTIS. Could it have taken place and you have forgotten it?

Mr. STEWART. Well, I am not going to speculate on what could have been or might have been.

Senator CURTIS. No, no; we are not asking that at all. You were there; you had a discussion. How do you recall the conversation opened up?

Mr. STEWART. I recall that I told him since he was going on higher salary, that he certainly could afford to pay the same rent as the other people, and make up for past reductions. He voluntarily paid this to me. He made no gripe. He didn't remonstrate at the time. He had a choice. He could have said "No," and moved out. There was nothing withheld from his salary. He paid these amounts to me voluntarily.

Senator CURTIS. How did he pay them?

Mr. STEWART. By check.

Senator CURTIS. How many checks?

Mr. STEWART. Two, I would guess.

Senator CURTIS. And they were separate from these regular \$50-a-month checks?

Mr. STEWART. No, sir; all in the same check.

Senator CURTIS. The rent was just increased from \$50 to \$100?

Mr. STEWART. Yes, sir.

Senator CURTIS. What was your understanding as to how long the hundred dollars was to continue?

Mr. STEWART. Until he had made up for past reductions. This was a period of about 3 or 4 months, at which time I would drop it back to \$75.

Senator CURTIS. Was that discussed?

Mr. STEWART. Well, I told him that.

Senator CURTIS. Where did you tell him that?

Mr. STEWART. Probably at my house.

Senator CURTIS. When?

Mr. STEWART. Well, I assume just before he started paying the increased rent.

Senator CURTIS. Was anyone else present?

Mr. STEWART. Not that I know of.

Senator CURTIS. Did you ever learn that he went to the Vice President to complain?

Mr. STEWART. I have heard that through the newspapers, but I never knew it from him, or from Mr. Baker.

Senator CURTIS. Well, how did it happen that, coinciding with that, you reduced his rent to zero?

Mr. STEWART. Mr. Baker called me and said he understood that he was terribly disgruntled, that he thought that he was being overcharged and cheated. At which time I went to Mr. Richie, and said, "If you feel like you are being abused, I will refund the hundred dollars that you consider overpayment." Instead, he chose to stay on for 2 additional months.

Senator CURTIS. Now, did Mr. Baker say anything about the fact that he had gone—that Boyd Richie had gone to the Vice President?

Mr. STEWART. No, sir; he did not.

Senator CURTIS. Did Boyd Richie say anything to you about it?

Mr. STEWART. He very well might have, because I heard that from gossip later on. But I cannot say he did or did not.

Senator CURTIS. Well, what else did Baker say when you said that Boyd Richie was complaining and dissatisfied?

Mr. STEWART. He just said he was terribly disgruntled, and he thought he was being overcharged, and would I do what I could to straighten things out with him. And I said I will take care of the matter.

Senator CURTIS. Were you surprised that Baker said that to you?

Mr. STEWART. Yes; I was.

Senator CURTIS. Did he ever say anything to you about any of your other tenants?

Mr. STEWART. No, sir; he did not.

Senator CURTIS. Did you ask him for his source of information that Boyd Richie was dissatisfied?

Mr. STEWART. No, sir.

Senator CURTIS. And it is your recollection that you spoke to Boyd Richie about the increased payment and not that Richie spoke to you?

Mr. STEWART. I spoke to him about it.

Senator CURTIS. Now, did you have an agreement with him that when his wages were increased he would have to pay an increased rent?

Mr. STEWART. No, sir; but it was an agreement that he would get a reduction when he first moved in, because he was on a very low salary.

Senator CURTIS. Now, his testimony is that, prior to giving you the extra \$50, he had a conversation with Baker. You contend you know nothing about that?

Mr. STEWART. I have no knowledge of any alleged conversation between him and Baker.

Senator CURTIS. But you do agree that there was a conversation with Baker when the \$50 was discontinued?

Mr. STEWART. Yes, sir.

Senator CURTIS. Did Mr. Baker advise or assist you in any way in connection with your house purchase?

Mr. STEWART. No, sir; he did not.

Senator CURTIS. Or the finances?

Mr. STEWART. No, sir.

Senator CURTIS. He didn't discuss it?

Mr. STEWART. No, sir.

Senator CURTIS. Well, now, in your letter to Mr. Mansfield you say, "I went to Ocean City with Mr. Baker in the Senate Lincoln once in 1962."

Mr. STEWART. Yes, sir.

Senator CURTIS. Have you gone on other trips with Mr. Baker?

Mr. STEWART. You mean to Ocean City?

Senator CURTIS. No; any place in a Government car.

Mr. STEWART. No.

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

Senator CURTIS. As part of your duties, were you required to accompany him out of the city on his business matters?

Mr. STEWART. No, sir.

Senator CURTIS. Was Miss Carole Tyler required to accompany him while she was on Government salary?

Mr. STEWART. Not to my knowledge.

Senator CURTIS. Do you know of any time that they were out of the office at the same time?

Mr. STEWART. Well, do you mean like they both went to lunch at the same time, sir?

Senator CURTIS. No, no. Out of town.

Mr. STEWART. Not to my knowledge.

Senator CURTIS. Never did?

Mr. STEWART. No, sir.

Senator CURTIS. Did you ever see Mr. Levinson around?

Mr. STEWART. No, sir.

Senator CURTIS. You know Mrs. Novak?

Mr. STEWART. Yes, sir.

Senator CURTIS. Did she ever come to the office when you were there?

Mr. STEWART. I saw her there—well, I would guess two or three times. But it could have been more, because I know her so well.

Senator CURTIS. Who would she see there?

Mr. STEWART. She said she wanted to see Mr. Baker.

Senator CURTIS. Did she ever come there and see Miss Tyler when Mr. Baker was not present?

Mr. STEWART. It is quite possible, because the door was open. She might go in and chat with Miss Tyler.

Senator CURTIS. I say when Mr. Baker was not present.

Mr. STEWART. No, sir; not to my knowledge.

Senator CURTIS. Do you know Mr. Fred Black?

Mr. STEWART. I have met Mr. Black; yes, sir.

Senator CURTIS. Did you ever see him in Mr. Baker's office?

Mr. STEWART. No, sir.

Senator CURTIS. Now, did you have anything to do with—in any way—vehicles belonging to the Senate?

Mr. STEWART. The vehicles were assigned to our office. We had one car assigned there. And frequently I would use that car, yes, for some official purpose, or whatever I was assigned to do.

Senator CURTIS. That was a passenger car?

Mr. STEWART. Yes, sir.

Senator CURTIS. Did you ever assign any panel trucks or delivery trucks for any errand for Mr. Baker?

Mr. STEWART. No, sir.

Senator CURTIS. Do you know anything about Senate trucks being used to deliver gifts?

Mr. STEWART. No, sir.

Senator CURTIS. Do you know anything about a gift of a hi-fi set?

Mr. STEWART. No, sir—except what I have read in the newspapers.

Senator CURTIS. You don't know anything about the delivery of it?

Mr. STEWART. No, sir.

Senator CURTIS. Were you working for Mr. Baker at the time?

Mr. STEWART. When was—when did this transaction take place? 1961?

Senator CURTIS. I think it was earlier.

Senator PELL. 1957 or 1958.

Mr. STEWART. Yes; I was working for him then.

Senator CURTIS. But you don't know anything about it?

Mr. STEWART. No, sir.

Senator CURTIS. So, if it was handled out of Baker's office, you didn't know anything about it?

Mr. STEWART. No, sir.

Senator CURTIS. Do you know whether it was delivered in a Senate truck?

Mr. STEWART. I have no knowledge of it.

Senator CURTIS. You heard Mr. Boyd Richie state in reference to the ring that arrived from Neiman Marcus—he said that you stated that it probably came from the Murchisons. Did you make such a statement?

Mr. STEWART. No, sir; I did not, to my recollection. It was from Neiman Marcus. Of course everybody associates that with the Murchisons, because both are in the same city.

Senator CURTIS. And I believe you described that as an ordinary department store ring.

Mr. STEWART. Well, I said it was a ring from a department store. It was a black star sapphire. And you wouldn't find those in ordinary department stores or bargain basements.

Senator CURTIS. Did you say that it was an ordinary department store ring?

Mr. STEWART. A while ago?

Senator CURTIS. Yes.

Mr. STEWART. Well, I would have to ask the reporter. But I might have said that.

Senator CURTIS. Now, Neiman Marcus is not an ordinary department store.

Mr. STEWART. Well, it is a department store, though.

Senator CURTIS. Ever been in it?

Mr. STEWART. No, sir.

Senator CURTIS. Do you know of any Senate employees who made regular—who made trips over to Mr. Baker's motel in Ocean City?

Mr. STEWART. No, sir—other than for pleasure, and I made several trips like that.

Senator CURTIS. You made several trips?

Mr. STEWART. Yes, sir.

Senator CURTIS. Do you know of anyone that did haul supplies over there?

Mr. STEWART. No, sir.

Senator CURTIS. Do you know anything about the securing of the buses to take the people over to Ocean City for the opening?

Mr. STEWART. No, sir.

Senator CURTIS. You don't know anything about that?

Mr. STEWART. I was a passenger on one of them. That is all I know.

Senator CURTIS. Did you have any responsibility with reference to any of the mail in Baker's office?

Mr. STEWART. No, sir. Generally, if it came in, it would be in a bundle, and I would just put it on Miss Tyler's desk.

Senator CURTIS. Did you open any of it at times?

Mr. STEWART. If I was looking for a particular letter or a particular response, I might go through the mail. But this would be out of the ordinary. Generally, I didn't even untie the bundle.

Senator CURTIS. But it was an accepted procedure if you did open the mail?

Mr. STEWART. Yes, sir; it would be.

Senator CURTIS. Did you frequently open the mail, or was it rare?

Mr. STEWART. It was rare.

Senator CURTIS. Did Mr. Baker get business mail at the office?

Mr. STEWART. No, sir; I would not say so. But, of course, I would have no knowledge of what was in letters. I would just put them on the secretary's desk.

Senator CURTIS. Have you ever paid Mr. Baker anything?

Mr. STEWART. No, sir.

Senator CURTIS. Ever given him anything?

Mr. STEWART. Well, Christmas—

Senator CURTIS. Other than a small Christmas gift?

Mr. STEWART. Christmas gifts; that is all.

Senator CURTIS. Never given him any check or money or anything not associated with Christmas or a birthday?

Mr. STEWART. No, sir.

Senator CURTIS. Who made the decision that Boyd Richie's complaint would be settled by giving him room rent free for a couple of months?

Mr. STEWART. I did, because I offered to give him \$100 in cash, and let him find another place to live. He said he didn't choose to do this. So I said, "Well, then, you can stay here for 2 months free. Will that make you happy?" He said yes.

Senator CURTIS. Did Mr. Baker know about that?

Mr. STEWART. I probably might have reported back to him, since he brought the matter to my attention originally.

Senator CURTIS. Did Mr. Baker make such a suggestion?

Mr. STEWART. No, sir.

Senator CURTIS. Mr. Baker never mentioned that the Vice President talked to him about it?

Mr. STEWART. No, sir; never mentioned it to me.

Senator CURTIS. Well, if the Vice President had talked to him about it, he probably would have mentioned it; wouldn't he?

Mr. STEWART. I never inquired. He would not necessarily have mentioned that to me.

Senator CURTIS. That is all.

Senator PELL. Senator Scott?

Senator SCOTT. Did you ever know Francis Law?

Mr. STEWART. Well, I know him. I know of him. I know where his office is.

Senator SCOTT. How often have you seen him?

Mr. STEWART. Well, lately I haven't seen him in 2 or 3 months, I don't think. But, before that, I would see him downtown at social functions.

Senator SCOTT. Did you ever see him in Mr. Baker's office?

Mr. STEWART. No, sir.

Senator SCOTT. Do you know Thomas Webb?

Mr. STEWART. Yes, sir.

Senator SCOTT. Did you ever see him in Mr. Baker's office?

Mr. STEWART. No, sir.

Senator SCOTT. Do you know Wayne Bromley?

Mr. STEWART. Yes, sir.

Senator SCOTT. Did you ever see him in Mr. Baker's office?

Mr. STEWART. Yes, sir.

Senator SCOTT. How many times?

Mr. STEWART. Oh, Wayne would drop in casually; sometimes not even to see Mr. Baker. He would drop in to say hello, and walk out.

Senator SCOTT. Did you hear any conversations between Mr. Bromley and Mr. Baker?

Mr. STEWART. No, sir.

Senator SCOTT. Do you know Glenn Troop?

Mr. STEWART. Yes, sir.

Senator SCOTT. Did you ever see him in Mr. Baker's office?

Mr. STEWART. Oh, occasionally; yes, sir.

Senator SCOTT. Did you have any conversations with him?

Mr. STEWART. Well, he is a good friend of mine, so it would not be unusual.

Senator SCOTT. Did you ever have any conversations with anyone about any transactions involving Mr. Baker?

Mr. STEWART. No, sir.

Senator SCOTT. Did you ever see Don Reynolds around the office?

Mr. STEWART. I think I saw Mr. Reynolds in the office probably on a couple of occasions anyway.

Senator SCOTT. Did you ever hear him talk to Mr. Baker?

Mr. STEWART. No, sir.

Senator SCOTT. What would these gentlemen do while they were in the office?

Mr. STEWART. Oh, they might drop in and say hello, say how are you. In the case of Mr. Bromley, he might want to ask if he could get 15 copies of a particular bill. They only allow you three copies in the docket room. So I would go up and get them for him.

Senator SCOTT. Did any of these gentlemen ever leave any gifts for Mr. Baker?

Mr. STEWART. No, sir; not to my knowledge.

Senator SCOTT. Wasn't it Mr. Baker that told you to adjust—make some adjustments with Richie, giving him some money back?

Mr. STEWART. No; he told me that Richie was terribly disgruntled, and thought he had been overcharged. He said, "See what you can do to straighten this out." At which time I went to Richie and offered him a hundred dollars in cash, which he turned down, or—and then he said he wanted to stay on at my house. In the alternative, I allowed him to live there 2 months free.

Senator SCOTT. You say you may have reported this back to Mr. Baker?

Mr. STEWART. I am sure I did, if he brought it to my attention originally.

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

Senator SCOTT. Now, Mr. Richie has said in the course of an investigation that you kept a list of gifts in a book. And you testified that you did keep the list of gifts. Do you have the book?

Mr. STEWART. It was not in a book, Senator. It would just be on a memorandum pad. This would be something you would keep from week to week, just like you would put a list of visitors who might come in your office.

Senator SCOTT. You don't have the list now?

Mr. STEWART. No, sir.

Senator SCOTT. Do you know what you did with it?

Mr. STEWART. Certainly. I put it on his desk, and I assume it was there for the purpose of sending out thank-you letters, and he probably threw it away when he sent them out.

Senator SCOTT. So you kept no record, no permanent record of it?

Mr. STEWART. No, sir.

Senator SCOTT. Now, about October 1, 1961, you were called to active duty by the District of Columbia National Guard.

Mr. STEWART. Correct.

Senator SCOTT. You were assigned to Andrews Air Force Base outside of Washington.

Mr. STEWART. Yes, sir.

Senator SCOTT. That is where the rest of the District of Columbia unit went, is it?

Mr. STEWART. That is correct.

Senator SCOTT. And then you were on active duty there from October 1, 1961, until August 27, 1962?

Mr. STEWART. Yes, sir.

Senator SCOTT. Your hours were—well, up to January 30, 1962, I believe you said your hours were from 7 a.m. to 4:30.

Mr. STEWART. 7 a.m. to probably 4:35; yes, sir.

Senator SCOTT. And from that time until August 27, 1962, your hours were 3:30 p.m. to 12 p.m.?

Mr. STEWART. Yes, sir.

Senator SCOTT. And you drew no pay from the Senate during this period?

Mr. STEWART. That is correct.

Senator SCOTT. But you did say that generally you dropped by the office every day.

Mr. STEWART. Well, I would drop by for a couple of hours, if I had some spare time.

Senator SCOTT. That was a fairly long trip, from Andrews, to drop by every day, wasn't it?

Mr. STEWART. All of the unit lived at home. You didn't live at Andrews Air Force Base, Senator, so it is only a few blocks.

Senator SCOTT. So when you came home, you would drop by the office?

Mr. STEWART. Well, no. I lived at home.

Senator SCOTT. I see—you lived at home, and you would drop by Mr. Baker's office?

Mr. STEWART. Yes, sir.

Senator SCOTT. In February 1962, you reentered law school?

Mr. STEWART. Yes, sir.

Senator SCOTT. You went to classes from 9 a.m. to 12 noon; is that correct?

Mr. STEWART. Yes, sir.

Senator SCOTT. And you were still in active service; is that correct?

Mr. STEWART. That is correct.

Senator SCOTT. And then you went from there to Andrews Air Force Base?

Mr. STEWART. Well, I would come to the Capitol sometime and have lunch. It is about an hour's trip from this area here to Andrews Air Force Base. So I might spend an hour and a half during the day here.

Senator SCOTT. And did Mr. Baker make any request to anyone in the armed services to have your hours arranged so that you could come back?

Mr. STEWART. No, sir.

Senator SCOTT. To the Senate?

Mr. STEWART. No, sir. These hours were arranged like that so I could attend law school in the morning. The general out there was very lenient with people who tried to go to school. As a matter of fact, he encouraged them to, and the Air Force paid for half of my law school.

Senator SCOTT. Did Mr. Baker ever speak to the general in your behalf regarding your service out there?

Mr. STEWART. Not to my knowledge.

Senator SCOTT. I think that is all.

Senator CURTIS. One more question.

Have you talked to Mr. Baker since he resigned?

Mr. STEWART. Yes, sir.

Senator CURTIS. When was the most recent time you talked with him?

Mr. STEWART. I talked to him on the phone briefly yesterday, and probably before that I guess a week ago. I was out to his house and had dinner with him and his wife.

Senator CURTIS. What was said, if anything, about you being called as a witness?

Mr. STEWART. Nothing. He just said he called to wish me luck. Said there is nothing that he could do to help me, but if there was, he would be happy to.

Senator CURTIS. Mr. Baker wished you luck on what?

Mr. STEWART. What?

Senator CURTIS. Luck on what?

Mr. STEWART. I do not know.

Senator CURTIS. Are you referring to your law school?

Mr. STEWART. Yes, sir.

Senator CURTIS. Not your testimony here.

Mr. STEWART. Oh, no, sir, no, sir. I had told him that I was going to be going out into private practice some time soon.

Senator CURTIS. I see. How long ago was this you were at his home for dinner?

Mr. STEWART. About a week ago.

Senator CURTIS. Is that the first time you have seen him since he resigned?

Mr. STEWART. No, sir.

Senator CURTIS. How many other times did you see him?

Mr. STEWART. Oh, I might see him every other week, something like that.

Senator CURTIS. Where?

Mr. STEWART. Well, I had dinner with him, as I say, at his house on one occasion. On that occasion I think I really came down here, Statler Hotel. We sat down and had a cup of tea together, and I would say that it is not infrequent that I see him.

Senator CURTIS. On any of these occasions did you discuss this investigation?

Mr. STEWART. No, sir.

Senator CURTIS. On any of these occasions did he express any interest in your testimony either before this committee or to an investigator of this committee?

Mr. STEWART. No, sir. He said just be careful to tell the truth and you will be all right.

Senator CURTIS. Oh. He did mention it?

Mr. STEWART. Oh, yes. He just mentioned—it was the only passing comment he made to me.

Senator CURTIS. When did he make that comment?

Mr. STEWART. I guess maybe 2 weeks ago.

Senator CURTIS. That is the only time?

(Mr. Stewart nods in the affirmative.)

Senator CURTIS. And had you said anything to him about it before that?

Mr. STEWART. I do not recall saying anything to him about it; no, sir.

Senator CURTIS. Just out of a clear sky he said, if you are interviewed or called as a witness, just tell the truth.

Mr. STEWART. Yes, sir.

Senator CURTIS. That is the only thing he said?

Mr. STEWART. Yes, sir.

Senator CURTIS. He never asked you whether you had been interviewed?

Mr. STEWART. No, sir.

Senator CURTIS. Never asked if you were going to be called as a witness?

Mr. STEWART. No, sir.

Senator CURTIS. How did he know you were going to be?

Mr. STEWART. I do not know. I assume he read it in the paper.

Senator CURTIS. When was it in the paper that you would be called as a witness? Was it ever in the paper?

Mr. STEWART. It has been in the paper every 2 months or so it is mentioned, a list of possible witnesses.

Senator CURTIS. List of possible witnesses.

Mr. STEWART. Yes, sir.

Senator CURTIS. What did he call you about yesterday?

Mr. STEWART. To wish me luck.

Senator CURTIS. He called you. Did he mention this testimony today?

Mr. STEWART. No, sir.

Senator CURTIS. Did you mention it?

Mr. STEWART. Yes, sir.

Senator CURTIS. What did you say?

Mr. STEWART. I just said I am going up to testify in the morning.

Senator CURTIS. And what else did he tell you?

Mr. STEWART. He said, well, my past advice still stands. I would advise you just to be careful what you say, tell the truth, and you will have no problems.

Senator CURTIS. Did he say that was the way he did it?

Mr. STEWART. He did not volunteer how he did it.

Senator CURTIS. I think that is all.

Senator SCOTT. Mr. Chairman, I just—

Senator CANNON. Senator Pell.

Senator PELL. I would like to go on record thanking the cameramen for having less bright lights, which makes it most agreeable to the Senators, and, I am sure, to the witnesses.

Senator SCOTT. Mr. Chairman, just one question. I am not familiar with the Air Force arrangement. Is that a common arrangement whereby the Air Force pays half of the expenses of members of the service at law school?

Mr. STEWART. Yes, sir. The Air Force is constantly trying to improve the educational achievements of its personnel, and they are quite willing to go out of their way to try to help youngsters go to school. This is standard procedure for any base.

Senator SCOTT. That is all I have, Mr. Chairman.

Senator CANNON. For any base and also for any service, is it not?

Mr. STEWART. Yes, sir. For any service.

Mr. McLENDON. Mr. Stewart, I intended to ask you and—do you know Edward E. Horgan, Jr.?

Mr. STEWART. Yes, sir; I do.

Mr. McLENDON. Did you know him when he worked in Mr. Baker's office?

Mr. STEWART. Yes; I did.

Mr. McLENDON. Do you have any knowledge of that arrangement by which Mr. Baker paid him the salary after he left the job, left the office and went off to college?

Mr. STEWART. As I recall the arrangement, he had worked there for about 3 years and had no vacation. He said he was going to give him about 90 days' severance pay.

Mr. McLENDON. Who said that?

Mr. STEWART. Bobby did.

Mr. McLendon. Did you hear him say that?

Mr. Stewart. Yes. He said this boy was going to school, and he thought he deserved it. He had been a hard-working Senate employee.

Mr. McLendon. Do you think that is the explanation how he was paid even though he quit?

Mr. Stewart. Well, that is the only thing I know about it.

Mr. McLendon. That is all you know about it?

Mr. Stewart. Yes, sir.

Mr. McLendon. Do you know a young man named Anthony Gray?

Mr. Stewart. Yes, sir.

Mr. McLendon. Did you know anything about the arrangement by which he worked and had two jobs, one with a newspaper and one with the office of the secretary of the majority?

Mr. Stewart. No, sir. I made that arrangement with Mr. Baker.

Mr. McLendon. You knew him while he was working there?

Mr. Stewart. Yes, sir.

Mr. McLendon. But you did not know how that kind of a combination of jobs was worked out.

Mr. Stewart. He went to see Mr. Baker about it, and I assumed Mr. Baker gave him a job.

Mr. McLendon. Mr. Stewart, in all the years that you worked in the office of the secretary of the majority, were you ever shown any rules or regulations that defined the duties of either the secretary or you or anyone else on the staff?

Mr. Stewart. No, sir.

Mr. McLendon. Do you know whether any such rules exist?

Mr. Stewart. Not to my knowledge.

Mr. McLendon. Are you familiar with rules that were promulgated in December 1963, by Senator Mansfield?

Mr. Stewart. What rules are you referring to, sir?

Mr. McLendon. They were issued by Mr. Valeo on the instructions of Mr. Mansfield and had relation to activities of people in the office concerning raising the money.

Mr. Stewart. Yes, sir. I was—that memorandum was called to my attention, and I think I still have a copy of it at home.

Mr. McLendon. Prior to the receipt of this memorandum issued at the direction of Mr. Mansfield, can you tell this committee whether any instructions had ever been issued in writing to you or anybody else in that office?

Mr. Stewart. No, sir.

Mr. McLendon. You say they had not?

Mr. Stewart. They had not.

Mr. McLendon. Did anybody ever tell you what your duties were and your responsibilities except from a day-to-day basis?

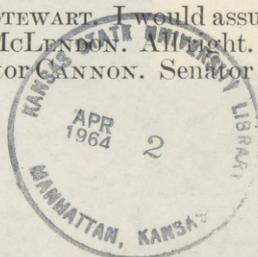
Mr. Stewart. Well, I knew what I was supposed to do on the long-range basis although it was never formally set out.

Mr. McLendon. And would that be true of everyone else in the office?

Mr. Stewart. I would assume so.

Mr. McLendon. All right. That is all.

Senator Cannon. Senator Pell?



Senator PELL. Mr. Stewart, when Mr. Baker was on the stand, I asked him if he thought a guideline for Senate employees just as there is a guideline and code of ethics for executive branch employees—whether such a guideline would be a good idea, and his reply was “Yes.” I was wondering, Mr. Stewart, if you thought there should be a guideline for Senate employees or if you thought it was not necessary?

Mr. STEWART. No, sir. I think it would be an excellent idea.

Senator PELL. Thank you very much.

Senator CANNON. Thank you, Mr. Stewart. You are excused.

The committee will stand in recess until 9:30 tomorrow morning to meet in executive session.

(Whereupon, at 10:55 a.m., the committee recessed, to reconvene in executive session at 9:30 a.m., Tuesday, March 10.)

