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FINANCIAL OR BUSINESS INTERESTS OF OFFICERS OR EMPLOYEES OF THE SENATE

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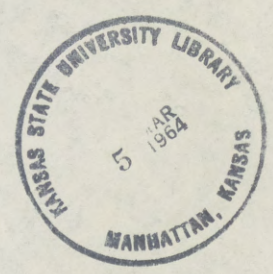
HEARINGS BEFORE THE COMMITTEE ON RULES AND ADMINISTRATION UNITED STATES SENATE EIGHTY-EIGHTH CONGRESS FIRST AND SECOND SESSIONS

PURSUANT TO
S. Res. 212 and S. Res. 221
RESOLUTIONS AUTHORIZING AN INVESTIGATION INTO THE
FINANCIAL OR BUSINESS INTERESTS OF ANY OFFICER OR
EMPLOYEE OR FORMER OFFICER OR EMPLOYEE OF THE
SENATE

JANUARY 30 AND 31, 1964

PART 3 Testimony of Francis E. Law and Thomas D. Webb

Printed for the use of the
Committee on Rules and Administration



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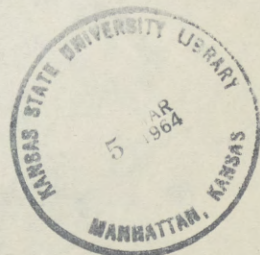
[Executive hearings of January 30 and 31, 1964, released to the public, February 4, 1964.]

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FINANCIAL OR BUSINESS INTERESTS OF OFFICERS OR EMPLOYEES OF THE SENATE

THURSDAY, JANUARY 30, 1964

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

The committee met, pursuant to recess, at 11:45 a.m., in room 301, Old Senate Office Building, Senator B. Everett Jordan (chairman) presiding.

Present: Senators Jordan, Cannon, Pell, Clark, Byrd of West Virginia, Curtis, Cooper, and Scott.

Also present: Gordon F. Harrison, staff director; Hugh Alexander, chief counsel; L. P. McLendon, general counsel; James Duffy, associate counsel; Burkett Van Kirk, associate counsel; Bill Whitley, staff assistant to Senator Jordan; Walter Mote, minority counsel; William Ellis Meehan, investigator; and Samuel Scott, investigator.

The CHAIRMAN. I am going to call the committee to order while I have a quorum.

Mr. Law, it is required that I read this statement in order that you be fully apprised of why we are doing this, and under what authority we are doing it. It won't take but a minute.

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 221, agreed to November 1, 1963.

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 or 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. Francis Law.

Will you kindly please be sworn in?

Raise your right hand, please, sir.

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. LAW. I do.

The CHAIRMAN. Have a seat, sir.

We will take a short recess to allow us to go to the floor and vote. (Brief recess.)

Senator PELL. In the absence of Senator Jordan, I think it would be a good idea if we started the hearing now.

Mr. Counsel, will you proceed?

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

TESTIMONY OF FRANCIS E. LAW, ACCOMPANIED BY MARTIN J. McNAMARA, COUNSEL

Mr. LAW. Francis E. Law, 3038 North Pollard Street, Arlington, Va.

Mr. McLendon. Will you also give us your business address?

Mr. LAW. 1730 K Street NW.

Mr. McLendon. Are you accompanied here this morning by your personal counsel?

Mr. LAW. I am, sir.

Mr. McLendon. Mr. Counsel, will you state your name and address?

Mr. McNamara. Martin J. McNamara, 1317 F Street NW., Washington, D.C.

Mr. McLendon. Mr. Law, what business are you engaged in at the present time?

Mr. LAW. I am a manufacturer's representative, do certain public relations work for clients.

Mr. McLendon. What do you mean by the phrase "manufacturer's representative"?

Mr. LAW. I represent clients in, I should say—more in the public relations field, I would say. I use the term "manufacturer's representative" to try to be a little more explicit.

Mr. McLendon. Are you associated with anyone in this particular business?

Mr. LAW. Yes, sir.

Mr. McLendon. With whom?

Mr. LAW. Tom Webb—Thomas D. Webb, Jr.

Mr. McLendon. And is the firm known as Webb & Law?

Mr. LAW. We have a partnership, Webb & Law, that is right.

Mr. McLendon. Mr. Webb, I believe, is a lawyer.

Mr. LAW. That is right.

Mr. McLendon. Does your firm represent the Melpar Co.?

Mr. LAW. Yes, sir.

Mr. McLENDON. Do you represent the Murchison interests of Texas?

Mr. LAW. Mr. Webb is an employee of the Murchison interests, Tecon Corp.

Mr. McLENDON. T-e-c-o-n Corp.?

Mr. LAW. That is right.

Mr. McLENDON. That is the construction corporation with headquarters at Dallas?

Mr. LAW. That is right, sir.

Mr. McLENDON. How long have you known Robert G. Baker?

Mr. LAW. Oh, I would say 7 or 8 years, probably.

Mr. McLENDON. Do you recall introducing Baker to Mr. Bostick, of the Melpar Co., in your office on one occasion?

Mr. LAW. I believe that is correct. I vaguely recall that; yes, sir.

Mr. McLENDON. Shortly after that introduction, do you recall that Baker asked you if you would inquire and find out whether Mr. Bostick would permit a friend of Baker's to bid on the vending business at Melpar?

Mr. LAW. Yes, sir.

Mr. McLENDON. Tell us exactly what Baker asked you, please.

Mr. LAW. Actually, it was a rather informal occasion. He mentioned to me if I knew what the vending setup was at Melpar. I replied that I had no idea. He said, "Would you ask Mr. Bostick, when you see him, if he would have any objections to a friend of mine bidding on their contract?"

I said, "I would be happy to."

Mr. McLENDON. You said what?

Mr. LAW. I said I would be happy to.

Mr. McLENDON. Did he at that time indicate who his friend was?

Mr. LAW. No, sir.

Mr. McLENDON. You learned later it was Capitol Vending Co. headed by Ralph Hill?

Mr. LAW. I read it in the paper.

Mr. McLENDON. Now, did you speak to Mr. Bostick in compliance with your promise made to Baker?

Mr. LAW. Yes, sir, I did.

Mr. McLENDON. What did you say to Bostick?

Mr. LAW. I asked him if he had any—well, first I asked what the vending machine situation was at Melpar.

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

Mr. LAW. I was entirely unfamiliar with it. And he said they had a company operating their vending machines out there.

I said, "Would you have any objections to having, or allowing, a friend of Bobby Baker's to bid on it?"

Senator CLARK. May I ask a question?

Was Melpar one of your clients?

Mr. LAW. Yes, sir.

Senator CLARK. On a regular retainer?

Mr. LAW. Yes, sir. That is right. His reply—"Well, I have no objection. If they can give us a better deal and give our employees the service, it is all right with me," he said. "I think there is a 30-day clause in the contracts, in all these vending machine contracts, as I recall." I said, "All right. Shall I have Baker call you or his

friend call you?" He said, "Yes, go ahead, and we will be glad to talk to him."

Mr. McLendon. Did you report that to Baker?

Mr. Law. I did, sir.

Mr. McLendon. After that, Mr. Law, did you have any connection with the efforts of Capitol Vending Co., which turned out to be the friend Baker was referring to, in obtaining the contract at Melpar?

Mr. Law. No, sir.

Mr. McLendon. Do you have any knowledge at all of any of the negotiations?

Mr. Law. No, sir.

Mr. McLendon. The committee has before it evidence that after Capitol Vending Co. was awarded the contract at Melpar, that it made application for permission to increase prices on its beverages that were being vended, and to sell additional beverage that had not theretofore been sold, and that a memorandum on that subject was given to you, or that you came in possession of it, either from a representative of Capitol, or from Baker.

Will you tell the committee what you know about that?

Mr. Law. I am afraid I cannot tell very much. It is possible that I passed it along. But I do not specifically recall the memorandum. If I saw it, it wouldn't have meant anything, because I was totally unfamiliar with the business or even what it implied.

It is possible that I might have passed it along to Melpar, and it is possible that Baker might have given it to me, asked me to do so.

Mr. McLendon. At that time, did you see Baker frequently?

Mr. Law. Oh, I wouldn't say too frequently. I saw him once in a while. I, of course, saw the Melpar people very frequently. And if I passed this along, as has been indicated, I presume it was only as a convenience, more than anything else. But I just don't recall specifically.

Mr. McLendon. Would it refresh your recollection any to see a copy of the memorandum again?

Mr. Law. Yes, sir, it might.

Mr. McLendon. I will hand you one here. This is a copy of the original memorandum, with handwriting on the margin, the bottom, which the evidence shows was made by Mr. Marsh, of Melpar.

Mr. Law. I don't recall this memorandum. As I said before, even had I read it, it wouldn't have meant anything, because I had no idea what it was all about really.

Mr. McLendon. But I believe you say it is possible Baker may have asked you to deliver it to Melpar, and if he had, you probably would have delivered it?

Mr. Law. That is right.

Mr. McLendon. All right.

Mr. Law, do you recall sometime in 1962 playing golf with Mr. Bostick, Robert Baker, and a man named Eugene Hancock?

Mr. Law. Yes, sir.

Mr. McLendon. Had you ever known Hancock before?

Mr. Law. No, sir.

Mr. McLendon. Did Baker and Hancock join you and Bostick for that game?

Mr. Law. I think that is right, yes, sir.

Mr. McLendon. That is Baker and Hancock came together, as distinguished from going with you, is that right?

Mr. LAW. Would you repeat that, please?

Mr. McLENDON. What I am trying to find out is that Hancock and Baker—did they come to the golf course together?

Mr. LAW. I believe that is right. As I recall the incident, Hancock, who as I say I never met, I didn't know who he was, could only stay there for a short while. I think he had to catch a plane in an hour or so.

Mr. McLENDON. You remember the incident of his having to borrow clothes to play golf, do you not?

Mr. LAW. Yes.

Mr. McLENDON. Now, in that afternoon, the four of you together, was there any discussion of the vending machine business at Melpar?

Mr. LAW. Not to my knowledge.

Mr. McLENDON. If there was, you don't recall it?

Mr. LAW. No, sir.

Mr. McLENDON. All right.

Senator CLARK. Mr. Law, did Baker introduce you to Hancock?

Mr. LAW. At that time.

Senator CLARK. That is how you met him?

Mr. LAW. That is right.

Senator CLARK. Because Baker brought him along and introduced him to you, and you had a foursome.

Mr. LAW. That is right.

Mr. McLENDON. Did he identify Mr. Hancock, what business he was in?

Mr. LAW. No, sir, not at that time. He said, "He is a friend of mine."

Mr. McLENDON. Did he disclose to you and Mr. Bostick anything about his connections with Hancock?

Mr. LAW. He did not to me, sir.

Mr. McLENDON. Now, Mr. Law, in 1963 the evidence shows that the contract between Melpar and Capitol Vending Co. was terminated and a new contract was made with Interstate Vending Co. Do you know of Interstate Vending Co.?

Mr. LAW. No, sir.

Mr. McLENDON. Do you know any of its officers or representatives?

Mr. LAW. No, sir.

Mr. McLENDON. I want to ask you specifically—did you attend a meeting or meetings at the Madison Hotel here in the city of Washington, attended also by Ernest Tucker or Eugene Hancock, and a representative of Interstate, who was the sales manager?

Mr. LAW. No, sir.

Mr. McLENDON. You never attended such a meeting?

Mr. LAW. No, sir.

Mr. McLENDON. Did you ever have any connection with the Serv-U Corp.?

Mr. LAW. No, sir.

Mr. McLENDON. You are informed, I believe, about the operation of the HAMPCO of Haiti?

Mr. LAW. Yes, sir.

Mr. McLENDON. Now, who are the owners of that company?

Senator COOPER. May I interrupt just a moment to ask a question?

Mr. Law, is it correct that you have never had any interest or connection with Serv-U Corp. and Capitol Vending Co. or Interstate Vending Co.?

Mr. LAW. That is correct.

Senator COOPER. At the time you spoke to Mr. Bostick, you did represent—your firm represented Melpar?

Mr. LAW. That is right.

Senator COOPER. What was the nature of your work for Melpar?

Mr. LAW. The nature of my work for Melpar?

Senator COOPER. Yes.

Mr. LAW. Primarily acquisitions, we inform Melpar of various programs, particularly pertaining to foreign work. We help Melpar—

Senator CLARK. When you say acquisitions, you mean Government contracts; don't you?

Mr. LAW. No; I mean company acquisitions. To give you a case in point, we were instrumental, I presume, in getting them together with a communications company out in Indiana.

Senator CLARK. By way of merger, purchase of stock?

Mr. LAW. That is right. We know of this company. Melpar was interested in getting into the communications field. And they are doing quite a bit of telephone, engineering communications in the Far East. And those various programs, we try to keep them advised as to what is coming up, refer to their technical people, who decide whether they want to bid on it, and then let them take it from there.

Senator COOPER. Prior to the time that you spoke to Mr. Bostick about Mr. Baker and his interest, or the interest of a friend in bidding on the vending contract at Melpar, had you had any business transactions or connections with Mr. Baker?

Senator CLARK. I would like to warn the witness' counsel that he is not permitted to coach the witness with respect to his answers in any matter which is pending before the committee. He is to remain silent and not coach the witness.

Mr. McNAMARA. Senator Clark, I was going to suggest to the witness to ask Senator Cooper if he could inform the witness when it was that this conversation with Bostick occurred. It might help him to determine whether prior to that date there had been any such relationship.

Senator CLARK. Well, I would ask our general counsel to advise counsel for the witness what the rules under which we operate are with respect to conversations between the witness and his counsel during the course of examination.

Mr. McNAMARA. I have the rules, Senator, and I will not do this again.

Senator COOPER. What I am asking for is whether you are able at this time to say whether or not before you spoke to Mr. Bostick about Mr. Baker's interest in the vending contract, you had had any business transaction or connection with Mr. Baker?

Mr. LAW. I have had one business transaction with Mr. Baker. And one only.

Senator COOPER. I understand that is the HAMPCO.

Mr. LAW. That is right. I am not sure whether this was before or after that particular date. I cannot recall.

Senator COOPER. Can you state any specific reason which led you to intervene with Mr. Bostick in the interests of Mr. Baker?

Mr. LAW. The only reason that I can give is it was a friendly request, which I would do for anybody that I knew. That is the only reason I can give. And I think I would do it again, and I would do it for anybody else that I knew who would ask me.

Senator CLARK. Major, could I ask a couple of questions?

Mr. LAW, are you an attorney?

Mr. LAW. No, sir.

Senator CLARK. Are you a registered lobbyist?

Mr. LAW. No, sir.

Senator CLARK. Your business or profession is that of manufacturer's representative, with emphasis on public relations?

Mr. LAW. That is right.

Senator CLARK. Now, I ask you to search your recollection and tell us whether on any other occasion, except the one having to do with Melpar, Mr. Baker asked you to do him a favor?

Mr. LAW. I can't recall any—I don't know—

Senator CLARK. I will narrow that—a favor having to do with a business or financial transaction?

Mr. LAW. No, sir; not to my knowledge.

Senator CLARK. Do you recall ever having asked Mr. Baker to do you a favor in connection with any deal you might have been working on for one of your clients?

Mr. LAW. Not to my knowledge.

Senator CLARK. Did you ever ask him to attempt to influence legislation?

Mr. LAW. No, sir.

Senator CLARK. Was your relationship with him primarily social?

Mr. LAW. I would say primarily; yes, sir.

Senator CLARK. How many times do you suppose you saw him during the period of your acquaintanceship, roughly—constantly, intermittently, steadily?

Mr. LAW. Intermittently, probably.

Senator CLARK. Do you consider him a close friend?

Mr. LAW. I do, yes, sir.

Senator CLARK. Have you ever been to his house for a meal?

Mr. LAW. Yes, sir.

Senator CLARK. Has he ever been to your house for a meal?

Mr. LAW. Yes, sir.

Senator CLARK. Did you meet together for meals and entertainment in places of public entertainment, such as restaurants?

Mr. LAW. Yes, sir.

Senator CLARK. That is all.

Senator COOPER. I just have one more question.

I think you have said you don't remember whether the HAMPCO transaction occurred prior to the talk with Mr. Bostick or not.

Mr. LAW. That is right.

Senator COOPER. Well, did the fact that you had been engaged in the HAMPCO transaction—was it a reason which led you to intervene for Mr. Baker with Melpar?

Mr. LAW. I wouldn't say primarily, no, sir. As I said before, whether I had ever had any business relations with Baker or not, I would have done that favor, just as a matter of courtesy.

Mr. McLendon. I believe I had asked you, Mr. Law, who were the owners of the HAMPCO company, and I don't think you had answered. Would you answer that now?

Mr. LAW. The original owners and construction of the HAMPCO plant was the Murchison interests in Dallas, and Allen & Co. in New York, who originally built the plant, is my understanding.

Mr. McLENDON. What was the plant—what kind of plant was it?

Mr. LAW. It was a slaughterhouse, in Port au Prince, Haiti.

Mr. McLENDON. We have just received a message that another vote is to be taken in the Senate in a few minutes. He suggested we recess when those of you who are here thought it was convenient. It is now 20 minutes to 1. I suggest we recess until 2 o'clock. Be back at 2 o'clock, please, sir.

(Whereupon, at 12:40 p.m., the committee recessed to reconvene at 2 p.m. of the same day.)

AFTERNOON SESSION

(Present: Senators Jordan (chairman), Cannon, and Pell.)

Senator JORDAN. The committee will come to order.

Counsel may continue his questioning. I want to say again, sir, I am very sorry that this delay took place. But there wasn't anything I could do about it.

TESTIMONY OF FRANCIS E. LAW—Resumed

Mr. LAW. I understand, sir.

Mr. McLENDON. Mr. Law, you had just testified before the recess that the HAMPCO company was a slaughterhouse plant in Puerto Rico, and constructed by Allen Co. and the Murchisons.

Mr. LAW. That is right.

Mr. McLENDON. What was your first connection with that company? When I say "you," I mean you and Webb.

Mr. LAW. Sometime after the plant was constructed, we got a call from Mr. Art Haas, who is an employee of the Murchisons in Dallas, and who had been working on this slaughterhouse project. I will just give you a little background that I think might fill you in a little bit.

Originally the plant was built with the idea of selling the meat locally; that is, in Haiti and the Dominican, and that area. However, after a short while they realized that it wasn't feasible, and it would be necessary for them to export this meat to another—or out of the country. So they applied for an export license and were told, after an original inspection, certain changes would have to be made in the plant to meet the Department of Agriculture health standards, and so forth.

Mr. McLENDON. May I interrupt you at that point. Was your firm of Webb & Law involved in it at that point?

Mr. LAW. Not at that point.

Mr. McLENDON. All right; go ahead.

Mr. LAW. That is what I am leading up to. These changes were made in the plant, and then it was necessary to have another inspection made by the Department, and the State Department.

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

Mr. LAW. It was about this time where we got into the picture, in attempting to expedite this inspection.

Haas called us and asked us if we would work with a Mr. Dancey. Dancey had worked with Haas in the original construction of the plant, and he had been with Allen & Co.

Mr. McLendon. Was Haas the general manager?

Mr. LAW. Haas worked for the Murchisons.

You see, he and Dancy originally put this thing together and supervised the construction. Dancy was coming back and forth to Washington, in an effort to expedite this inspection. Haas asked him to call us—this is just a little bit vague—whether he called us or whether Haas originally called us and asked us to work with him in any way we could.

At that point, we—or I, I guess—started working with him pretty closely, made some trips to the Department of Agriculture and to the State Department with him, and then followed through pretty much on my own to try to get this inspection expedited.

I don't know just how long an interval this was that we worked on this. But shortly thereafter, or about that time, our office got a call from Bobby Baker.

Mr. McLendon. Let me interrupt at that point. Our notes on this establish fairly well that you conferred with Dr. Murphy, of the Department of Agriculture, on June 6, 1961, and either that very day or the next day you had a call from Bobby Baker. Is that about right?

Mr. LAW. It could have been. I think I saw Dr. Murphy on certainly more than one occasion.

Mr. McLendon. I was trying to fix—

Mr. LAW. Well, it may have been somewhere in that area, because I called on him several times, as well as the State Department.

Mr. McLendon. At any rate, the negotiations by you with the Department of Agriculture were active on the day that Baker called you?

Mr. LAW. That is possible.

Mr. McLendon. Now, go ahead and start where you were, about the conversation with Baker.

Mr. LAW. He said that he had a couple of men in his office who were interested in a meat plant that he understood the Murchisons had in Haiti, and they would like to talk to us about it.

Mr. McLendon. Mr. Law, wasn't his statement that he had people in his office who were interested in buying meat from the plant?

Mr. LAW. Well, that is correct.

Mr. McLendon. All right. Go ahead.

Mr. LAW. That is correct.

So I said, "Well, send them over, and we will be glad to talk to them."

Mr. McLendon. You meant to send them over to your office?

Mr. LAW. That is right.

Mr. McLendon. Did they come?

Mr. LAW. Yes, sir.

Mr. McLendon. Did Baker come with them?

Mr. LAW. No, sir.

Mr. McLendon. Who did show up?

Mr. LAW. Mr. Benitez, and a Mr. Lopez, and, as I recall, maybe Benitez had his wife with him. But, anyway, this is the story that they told us, which I will relate.

Mr. McLENDON. All right.

Mr. LAW. It seems that Lopez, who is a meat distributor in Puerto Rico, and who had been a long time friend of Benitez, had approached him, asking if he knew anybody that he might contact, the Murchisons or the owners of this plant.

And, as a matter of fact, Lopez told Benitez of the plant, said he would like to buy the output of the plant. And if he could get the output of the plant he would be willing to pay a finder's fee or commission of 1 cent a pound.

Benitez, at this point, who was coming back and forth to Washington quite often, said that he would, next time he came up, talk to his friend Baker who might have or know these owners.

So this is the way we got in touch with them, or they got in touch with us.

Mr. McLENDON. All right.

Did Mr. Benitez represent himself as a personal friend of Baker's?

Mr. LAW. That is right.

Mr. McLENDON. And I believe associated himself with a political party with a name somewhat similar to his name.

Do you remember what he called it?

Mr. LAW. I don't know. I understand it was the Democratic Party of Puerto Rico. I don't know the name.

Mr. McLENDON. Did it have his name attached to it in some way—do you remember?

Mr. LAW. I don't recall.

Senator PELL. Excuse me. Is he the committeeman from Puerto Rico?

Mr. McLENDON. I think so.

Mr. LAW. I believe he was—yes, he was the committeeman from Puerto Rico at that time.

Mr. McLENDON. And Lopez was a dealer in meats?

Mr. LAW. That is right.

Mr. McLENDON. And he represented that if he could get the meat shipped from this plant in Puerto Rico, that he could deliver it much cheaper, make more money on it, than he could by having it delivered from Haiti; is that correct?

Mr. LAW. That is correct.

He said he had been buying meat, as I understand, from Central America and other places, and he said this was only about an hour's flight to Haiti, and he would very much like to acquire this output.

The CHAIRMAN. Was this plant in Haiti or Puerto Rico?

Mr. LAW. No—the plant was in Haiti—Port au Prince, Haiti.

Mr. McNAMARA. Mr. Chairman, may I make an observation for the sake of clarity? I think when Major McLendon made his initial opening question he identified this plant as being in Puerto Rico.

Mr. McLENDON. I did. That was my mistake.

The CHAIRMAN. The plant is in Haiti.

Mr. McNAMARA. Port au Prince, Haiti.

Mr. McLENDON. Who was it that made the suggestion that they pay a cent a pound?

Mr. LAW. Lopez made this suggestion to Benitez. This is before we had ever met them, or before they came into our office.

Mr. McLendon. Was that proposal made after you had had this conference in your office—was it repeated then?

Mr. Law. That is right.

Mr. McLendon. And how was the 1 cent to be divided?

Mr. Law. We were told that they would pay us half of that 1 cent—that is, our office.

Mr. McLendon. Webb & Law?

Mr. Law. That is right.

Mr. McLendon. All right.

And the other—the rest of it?

Mr. Law. The other, as I understood, Benitez had said that he and his wife had agreed to split their half cent with Baker.

Mr. McLendon. So that the result would be that Webb & Law would get a half cent, Benitez and his wife a quarter cent, and Baker a quarter cent; is that right?

Mr. Law. That is right.

Mr. McLendon. Was that agreement ever reduced to writing?

Mr. Law. I understand that it was. I never did see that—a copy of that contract. But I have heard that they had some kind of an agreement, or some kind of a piece of paper. But I never saw it.

Mr. McLendon. Now, how were the payments to be made under that agreement?

Mr. Law. The payments were to come to Baker, who, in turn, was to pay our office our half cent.

Mr. McLendon. And was he responsible for distributing one-fourth of a cent to Benitez?

Mr. Law. I understand that is correct; yes, sir.

Mr. McLendon. Do you have a memorandum with you as to the amounts that your firm received under that agreement, beginning with February 1962, for the month of December 1961?

Mr. Law. Yes, sir; I have these.

Mr. McLendon. Read those off, please.

Mr. Law. February 1, 1961—

Mr. McLendon. 1962, isn't it?

Mr. Law. 1962—pardon me.

Payment for December 1961, \$1,199.24. Pardon me—\$1,159.24.

Payment for January 1962, \$645.88.

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

Mr. Law. Payment for February 1962, \$670.40.

Payment for March 1962, \$854.50.

Payment for April, May, and June, 1962, \$1,813.08.

Payment for July 1962, \$791.30.

Payment for August and September 1962, \$1,749.04.

Payment for October 1962, \$845.48.

Mr. McLendon. That makes a total of how much for that period of time?

Mr. Law. \$8,528.92.

Mr. McLendon. And under the agreement, Baker would have received one-half of that amount for the same period?

Mr. Law. No; no. This is our half, that we received.

Mr. McLendon. Well, Baker would have received—

Mr. Law. The same amount.

Well, his quarter would have been—

Mr. McLendon. Equal to one-half of this?

Mr. Law. That is right.

Mr. McLENDON. Baker gets one-fourth of the total?

Mr. LAW. He got one-fourth.

Mr. McLENDON. You got half of the total?

Mr. LAW. That is right.

Mr. McLENDON. Benitez has the other quarter?

Mr. LAW. That is right.

Senator SCOTT. Baker got a half, and paid half of his half to Benitez?

Mr. LAW. That is right.

Mr. McLENDON. Now, Mr. Law, did something happen to terminate this arrangement?

Mr. LAW. Yes, sir, it did. I am not too familiar firsthand what the reason for terminating it is. I have heard that it had something to do with some spoilage in shipments and whatnot. But, at any rate, I think the two parties—that is the plant and Lopez—agreed to dissolve this agreement.

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

Mr. McLENDON. Regardless of what the reason was, did you and your partner then negotiate a new agreement with another purchaser?

Mr. LAW. That is right.

Mr. McLENDON. Who was the purchaser that replaced Lopez?

Mr. LAW. A man by the name of Kentor, in Chicago.

Mr. McLENDON. William Kentor?

Mr. LAW. That is right.

Mr. McLENDON. Did you and Mr. Webb negotiate the agreement with Kentor?

Mr. LAW. That is right. We contacted him first, after we had gotten a call from Haas, again, that they were going to terminate this agreement.

Mr. McLENDON. And did you reach an agreement with Kentor to buy the meat?

Mr. LAW. Yes, sir.

Mr. McLENDON. From HAMPCO?

Mr. LAW. That is right.

Mr. McLENDON. And what compensation was to be paid to your firm and to Baker under that contract?

Mr. LAW. Kentor said that he could not afford to pay the cent a pound, but agreed to pay a half cent a pound. He had a long haul to this country, et cetera.

Mr. McLENDON. And do you remember the terms of that agreement?

Mr. LAW. He was to take the output of the plant, as had HAMPCO, and pay a half cent per pound on the entire amount that he took out of there.

Mr. McLENDON. And what was HAMPCO itself to pay under that arrangement with Kentor?

Mr. LAW. HAMPCO was to pay us 10 percent of their net profits, up to a total or a maximum amount of \$35,000 a year, I believe it was.

Mr. McLENDON. \$30,000, isn't it?

Mr. LAW. \$30,000.

Mr. McLENDON. I have just shown you what purports to be an office memorandum, carrying the typewritten name of A. E. Haas, subject: "Haitian American Meat & Provision Corp."

Is that a memorandum of this agreement that you are now testifying about?

Mr. LAW. That is right.

Mr. McLendon. And it is addressed to Mr. Clint Murchison, Jr., Marshall F. Dancy, Herbert L. Stern, Bill R. Steed, Robert F. Thompson, and Gene W. Hewett.

Mr. LAW. That is right.

Mr. McLendon. Robert F. Thompson mentioned there—is he Mr. Thompson, executive vice president of the Tecon Corp.?

Mr. LAW. That is right.

Mr. McLendon. And who is Mr. Dancy?

Mr. LAW. Mr. Dancy was the man I referred to earlier as having been with Allen & Co., and he and Mr. Haas started this plant in Haiti.

Mr. McLendon. And Mr. Stern—who is he?

Mr. LAW. I don't know Mr. Stern.

Mr. McLendon. How about Bill R. Steed?

Mr. LAW. He is the plant manager.

Mr. McLendon. And Mr. Hewett?

Mr. LAW. He is the comptroller of Tecon and the Murchison interests.

Mr. McLendon. And does this memorandum, dated January 10, 1963, recite—I am reading:

As a legal retainer, HAMPCO will pay to Tucker & Baker, suite 605, Headquarters Building, 2000 P Street NW., Dupont Circle, Washington 6, D.C., attention Mr. Robert G. Baker, partner, commencing with the period beginning December 1, 1962, an amount equal to 10 percent of the net profit of HAMPCO up to a cumulative of \$30,000 per annum.

Is that part of the memorandum?

Mr. LAW. That is right, sir.

Mr. McLendon. Is that your recollection of the agreement?

Mr. LAW. Yes, sir.

Mr. McLendon. It also recites:

This will be paid monthly by HAMPCO by check drawn on the Royal Bank of Canada, Port-au-Prince Branch, for the previous 30-day period. Normally, financial statements are completed for the previous month by the 15th–25th of month following. At that time, disbursements will be made by Bill R. Steed to Tucker and Baker. The disbursement will be made to the nearest round \$100 multiple based on 10 percent of the net profits for the previous month.

Mr. LAW. Yes, sir.

Mr. McLendon. Now, there is nothing in this memorandum—at least I find nothing in it that recites what your firm was to be paid, is there?

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

Mr. LAW. No, sir. Our agreement, original agreement, with Benitez and Baker was still in effect.

Mr. McLendon. Except that it had been reduced to half a cent?

Mr. LAW. Well, that is right. But I mean in both instances, both the half cent and—

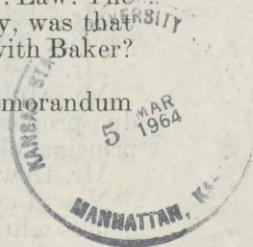
Mr. McLendon. Well, what is not clear to me is this, Mr. Law: The half cent that the new purchaser, Kentor, was going to pay, was that kept, to be kept by Webb and Law, or was it to be divided with Baker?

Mr. LAW. Be divided with Baker.

Mr. McLendon. And the 10 percent that this memorandum recites to be paid to Baker, was Baker to retain that?

Mr. LAW. No, we were to have half of this.

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



Mr. McLendon. You were to have half of that, also?

Mr. Law. That is right.

Mr. McLendon. Do you have a memorandum to which you can refer and tell the committee how much money your firm has received under this Kentor agreement we have just been discussing, beginning with the month of January 1963?

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

Mr. Law. Beginning January, and up through October—

Mr. McLendon. 1963?

Mr. Law. That is right—1963—we had received \$5,147.27.

Mr. McLendon. Are there 2 months in which the payments had not been made?

Mr. Law. That is right.

Mr. McLendon. And Baker had paid to you how much?

Mr. Law. Well, now, let me just—

Mr. McLendon. Let me put the question a little differently.

As of the end of December 1963, how much did Baker owe your firm from these collections that he paid from Kentor, HAMPCO?

Mr. Law. According to the figures that I have down here, and these are kind of rough, he still owes us \$2,267.39.

Mr. McLendon. Have you made any demand on him for payment of that?

Mr. Law. No, sir.

Mr. McLendon. Why?

Mr. Law. I am sure he will pay it. We have never had any reason to make a demand on him particularly. Sometimes if it is a little bit late—he always pays it, and we have no reason to make a demand on him.

Mr. McLendon. This agreement is still in effect now, is it not?

Mr. Law. Yes, sir.

Mr. McLendon. And the money is being paid currently, right now?

Mr. Law. Supposedly. Sometimes it is not—it doesn't come in every month. Kentor had explained that to us on a couple of different occasions. It is sometimes due to their accounting or auditing, et cetera. He may send 2 or 3 months' payments at one time.

Mr. McLendon. Well, I want the committee to understand this.

The principal obligor, Kentor—has he kept his obligations and paid promptly?

Mr. Law. Kentor?

Mr. McLendon. Kentor.

Mr. Law. Yes; he has paid. As I say, in some instances he would get maybe a couple of months behind and send us a check for the 2 months previous.

Mr. McLendon. Well, with the exception of the possibility it might be a month or two behind, he has made the payments?

Mr. Law. Oh, yes.

Mr. McLendon. Now, with respect to HAMPCO, has it made its payments promptly?

Mr. Law. Yes, sir; as far as I know, they have.

Mr. McLendon. So your firm has not received from Baker your due proportion of the amount of money that has been paid by the principal obligors, Kentor and HAMPCO, is that right?

Mr. Law. Not at this particular point.

Now, I cannot—this is one of the reasons that I wanted to get these figures a little more up to date. I wanted to get with Baker and con-

firm all these figures, just exactly what had come in. I am assuming——

Mr. McLendon. Mr. Law, we don't want to take up an undue amount of time on this point.

But since your partner, Mr. Webb, is going to be examined tomorrow, I wish you would tell him to be prepared to bring the committee up to date on these payments.

Mr. LAW. All right, sir.

Mr. McLendon. If there is a default, who is in default?

There is no indication that this agreement with Kentor and HAMPCO, this last one, is to be terminated, is there, Mr. Law?

Mr. LAW. No, sir; not to my knowledge.

Mr. McLendon. Do you personally know Edward Torres?

Mr. LAW. No, sir.

Mr. McLendon. Do you know Staley Brinkley?

Mr. LAW. No, sir.

Mr. McLendon. Do you know B. Sigelbaum?

Mr. LAW. No, sir.

Mr. McLendon. Do you know Edward Levinson?

Mr. LAW. I have met him socially.

Mr. McLendon. Have you had any business dealings with him?

Mr. LAW. No, sir.

Mr. McLendon. Have you or your partner, Mr. Webb, had any dealings with the Serv-U Corp.?

Mr. LAW. No, sir.

Mr. McLendon. Of any sort?

Mr. LAW. No, sir.

Mr. McLendon. Have you been in any sort of a joint venture with Black, Fred Black, Robert G. Baker, or Edward Levinson?

Mr. LAW. No, Sir.

Mr. McLendon. Do you know Mr. Warren Neil?

Mr. LAW. Yes, sir.

Mr. McLendon. Who is he?

Mr. LAW. He is builder in Puerto Rico.

Mr. McLendon. Does he have any connection with the Murchison interests?

Mr. LAW. No, sir, not to my knowledge.

Mr. McLendon. Does he do any construction work in the United States, as well as Puerto Rico?

Mr. LAW. I believe he has. I could not testify whether he is doing anything now. But I think he has in the past; yes, sir.

Mr. McLendon. I am not going to ask you what, but is it not true that you know him well enough to have negotiated with him about some business venture?

Mr. LAW. Yes, sir.

Mr. McLendon. Did Baker have anything to do with that?

Mr. LAW. No, sir.

Mr. McLendon. How long have you known Ernest Tucker?

Mr. LAW. Oh, I guess it would be 4 or years—maybe longer.

Mr. McLendon. Have you had any business dealings with him?

Mr. LAW. No, sir, not as such. I have employed him to do some legal work in the past.

Mr. McLendon. Does that particular employment relate in any way to any business activity of Bobby Baker?

Mr. LAW. No, sir.

Mr. McLendon. Do you know Fred Black, a consultant who lives here in Washington?

Mr. Law. Yes, sir.

Mr. McLendon. Have you had any business dealings with him?

Mr. Law. No, sir.

Mr. McLendon. Mr. Law, you previously testified that your firm, Webb & Law, were regularly employed on a retainer by the Tecon Corp. of Dallas. Were you ever consulted by Mr. Thompson or anyone connected with the Tecon Corp. about the possible purchase of the Carousel property in Maryland?

Mr. Law. No, sir.

Mr. McLendon. Did Mr. Thompson or anyone ever consult you about preparation and delivery of a proposal to buy the Carousel?

Mr. Law. No, sir, not to me.

Mr. McLendon. Did you ever see a written proposal signed by Mr. Thompson offering to purchase it?

Mr. Law. No, sir, I never did personally.

Mr. McLendon. I would like to show you a copy of this, to be sure that you are accurate in your answer.

Will you look at the document I have just shown you there, and tell the committee whether you ever saw that, or ever discussed it with anyone?

Mr. Law. No, sir, I have not.

Mr. McLendon. You have no knowledge of it?

Mr. Law. I do not.

Mr. McLendon. Let the record show, Mr. Reporter, that the witness was handed a document on the stationery of Tecon Corp. dated November 15, 1962, addressed to Robert G. Baker, signed by Robert F. Thompson, and the same document was introduced in the record during the examination of Mr. Robert F. Thompson.

(See Thompson exhibit 1.)

Mr. Law. Mr. Chairman, the only amendment I would make to that—I never saw that at the time it was written. I might have seen it in the past day or so. But I never saw that until just recently.

Mr. McLendon. Well, how recently? Within the past week or 10 days?

Mr. Law. Yes—within the past week—when Mr. Thompson was here.

Mr. McLendon. You never saw it prior to Mr. Thompson's appearance before this committee?

Mr. Law. No, sir.

Mr. McLendon. Is not that the sort of thing that Mr. Thompson would be likely to consult you and Mr. Webb about?

Mr. Law. He might or he might not. We certainly are not aware of all the things they do in Dallas.

Mr. McLendon. I didn't mean that.

My question is: Is this not the type of business of Tecon that Mr. Thompson would be more likely to consult you gentlemen about—since you are here in Washington, and the property is over here in Maryland nearby?

Mr. Law. I could not answer that. He might, but not necessarily.

Mr. McLendon. All right.

Do you have any personal knowledge of the corporation commonly referred to as WERTCO?

Mr. Law. I have heard of it; yes, sir.

Mr. McLendon. Do you have any connection with it?

Mr. Law. No, sir.

Mr. McLendon. You know that your partner, Mr. Webb, did, do you not?

Mr. Law. Yes, sir.

Mr. McLendon. Since he is going to be examined, we will ask him about it.

You did not participate in the organization of it?

Mr. Law. No, sir.

Mr. McLendon. Had no money in it?

Mr. Law. No, sir.

Mr. McLendon. Represent anyone who did invest in it?

Mr. Law. No, sir.

Mr. McLendon. Do you know Don Reynolds?

Mr. Law. I have met him; yes, sir.

Mr. McLendon. Had any business dealings with him?

Mr. Law. No, sir.

Mr. McLendon. Any financial transactions in which he and Baker were interested?

Mr. Law. No, sir.

Mr. McLendon. Mr. Law, did you or your partner, Mr. Webb, have anything to do with the organization of the new bank in Washington, the District of Columbia National Bank?

Mr. Law. With the organization of that bank?

Mr. McLendon. Yes, sir.

Mr. Law. No, sir.

Mr. McLendon. Are you connected with the bank in any way?

Mr. Law. No, sir; only as a depositor.

Mr. McLendon. Is Mr. Webb connected with it?

Mr. Law. No, sir.

Mr. McLendon. Do you have any knowledge of any negotiations that may have been carried on by any of the Murchisons or anyone representing the Murchisons and Baker concerning the purchase of the Delmar racing track in California?

Mr. Law. No, sir.

Mr. McLendon. Have you ever discussed that with your partner, Mr. Webb?

Mr. Law. No, sir. With the purchase of it?

Mr. McLendon. Yes, sir.

Mr. Law. No, sir.

Mr. McLendon. Well, if not the purchase, the lease of it, or any negotiations concerning that race track?

Mr. Law. No, sir.

Mr. McLendon. Mr. Law, the committee has heard evidence from Mr. Thompson, of Dallas, Tex., to the effect that he and Baker purchased about 9,000 shares of MGIC stock, and caused 2,000 shares of that total to be placed in the names of 4 people—500 shares in your name, 500 shares in your partner Webb's name, and 500 shares in the names of 2 others.

Are you aware of that?

Mr. Law. Yes, sir.

Mr. McLendon. When did you first become aware of it?

Mr. Law. That they were going to—that he was going to name me as a nominee, you mean?

Mr. McLendon. Yes.

Mr. LAW. Oh, shortly after the stock was purchased, or their commitment was made.

Mr. McLENDON. What explanation was made to you for putting the stock in your name, 500 shares?

Mr. LAW. Well, actually, Mr. Thompson asked me if I would be a nominee of his for 500 shares of this stock.

Mr. McLENDON. Did he tell you that the stock was owned by himself and Baker?

Mr. LAW. He indicated so; yes.

Mr. McLENDON. Were you to be compensated for taking the stock in your name?

Mr. LAW. I don't know that that was the reason that I was to be compensated. He told me at that time that I was to receive a portion of this stock as a bonus or appreciation for some things that I had done over the years with him.

Mr. McLENDON. Let me see if I understand that.

You are telling the committee that you understood that Mr. Thompson and Mr. Baker were going to give you 500 shares of MGIC in gratitude for what you had done for them in the past?

Mr. LAW. No; I didn't say 500 shares.

When he asked me if I would become a nominee, I said, "Of course." I have known Bob Thompson for many years, and we have been very close. I didn't even question it.

He further said that—and told this to, I am sure Tom Webb and I were both there—he said, "You all are going to participate in this overall transaction out of my share of this, and I will take care of any losses that occur, and I am going to see that you all have some of this stock."

Mr. McLENDON. That was an extraordinarily generous proposal, was it not?

Mr. LAW. Well, it was.

Mr. McLENDON. He would give you all the profits, and he was going to pay all the losses, if there were any?

Senator CANNON. He didn't say give them all the profits. He said participate in it.

Mr. McLENDON. Well, give them part of the profits.

Mr. LAW. Well, this was to be a certain amount of his share of the stock that we were to receive.

Mr. McLENDON. But it wasn't very specific as to what part you would participate in it?

Mr. LAW. No; it wasn't exactly. Twenty-five percent was mentioned. And as he said, it was in consideration of the things "that you have done for me and for our company over the years."

And we accepted it as that, just as such.

Mr. McLENDON. Did it occur to you to ask Bobby Baker to confirm that agreement?

Mr. LAW. No, sir. Not if Bob Thompson tells me that is so. I would never question it.

Mr. McLENDON. Regardless for whom he may have held the stock, whether it was owned by him or a dozen other people, you accepted his statement without attempting to confirm it?

Mr. LAW. That is right.

Mr. McLENDON. Up to this time, have you received any benefits from this transaction?

Mr. LAW. You mean in the way of money?

Mr. McLENDON. Yes, sir.

Mr. LAW. No, sir.

Mr. McLENDON. I won't ask you the nature of the business, but I do ask you if some time during 1963 you and your partner had plans for the organization of a corporation to be known as Pasantic, in which Baker was to have an interest.

Mr. LAW. That is right.

Mr. McLENDON. You told us that he did not acquire an interest and does not have an interest in it now.

Mr. LAW. That is right.

Mr. McLENDON. In that connection, was a man named "Paul Aguirre," of Puerto Rico, to have an interest in that company?

Mr. LAW. Yes, sir.

Mr. McLENDON. Was he a friend of Baker's?

Mr. LAW. Yes; he was.

Mr. McLENDON. Do you know to what extent he and Baker may have been in business together?

Mr. LAW. No, sir.

Mr. McLENDON. Are you acquainted with a man commonly known as Jake Jernigan, from Jacksonville, Fla.?

Mr. LAW. I know him.

Mr. McLENDON. Is he in the building business?

Mr. LAW. I really cannot say. I am not sure.

Mr. McLENDON. Do you know anything about any business transactions in which he and Baker are jointly involved?

Mr. LAW. No, sir.

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

Mr. McLENDON. All right.

That is all, Mr. Chairman.

The CHAIRMAN. Senator Cannon?

Senator CANNON. I have no questions.

The CHAIRMAN. Senator Cooper?

Senator COOPER. I missed about 20 minutes of this, so it may be that some questions I ask you have already been referred to.

Mr. LAW. All right, sir.

Mr. McLENDON. Let me have the reporter mark this memorandum.

(The document referred to was marked "Law Exhibit 1," and is as follows:)

LAW EXHIBIT 1

Subject: Haitian American Meat and Provision Corp., S. A.

(Interoffice correspondence)

Dated January 10, 1963

To: Mr. Clint Murchison, Jr.
Mr. Marshall F. Dancy
Mr. Herbert L. Stern
Mr. Bill R. Steed
Mr. Robert F. Thompson
Mr. Gene W. Hewett

From: A. D. Haas

The following agreement was reached between HAMPCO, S. A., and the law firm of Tucker and Baker, Washington, D. C., pursuant to various earlier discussions. As a legal retainer, HAMPCO will pay to Tucker and Baker, Suite 605, Headquarters Building, 2000 P Street, N. W., Dupont Circle, Washington 6, D. C., Attention: Mr. Robert G. Baker, Partner, commencing with the period beginning December 1, 1962, and amount equal to 10% of the net profit of HAMPCO up to a ~~culminative~~ *cumulative* of \$30,000 per annum. This will be paid monthly by HAMPCO by check drawn on the Royal Bank of Canada, Port-au-Prince Branch, for the previous 30-day period. Normally, financial statements are completed for the pervious month by the 15th - 25th of month following. At that time, disbursement will be made by Bill R. Steed to Tucker and Baker. The disbursement will be made to the nearest round \$100 multiple based on 10% of the net profits for the previous month. *maximum*

Tucker and Baker will forward its statement to HAMPCO in Port-au-Prince for voucher purposes covering the amount disbursed each month for a retainer on legal services.

Net profit is defined as the net profit as presently shown on the monthly financial statement of HAMPCO, with all appropriate charges made against gross income based on present accounting practice.

The first retainer is to be paid in late January covering December 1962. Annual periods will be from December of each year to December of the following year computing the culminative retainer limit.

/s/ A. D. Haas

Senator COOPER. Prior to the export of meat from Puerto Rico to the United States, HAMPCO had established a slaughterhouse in Haiti?

Mr. LAW. That is right.

Senator COOPER. Had HAMPCO established any type of meat business in Puerto Rico prior to the export of meat to the United States?

Mr. LAW. No, sir; not to my knowledge.

Senator COOPER. Considering the relationship of Puerto Rico to the United States, do you know whether there was any requirement or any kind of condition that had to be satisfied which would—permitting the export of meat from Puerto Rico to the United States?

Mr. LAW. No, sir.

Senator COOPER. Was it necessary to secure a license, or a permit of any kind, to export meat from Puerto Rico to the United States?

Mr. LAW. Not to my knowledge, sir. I understood—my understanding was that it could be exported either to Puerto Rico or the United States under the same license. I am pretty certain of that.

Senator COOPER. Did HAMPCO build a slaughterhouse in Puerto Rico?

Mr. LAW. No, sir.

Senator COOPER. Were any conditions or requirements of any kind imposed by any agency of the United States, a department, which had to be satisfied before you could export meat from Puerto Rico to the United States?

Mr. LAW. No, sir, not to my knowledge. This one license covered all exports out of Haiti—either to Puerto Rico or the United States. They are working under the same license agreement now, as a matter of fact.

Senator COOPER. When was that license issued, and by whom?

Mr. LAW. I have forgotten the exact date, but it was some time in 1961, and I guess it is issued by the Department of Agriculture.

Senator COOPER. Did your firm find it necessary to consult with the Department of Agriculture, officials of the Department, in regard to the issuance of the license?

Mr. LAW. Yes, sir.

Senator COOPER. With whom? Did your firm consult with officials of the Department?

Mr. LAW. Yes, sir, I personally did.

Senator COOPER. What?

Mr. LAW. I personally did.

Senator COOPER. Have you testified to that?

Mr. LAW. Yes, sir.

Senator COOPER. Who those officials were?

Mr. LAW. Well, I remember Dr. Murphy as being one, and I probably—I presume I called on the Department of Agriculture probably half a dozen times or more when we were trying to expedite the inspection of the plant in Haiti.

Senator COOPER. Was that prior to your arrangement with Mr. Baker?

Mr. LAW. Yes, sir. Or at least we had started this prior to my arrangement with Baker.

Senator COOPER. Do you know whether Mr. Baker consulted with any officials of the Department of Agriculture, or any other agency on behalf of HAMPCO?

Mr. LAW. No, sir; not to my knowledge.

There was really—I just might explain this.

There was really no need for any pressure. I had been talking both to the State Department and the Department of Agriculture, as a matter of expediting the inspection. At no time did they ever indicate that a license would not be granted when the plant inspection had been completed.

Senator COOPER. The requirement dealt with the inspection of the meat?

Mr. LAW. Of the meat plant.

Senator COOPER. Of the plant?

Mr. LAW. Yes.

Senator COOPER. Was there any requirement at all for inspection of the meat itself?

Mr. LAW. Oh, yes. Every shipment coming out of there has to be inspected.

Senator COOPER. It is inspected in Puerto Rico?

Mr. LAW. Yes, sir. I am sure it had to be.

Senator COOPER. My question is, Did Mr. Baker ever arrange any appointment for you or your firm to consult with any agencies of the Government that you know about?

Mr. LAW. No, sir.

Senator COOPER. What was—what services did he perform for your firm for which he was paid the half cent per pound?

Mr. LAW. Well, he was the finder, really, of this purchaser of the meat from the plant. He and Mr. Benitez were the original finders of this purchaser.

Senator COOPER. He introduced to you the man in New York who was the purchaser of the meat?

Mr. LAW. Lopez.

Senator COOPER. Did you know him before?

Mr. LAW. No, sir.

Senator CLARK. You say New York or Puerto Rico?

Mr. LAW. Puerto Rico.

Senator CLARK. Puerto Rico—not New York?

Mr. LAW. Yes, he was a meat distributor in Puerto Rico, Lopez was. (At this point, Senator Jordan withdrew from the hearing room.)

Senator COOPER. Did he also distribute meat in the United States?

Mr. LAW. I think he did—some. But he used, I think, most of it in Puerto Rico.

Senator COOPER. Where was it shipped; to the United States?

Mr. LAW. Where was it shipped in the United States?

Senator COOPER. Yes.

Mr. LAW. Oh, it could have been shipped to various places. I am not—

Senator COOPER. Who arranged those sales of this meat in the United States?

Mr. LAW. As far as I know, he did.

Senator COOPER. Mr. Lopez?

Mr. LAW. That is right. We had nothing to do with that, where he sold it or what he did with it.

Senator COOPER. What services did Mr. Benitez furnish in consideration of the payment to him of a quarter of a cent per pound?

Mr. LAW. As I say, he and Baker were the original finders of the purchaser, Mr. Lopez. Benitez is the one who made the first contact with Lopez, to my knowledge.

Senator COOPER. Do you know why the payments to Mr. Benitez were made to his wife instead of to him?

(At this point, Senator Clark left the hearing room.)

Mr. LAW. I cannot answer that.

He said—the only thing I ever heard him say, is that she was the businesswoman in the family.

Senator COOPER. Your firm did not pay him directly?

Mr. LAW. Oh, no, sir.

Senator COOPER. Your firm paid Mr. Baker, and your understanding is he paid—or the purchaser paid him?

Mr. LAW. That is right.

Senator COOPER. You didn't have anything to do with distributing that part of it?

Mr. LAW. No, sir.

Senator COOPER. I think that is all.

Senator PELL. I have a question.

Mr. LAW, when you employed Tucker as your counsel, were you aware of the fact that Baker was his partner?

Mr. LAW. Oh, I guess I probably was, but I only employed Tucker to set up—for one specific purpose, to set up a corporation. I have done that at least twice, to my knowledge—to set up different corporations. And that was the extent of it. I paid him the fee, just like you would pay any attorney a fee.

Senator PELL. And the gain that accrued to Mr. Baker was basically a finder's fee, and that was all?

Mr. LAW. That is right.

Senator PELL. Now, as you know the terms of our resolution are that we are inquiring into the financial or business interests or activities of any officer, employee, or former officer or employee of the Senate, for the purpose of ascertaining whether such interest or activities involve conflicts of interest or other impropriety.

Without getting into an argument—or not an argument—without discussing the questionable propriety of an employee of the Senate getting a finder's fee at all, keeping that outside, were there any other areas in which Mr. Baker had a business relationship with you?

Mr. LAW. No, sir.

Senator PELL. That was the only relationship as far as you know?

Mr. LAW. That is right. To the best of my knowledge and belief, that is everything—the only business relationship I have had with Bobby Baker.

Senator PELL. Did you have any kind of business relationship with any other employee or former employee of the U.S. Senate?

Mr. LAW. No, sir.

Senator PELL. And going back to what I would consider the questionable propriety of receiving a finder's fee while employed in the Senate—in paying him for that, did he use his influence in any way, or his position in any way to help bring about this deal?

Mr. LAW. I wish you would repeat that.

Senator PELL. I say, did Mr. Baker use his influence or his position in any way to help facilitate the fruition of your business arrangement?

Mr. LAW. No, sir.

Senator PELL. That is all I have.

Senator CANNON. Senator Byrd?

Senator BYRD. No questions, Mr. Chairman.

Senator CANNON. Do you have any more questions, Senator Cooper?

Senator PELL. I would like to throw out one thought. My own view might be there is no reason why this testimony might not eventually be released. For that reason, I would hope that we exhaust the possible questions now.

Mr. McLENDON. I have only one other question I want to ask him, and I would be perfectly willing to recommend that it be released, without the necessity of having him come back, if it is agreeable.

Mr. LAW. I think you have already been acquainted with the fact that the committee has in its possession a copy of a financial statement filed by you with a bank, dated October 1, 1963, in which appears the item of 800 shares of Mortgage Guaranty Co. stock. Did you own any other stock, other than the 500 shares that Mr. Thompson told you he would put in your name?

Mr. LAW. No, sir. This I might explain. That was an estimate on my part from the commitment or promise that had been made to me by Mr. Thompson.

Mr. McLENDON. In other words, you just guessed that it would amount to about 800 shares.

Mr. LAW. Yes, or about \$22,000, which is approximately what I figured it was. The stock was fluctuating up and down at the time.

Mr. McLENDON. Just one other question.

Did the certificate for the stock, issued in your name, at the request of Mr. Thompson and Baker, was that ever delivered to you physically—the certificate itself?

Mr. LAW. Yes; I got it in the mail.

Mr. McLENDON. What did you do with it?

Mr. LAW. I endorsed it and sent it on to Mr. Thompson.

Mr. McLENDON. You never had it in your possession since then?

Mr. LAW. That is right.

Mr. McLENDON. That is all.

Senator CANNON. Senator Cooper?

Senator COOPER. Prior to the establishment of the meat business in Puerto Rico, or prior to the shipment of meat to the United States, had HAMPCO ever been refused a license to ship meat to the United States? Or had your company, your firm, ever been refused?

Mr. LAW. It was my understanding, Senator, which I think I covered before you came in—their original application for an export license had been turned down until these changes and improvements were made in their plant, and which then required another inspection, which is the thing that we were working on, to get them to expedite another inspection of the plant after these improvements had been made, to satisfy the Department of Agriculture.

Senator COOPER. In response to a question asked by counsel, Mr. McLendon, you referred to a company that you had established or were beginning to establish in which Mr. Baker was to be a partner. Was that company established?

Mr. LAW. It has been, yes, sir. And he is not a participant, has no participation whatsoever in that company.

(At this point, Senator Byrd left the hearing room.)

Senator COOPER. Can you state when the company was established?
Mr. LAW. When?

Senator COOPER. The corporation. Do you know when it was incorporated?

Mr. LAW. Oh, I would say probably 4 or 5 months ago. I don't recall the exact date. But I would—probably 4 months ago.

Senator COOPER. Can you state why the original plans were not carried out for Mr. Baker to become a partner in it?

Mr. LAW. He voluntarily suggested that he felt due to publicity he had been getting, that he would not be of any help in participating in any new corporation we were going to form.

Senator COOPER. Can you tell the committee what business the corporation intended to engage in, or does engage in?

Mr. LAW. Primarily some real estate development. That was the general category that we had.

Senator COOPER. In Puerto Rico?

Mr. LAW. No, not necessarily in Puerto Rico. In this country, as a matter of fact.

Senator COOPER. Where was the development? Where was it to take place?

Mr. LAW. Well, we have a couple of projects or plans.

(At this point Senators Jordan (chairman) and Curtis entered the hearing room.)

Mr. LAW. One is down in the Virginia area, and one is in the Florida area.

Senator COOPER. Was stock to be issued in this corporation?

Mr. LAW. Yes, sir.

Senator COOPER. Was he to participate as a stockholder?

Mr. LAW. No, sir.

Senator COOPER. What was to be his—the nature of his participation?

Mr. LAW. You mean originally?

Senator COOPER. Yes.

Mr. LAW. Well, he was going to participate as one of the—equal participation as one of the original stockholders.

Senator CURTIS. As a stockholder?

Mr. LAW. As a stockholder; that is right.

Senator COOPER. Was it a company which would have any business at all with governmental agencies?

Mr. LAW. None whatsoever.

Senator COOPER. I believe that is all I have.

The CHAIRMAN. Thank you, Mr. Law. We appreciate your being with us and your cooperation.

Mr. LAW. Very well. Thank you, gentlemen.

The CHAIRMAN. Excuse me just a second.

Senator CURTIS—we have finished with this witness?

Senator CURTIS. I have no questions.

The CHAIRMAN. Thank you very much.

Mr. LAW. Thank you, gentlemen.

The CHAIRMAN. Thank you very much for your courtesy in being here.

(Whereupon, at 3:15 p.m., the committee recessed, subject to the call of the Chair.)

FINANCIAL OR BUSINESS INTERESTS OF OFFICERS OR EMPLOYEES OF THE SENATE

FRIDAY, JANUARY 31, 1964

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

The committee met, pursuant to recess, at 2:20 p.m., in room 301, Old Senate Office Building, Senator B. Everett Jordan (chairman) presiding.

Present: Senators Jordan, Hayden, Pell, Curtis, and Scott.

Also present: Gordon F. Harrison, staff director; Hugh Alexander, chief counsel; L. P. McLendon, general counsel; James Duffy, associate counsel, Burkett Van Kirk, associate counsel; Bill Whitley, staff assistant to Senator Jordan; and William Ellis Meehan, investigator.

The CHAIRMAN. The committee will come to order.

Mr. Webb, it is necessary for me to read this statement to each witness who hasn't heard it, or who wasn't present at the time, in order that you might know under what authority we are operating.

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

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

For your information, your attorney knows this: for taking testimony, three members of this committee is a quorum.

The committee is acting by direction and under the authority of Senate Resolution 212, agreed to October 10, 1963, and Senate Resolution 221, agreed to November 1, 1963.

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

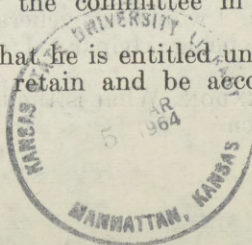
to make a study and investigation with respect to any financial or business interests or activities of any officer or employee or former officer or employee of the Senate, for the purposes of ascertaining—

- (1) Whether any such interests or activities have involved conflicts of interest or other improprieties; and
- (2) Whether any 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. Thomas D. Webb.

Thomas Webb, isn't it?

Mr. WEBB. Right; the middle initial is "D."

The CHAIRMAN. Would you stand, please, sir, and place your left hand on the Bible and raise your right hand?

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

Mr. WEBB. I do.

The CHAIRMAN. Have a seat, please, sir.

Chief counsel may take over and start questioning.

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

**TESTIMONY OF THOMAS D. WEBB, JR., ACCOMPANIED BY
MARTIN J. McNAMARA, COUNSEL**

Mr. WEBB. Thomas D. Webb, Jr., 1730 K Street NW., Washington, D.C.

Mr. McLENDON. Do you have your personal counsel present with you now?

Mr. WEBB. Yes; I do.

Mr. McLENDON. Will you have your counsel state his name and address in the record?

Mr. McNAMARA. My name is Martin J. McNamara, 1317 F Street NW., Washington, D.C.

Mr. McLENDON. Mr. Webb, you are a licensed lawyer?

Mr. WEBB. Yes, sir.

Mr. McLENDON. How long have you been licensed as a lawyer?

Mr. WEBB. 1938, I believe—1938 or 1939.

Mr. McLENDON. You are licensed to practice in the District of Columbia?

Mr. WEBB. That is right.

Mr. McLENDON. Any other States?

Mr. WEBB. No other States.

Mr. McLENDON. Do you have a partnership business in Washington?

Mr. WEBB. I have a business partnership, but not a law partnership.

Mr. McLENDON. What is the name of your business partnership?

Mr. WEBB. Webb & Law.

Mr. McLENDON. Mr. Francis Law, who testified yesterday; is he your partner in this business partnership?

Mr. WEBB. That is right.

Mr. McLENDON. What is the nature of your partnership business?

Mr. WEBB. I would say generally we represent several companies, one of them being Melpar. I don't know exactly what you want further.

Mr. McLENDON. What is the type of work that you do for Melpar and other such?

Mr. WEBB. I would say two of the main functions are looking for the acquisition of new plants that would fit in with the Melpar situation. We do try to keep our eyes and ears open for trends in the electronic field, which Melpar is interested in, to advise them of programs coming up.

Mr. McLENDON. Do I understand that you do not hold yourself out as practicing law?

Mr. WEBB. I do not, sir.

Mr. McLENDON. And neither does your firm?

Mr. WEBB. We do not.

Mr. McLENDON. Do you represent the North American Aviation Co.?

Mr. WEBB. No, sir.

Mr. McLENDON. The Northrup Co.?

Mr. WEBB. No, sir.

Mr. McLENDON. Mr. Webb, the committee has heard some evidence with respect to a corporation referred to as W-E-R-T-C-O, WERTCO. Are you familiar with that?

Mr. WEBB. Yes, sir.

Mr. McLENDON. I wish you would in your own way give the committee the history of it. I won't interrupt you, if you will just tell the story.

Mr. WEBB. Fine. Approximately in the winter of 1958 and 1959, around December—I might as well mention the names of the people who got together.

Mr. McLENDON. I want you to; yes.

Mr. WEBB. Myself, William Shea—

Mr. McLENDON. S-h-e-a?

Mr. WEBB. Right—Bobby Baker (Robert Baker), Scott Peek, Don Reynolds, Martin Williams, Don Tupman, and Tom Ellis.

Mr. McLENDON. That is all that I—

Mr. WEBB. We got together and agreed that we were going to attempt to build a motel in Jacksonville Beach, Fla. It was also agreed that I would approach the Teamsters pension fund to see if they would make a loan on this project. I went with Don Reynolds to meet with Mr. Hoffa more or less to see if he thought it was a feasible enough project to present to the trustees in Chicago.

Mr. McLENDON. Where did you and Don Reynolds see Hoffa?

Mr. WEBB. Right here in Washington, in Hoffa's office.

Mr. McLENDON. All right; go ahead.

Mr. WEBB. He said he thought it was feasible. Approximately a month later, at least the next time the Teamsters pension fund group met, Don Tupman and I went to Chicago and presented our proposal to the trustees, at which time shortly thereafter it is my recollection they ordered an MIA appraisal on our proposition.

Mr. McLENDON. What does MIA stand for?

Mr. WEBB. It is a society of appraisers, I guess, kind of like a CPA accountant.

Mr. McLENDON. What is it?

Mr. McNAMARA. I believe it is the Masters Institute of Appraisers.

Mr. McLENDON. Go ahead.

Mr. WEBB. I would say that approximately another month elapsed, and approximately two carloads of trustees—I know they filled up both automobiles—came to Jacksonville and looked over the property.

Mr. McLENDON. That is, the trustees of the Teamsters pension fund?

Mr. WEBB. Yes, sir. I would guess there were five to seven of them.

Mr. McLENDON. Were you there?

Mr. WEBB. Yes, sir.

Mr. McLENDON. Go ahead.

Mr. WEBB. They returned to Chicago, I suppose; approximately another month elapsed, and we received the authorization for our loan. I might add this: We had asked for \$150,000 for this project. We were allowed \$105,000 for the project, out of which, as I recall, several thousand dollars were deleted for the appraisal and other expenses. The project itself—I might clarify that—consisted of two parcels of land. One was approximately three-fourths of a city block, about a block from the ocean in Jacksonville Beach, on which there were a number of houses. They were cypress wood, and we found out they were in pretty good shape although they didn't look good from the outside.

We also purchased approximately 10 acres in what was considered the Negro section of Jacksonville Beach, and moved these houses bodily, and it was quite a feat, to the Negro section. I might add, too, that there was very little Negro housing at that time.

Also, the naval base there had been very interested in having people build suitable units for the Negro population who were on the base.

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

Mr. WEBB. The mortgages out of the loan of \$105,000—\$65,000 was on the Jacksonville area property, \$40,000 was put on the Negro housing units. To the best of my recollection, in the housing unit we had approximately 35 apartments furnished. These apartments were fixed up pretty good. They were painted. We put streets in the area, water, sewers, and had very good luck in renting them.

I believe we were about 100 percent occupied for quite a few months until the Capehart housing unit went up right on the base, and then we lost a lot of our clients. They moved into the more newer quarters.

I want to get back to one important area that I left out. At the time the loan was finally approved, we were all requested to sign a mortgage individually, each.

Mr. McLENDON. You mean endorse the debt?

Mr. WEBB. That is exactly right.

Mr. McLENDON. Guarantee the debt?

Mr. WEBB. Exactly right.

Mr. McLENDON. You say, "All of us." You mean all of this list of stockholders?

Mr. WEBB. That is right. We were all requested to do so and we all did except Baker and Peek, who did not want to endorse the mortgage, and at that time decided they would get out of the project. Fred Ahearn, a builder in Jacksonville Beach, and a very successful one, some time thereafter agreed to buy the stock of Baker and Peek, which I think was consummated, to the best of my knowledge, some time in the fall of 1959.

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

Mr. McLENDON. While you are on that area, will you tell us what the capitalization was and how much money each of the stockholders had contributed?

Mr. WEBB. I believe we put in \$600 apiece.

Mr. McLendon. Did Baker actually pay his contribution?

Mr. Webb. Yes, Baker and Peek—I think everyone paid their initial contribution except Don Tupman, and I believe he gave the corporation a note and agreed to do a lot of the work in lieu of putting the cash up at that time, which he later did. He did a tremendous amount of work on it.

Mr. McLendon. Mr. Webb, the committee has information that the shares of yourself, Shea, Baker, Peek, and Reynolds were all held in your name; is that correct?

Mr. Webb. That is right. When the Florida corporation was formed between Peek, Baker, Shea, and myself, we took five units. We might divide these things into units, which meant Shea and I had a unit and a half apiece, and Baker and Peek had each a unit.

Mr. McLendon. What was the reason for taking these particular persons' shares in your name?

Mr. Webb. I really don't know, at the time. I vaguely remember the call and I said for the time being just put Shea's and all of the stock in my name. I might add that later on in the summer of 1959 Bill Shea decided he wanted to get out of the project, and I took over his share and a half and at the same time absolved him from his liability on the mortgage he had signed.

Mr. McLendon. Identify Bill Shea to us. Who is he?

Mr. Webb. At the time Bill Shea was my law partner.

Mr. McLendon. Did he have any governmental position?

Mr. Webb. You mean at the time?

Mr. McLendon. Yes.

Mr. Webb. No, sir.

Mr. McLendon. Baker and Peek, of course, were in Government employ.

Mr. Webb. Yes, sir.

Mr. McLendon. At that time.

Mr. Webb. At that time, if you are speaking of Government employment, I know Peek worked for Smathers, and I knew the position of Bobby Baker.

Mr. McLendon. And you say that Baker and Peek both sold out because they didn't want to guarantee this mortgage?

Mr. Webb. That is exactly right.

Mr. McLendon. Did they ever become interested in the corporation thereafter, financially?

Mr. Webb. No, sir; I don't think they would have wanted to later. I might say that I ended up losing about \$18,000 personally, in this deal.

Mr. McLendon. Mr. Webb, among other people represented by your firm, did your firm represent the Murchison interests?

Mr. Webb. I represent the Murchison interests, but not Law.

Mr. McLendon. Individually?

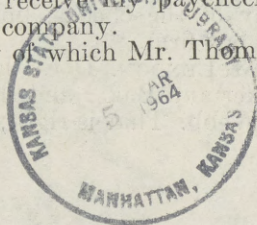
Mr. Webb. Individually, I do.

Mr. McLendon. What does that comprise in the term "Murchison interests"? Just what does that comprise?

Mr. Webb. It comprises quite numerous corporations and companies in various fields, although I do receive my paycheck from Tecon Corp., which is the construction company.

Mr. McLendon. That is the company of which Mr. Thompson is the vice president?

Mr. Webb. That is right.



Mr. McLendon. Who testified before the committee a few days ago.

Mr. Webb. That is right.

Mr. McLendon. And for that compensation you represent any of the Murchison interests when called; is that what you mean?

Mr. Webb. Yes, sir.

Mr. McLendon. You became familiar, I take it, representing the Murchison interests, with the Murchison construction or the meat plant in Puerto Rico—or Haiti?

Mr. Webb. Yes. Are you speaking of the HAMPCO?

Mr. McLendon. HAMPCO. Where was it?

Mr. Webb. It was in Haiti.

Mr. McLendon. In Haiti?

Mr. Webb. Yes.

Mr. McLendon. Port-au-Prince in Haiti?

Mr. Webb. That is right.

Mr. McLendon. What did you have to do with that, if anything?

Mr. Webb. Actually, my present partner in law handled this whole area, I guess, from start to finish. The first time I came into the picture, I guess, was when Lopez—who is the leader——

Mr. McLendon. Benitez——

Mr. Webb. Benitez, and I believe Benitez' wife came to our office and offered us a half a cent a pound if we could get the meat plant to sell to Lopez in Puerto Rico.

Mr. McLendon. Did those people come to your office upon the advice and suggestion of Robert Baker?

Mr. Webb. I recall that that was the reason they were there.

Mr. McLendon. Your partner testified that Baker called and advised that they were in his office and you——

Mr. Webb. That could be.

Mr. McLendon. Your partner said, send them down to your office.

Mr. Webb. That could be.

Mr. McLendon. Is that substantially the way it happened.

Mr. Webb. That could be.

Mr. McLendon. When they arrived, they offered to pay what?

Mr. Webb. They offered to pay Law and me a half a cent a pound if we could get the production from the meat plant in Haiti for Lopez in Puerto Rico.

Mr. McLendon. And what offer, if any, did they make with respect to the payment of Baker?

Mr. Webb. I learned later that Baker got a quarter of a cent a pound.

Mr. McLendon. And Benitez, did he get some, also?

Mr. Webb. I don't know how they divided their interest but it is my understanding that Baker got a quarter of a cent and Benitez and his wife got a quarter of a cent.

Mr. McLendon. And what were the terms with respect to how the money was to be paid, and to whom?

Mr. Webb. We also received our checks from—I never actually saw any of the checks, but I assume they came from the Baker-Tucker law firm.

Mr. McLendon. Does that mean the whole 1 cent was remitted to Tucker and Baker and then they divided it?

Mr. Webb. That is right; and they would send us half.

Mr. McLendon. And was that the way it was handled?

Mr. Webb. Yes, sir.

Mr. McLendon. What service, if any, did you render in connection with this matter to earn this kind of commission?

Mr. Webb. To be frank, I think we were just lucky. It fell in our lap. I do know that the Murchisons were looking for an outlet. They were trying to go from the domestic markets in Haiti to an export market, and so we were able to put them together. That is about all I can say.

Mr. McLendon. Wasn't it necessary for you to get some rulings or decisions from the Department of Agriculture?

Mr. Webb. Mr. Law handled that whole thing. I think—and I am only giving you hearsay, what Law told me—when they converted from domestic to exports, there were certain things they had to change in the plant, and it did require, as I recall, a license from the Department of Agriculture.

Mr. McLendon. But you mean you didn't participate in—

Mr. Webb. I did not participate in any of this.

Mr. McLendon. In any of the negotiations with representatives of the Department of Agriculture?

Mr. Webb. No.

Mr. McLendon. What about the State Department?

Mr. Webb. Never.

Mr. McLendon. Did it also require some authorization from the State Department?

Mr. Webb. I do not recall. It was my impression it was the Department of Agriculture.

Mr. McLendon. Some time after that, is it correct that Lopez had difficulty in getting some of the meat approved for some reason, and the contract was canceled?

Mr. Webb. That is my impression. I guess it was about a year after the initial contract. I am just guessing.

Mr. McLendon. And then did you take hold of it at that point?

Mr. Webb. No. I was in on one conversation. In fact, I think Doc—I refer to "Doc" as my partner in law, it is a nickname. Law had been in touch with Kentor, a meatman in Chicago, and had introduced him to our people in Dallas, and he was very anxious to get the output of this meat. The only contact that I recall on that is that Doc and I were on the phone together and talked to Kentor, and at the time we tried to get a penny a pound and he wouldn't pay it, and I think he ended up paying a half cent a pound.

Mr. McLendon. He ended up paying a half cent a pound; did he not?

Mr. Webb. That is right.

Mr. McLendon. And a memorandum was introduced in evidence yesterday, identified by Mr. Law, citing that the HAMPCO itself was to pay a certain percentage of the profits not to exceed 10 percent. (The memorandum referred to is on p. 258.)

Mr. Webb. That is right.

Mr. McLendon. So, to compute the total compensation, you would add a half cent plus whatever—

Mr. Webb. Plus 10 percent of the net profits of the meat plant.

Mr. McLendon. Yes. And that contract is in effect now, isn't it?

Mr. Webb. Yes, sir.

Mr. McLendon. Is that money handled the same way as the payments remitted to Baker & Tucker and then divided?

Mr. Webb. Handled the same way; just kept the same continuity.

Mr. McLendon. Were there any services rendered in connection with this last agreement with Kentor involving any negotiations with the Department of Agriculture or the Department of State?

Mr. Webb. Pardon me. I didn't hear the first part.

Mr. McLendon. I say in connection with this contract with Kentor, were there any negotiations with either the Department of Agriculture or the Department of State?

Mr. Webb. No, sir. This was a year after the license had been granted.

Mr. McLendon. Mr. Webb, have you ever bought any MGIC stock, personally?

Mr. Webb. No; I have not, personally.

Mr. McLendon. Did you know of Baker's interest in the company?

Mr. Webb. Yes; I heard that he had some stock. I might clarify this. I did not know about any of the \$2.50 stock. I heard that he had some of the stock when it got around \$21 or \$22.

Mr. McLendon. Did he tell you?

Mr. Webb. I couldn't tell you where I heard it.

Mr. McLendon. Did you ever talk to Baker about it?

Mr. Webb. Not to Baker about MGIC.

Mr. McLendon. Did you take some of the MGIC stock in your name—that is, certificates issued in your name—later?

Mr. Webb. That is right. I think Bob Thompson was advised when he bought the stock to spread it around a little bit, and I think I had 500 shares in my name as nominee.

Mr. McLendon. He was your client, was he not? Mr. Thompson was your client?

Mr. Webb. That is right, sir.

Mr. McLendon. Representing the Tecon Corp.?

Mr. Webb. That is right.

Mr. McLendon. Did he communicate with you and ask your permission to put some of the stock in your name?

Mr. Webb. Yes; I recall that he did.

Mr. McLendon. What explanation did he make?

Mr. Webb. I think that they wanted it spread around to give it a greater marketability.

Mr. McLendon. Did he tell you that he also wanted to put some in the name of Law, your partner?

Mr. Webb. That is right. Well, he didn't tell me, but I know Doc told me after about—

Mr. McNamara. Pardon me, Major. I wonder if we might turn this on. He has a bad throat and I can tell he is straining to speak.

Mr. McLendon. I am having a little difficulty hearing, myself.

Mr. McNamara. If you turn on the loudspeaker it might help him to rest his vocal chords.

Mr. McLendon. I was asking you when we were interrupted, did Mr. Thompson tell you the names of the other persons in whose names he was going to put some of the stock.

Mr. Webb. I remember Ken Curtis was one of the nominees. He was in California.

Mr. McLendon. Do you remember his mentioning the name of a man named Comstock?

Mr. WEBB. I do.

Mr. McLENDON. Do you know who he was?

Mr. WEBB. No; I did not. I knew Ken Curtis.

Mr. McLENDON. What, if anything, did Thompson tell you would be your participation, if any, in the profits from this arrangement?

Mr. WEBB. Well, Bob promised, offered to give Doc and me 25 percent of his stock.

Mr. McLENDON. By "Doc," you mean Law?

Mr. WEBB. Doc. Law.

Mr. McLENDON. Twenty-five percent of Thompson's stock?

Mr. WEBB. Of Thompson's stock.

Mr. McLENDON. Do you know how much stock Thompson had?

Mr. WEBB. All I know, he said they were buying 10,000 shares.

Mr. McLENDON. 10,000 shares. And that would give you a quarter of 10,000. That would be 2,500 shares, wouldn't it?

Mr. WEBB. No; 25 percent of 50 percent.

Mr. McLENDON. Twenty-five percent of fifty percent. You had occasion to list that on your financial statement, did you not?

Mr. WEBB. I did, and I made a notation after that, I think you will notice, "Thompson." Technically, I didn't own it, but he had given it to me and I felt it was good as gold. I put in parentheses after that "Thompson," I believe.

Mr. McLENDON. I noticed that, you put "self and Thompson."

Mr. WEBB. Right.

Mr. McLENDON. That is the stock you had reference to in this statement?

Mr. WEBB. Yes, sir.

Mr. McLENDON. Is the stock still held that way?

Mr. WEBB. Yes, sir.

Mr. McLENDON. Did you endorse the certificates in blank and return them to Thompson?

Mr. WEBB. I want to make it clear the stock technically is not in my name. He is holding the stock, and he said when he sold it that we would get the benefits of whatever it was.

Mr. McLENDON. That is contrary to my understanding.

Mr. WEBB. Let me clarify it this way. Any losses Thompson said he would take. Any profits he said we could take. Does that clarify it?

Mr. McLENDON. That part; but you said that the stock was not in your name. Aren't you mistaken about that?

Mr. WEBB. Well, now, there is a nominee's stock which had nothing to do with this. It is sort of complicated. On the nominee's stock, that had no part actually of what Thompson promised us.

Mr. McLENDON. But the nominee is still in your name?

Mr. WEBB. It could be. I really don't know.

Mr. McLENDON. Didn't you endorse the certificate and return it to Thompson?

Mr. WEBB. I remember endorsing the certificate; yes.

Mr. McLENDON. So you tell the committee that the only interest you have in this transaction is what Thompson voluntarily said he would give you?

Mr. WEBB. That is right.

Mr. McLENDON. Do you have any money invested in it?

Mr. WEBB. No, sir.

Mr. McLendon. Are you in any way responsible to the bank for the loan?

Mr. Webb. No, sir.

Mr. McLendon. Mr Webb, in connection with your services rendered to Mr. Thompson in the Tecon Corp., were you ever consulted about the possibility that the Tecon Corp. might buy the Carousel property?

Mr Webb. No, I was not.

Mr. McLendon. Did you know that that property had been appraised by the Tecon Corp. and a bid made for the purchase of it?

Mr. Webb. I did not.

Mr. McLendon. Have you seen the written bid which has been put in evidence in this case?

Mr. Webb. I saw it for the first time when I was talking to a member of the staff the other day.

Mr. McLendon. Just to be sure that you are talking about the same thing I am—

Mr. Webb. I assume we are talking about the letter that they showed me.

Mr. McLendon. I show you a copy of it and ask you if the document I have shown you there is the one you are referring to.

Mr. Webb. Yes.

Mr. McLendon. Signed by Mr. Thompson.

Mr. Webb. That is right.

Mr. McLendon. And dated, what date is it? You tell the committee you never saw it until you were interviewed by the committee's investigators?

Mr. Webb. No; and I didn't know anything about the offer.

Mr. McLendon. And your advice and opinion was never sought with respect to the purchase of this property by Tecon?

Mr. Webb. No; it was not.

Mr. McLendon. Did you ever talk to Bobby Baker about it?

Mr. Webb. Never.

Mr. McLendon. Did you have any connection with the Serv-U Corp.?

Mr. Webb. No, sir.

Mr. McLendon. Have you ever been consulted by anyone representing it?

Mr. Webb. No, sir.

Mr. McLendon. Are you personally acquainted with Mr. Fred Black?

Mr. Webb. I know him very casually.

Mr. McLendon. Are you personally acquainted with Edward Levinson?

Mr. Webb. I do not know him.

Mr. McLendon. A man named Torres?

Mr. Webb. No, sir.

Mr. McLendon. Eugene Hancock?

Mr. Webb. No, sir.

Mr. McLendon. You know none of those people?

Mr. Webb. No, sir.

Mr. McLendon. Mr. Webb, the committee has heard evidence from Don Reynolds to the effect that you were introduced to him by Robert Baker. Do you recall that?

Mr. Webb. I believe that is true.

Mr. McLENDON. And he testified, in effect, that he, Reynolds, was told that you were an important man to know because of your connections with the Murchisons. I don't suppose you heard him say that?

Mr. WEBB. No; I didn't.

Mr. McLENDON. He also testified that you suggested to him that he go with you to Texas to become acquainted with the Murchisons.

Mr. WEBB. That is not exactly right.

Mr. McLENDON. Tell what is exactly right.

Mr. WEBB. The only thing I recall—and it is very vague in my mind—Don Reynolds and I went to Jacksonville, I think in the spring or maybe in the late winter of 1959 about the time of the WERTCO situation.

Mr. McLENDON. In Jacksonville, Fla.?

Mr. WEBB. Jacksonville, Fla., to look over the property and see what could be done there. I had an appointment with the Murchisons and other people down in Miami. At this time, I might say we had been working on the financing and construction of a causeway which ran north and south through the middle of Biscayne Bay, had been working on it for over a year. The purpose of that meeting there was with the city council and the county commissioners whom we had been working with for quite awhile.

When I announced that I was going to Jacksonville, Tom Ellis, Martin Williams—I did not invite anybody to go because I knew I was going to be busy, but they wanted to come on down to Miami, so we all went down together, as I recall.

Mr. McLENDON. Did you attend a party in Miami given by the Murchisons?

Mr. WEBB. I don't remember any such party. I know we were pretty busy. I do not recall any parties.

Mr. McLENDON. Was a party given at the Fontainebleau Hotel?

Mr. WEBB. If you could describe what you mean—I do not recall any.

I did read Don Reynolds' testimony about 75 or 100 people being at a party, and if you knew Clint Murchison you would know that is not true. He doesn't like a lot of people around.

Mr. McLENDON. Do you say that such a party was not held?

Mr. WEBB. It was never held in my presence.

Mr. McLENDON. Did you ever attend a party of that size or even a smaller party given by the Murchisons at which Reynolds was present?

Mr. WEBB. I have never attended any such party when Reynolds was present.

Mr. McLENDON. Do you know Mr. Leonard Bersten?

Mr. WEBB. Yes, sir.

Mr. McLENDON. Was he with you in Florida, at that time, in Miami?

Mr. WEBB. Yes. Mr. Bersten had been one of the people we were working with on this causeway, and he was there at the time.

Mr. McLENDON. Identify him for us, will you? What is his profession?

Mr. WEBB. He is a lawyer, and I think he used to be a U.S. attorney someplace in Wisconsin. I was told he worked on the staff of the Senate Investigating Committee later on.

Mr. McLENDON. The McCarthy committee?

Mr. WEBB. Yes, sir.

Mr. McLENDON. At the time we are speaking of now, do you know what business or profession he was in?

Mr. WEBB. I would still say he is a lawyer, but he appears to be in real estate more now than in law practice.

Mr. McLENDON. Did you, Bersten, and Reynolds have any conversation in Miami about the MGIC Co.?

Mr. WEBB. I do not recall having any conversation with Reynolds as such in Florida on the MGIC. At this point, I would like to clear up one important item which I gathered from reading Reynolds' testimony. Now, the MGIC that we were talking about a little while ago has no connection with the MGIC or what we shall say, the Mortgage Guaranty we discussed in Florida.

Mr. McLENDON. Go ahead and explain that to the committee.

Mr. WEBB. Bersten for approximately a year in our meeting down on this causeway mentioned about an insurance company in Wisconsin which had a very basic good idea, and he advised me that, to my best recollection, he tried to copy that company and organize one in Florida, and was unsuccessful. He then came to Washington, after this trip.

Senator CURTIS. Who is he talking about?

Mr. McLENDON. Bersten, B-e-r-s-t-e-n?

Mr. WEBB. That is right.

Mr. McLENDON. Go ahead.

Mr. WEBB. After we left Florida to return to Washington from the trip, we had been discussing, I believe, Reynolds, and I came back, to the best of my knowledge, and a short time thereafter Bersten came to Washington, at which time to my best recollection Bersten and myself went to discuss this thing with Congressman Multer.

Mr. McLENDON. Was Reynolds with you?

Mr. WEBB. I do not recall Reynolds being there at that time.

Mr. McLENDON. All right; go ahead.

Mr. WEBB. We discussed this thing more or less to get his opinion on what he thought about it. A short time, maybe the next day, I think Bersten and Reynolds really got into the guts of this company and decided that they would set up a corporation, and I believe they called it National Guaranty Mortgage Co., in an attempt to get a license in the District of Columbia to operate this type of company. It had nothing to do with the Mortgage Guaranty Co. in Wisconsin, no personnel or any connection whatsoever. As I recall, the District Insurance Commissioner turned this application down, and that was the last I heard of it.

Mr. McLENDON. You speak of it as an application. Was a corporate charter actually drafted?

Mr. WEBB. To the best of my knowledge, it was.

Mr. McLENDON. By whom was it drafted?

Mr. WEBB. Bersten.

Mr. McLENDON. Do you remember who the initial stockholders were to have been?

Mr. WEBB. I am kind of speaking off the top of my head, but I believe it was Bersten, Reynolds, Multer and myself.

Mr. McLENDON. Was any corporate charter ever filed anywhere?

Mr. WEBB. It was never filed, to my knowledge, because the District Commissioner turned it down.

Senator CURTIS. Who is Multer?

Mr. McLENDON. Multer you speak of—Congressman Multer?

Mr. WEBB. Congressman Multer.

Mr. McLENDON. You say that you are positive that this proposed company had no connection with the one that is commonly referred to as MGIC?

Mr. WEBB. Absolutely no connection.

Mr. McLENDON. What about the people? Were any people connected with MGIC who were consulted or talked to in connection with the new company?

Mr. WEBB. To my knowledge, no.

Mr. McLENDON. If I understand you, any efforts along this line were abandoned after the District Commissioner indicated that he would not approve the charter?

Mr. WEBB. That is right.

Mr. McLENDON. Did Don Reynolds himself go with you to see the District Commissioner?

Mr. WEBB. To the best of my recollection, Bersten and Reynolds went together to see the Commissioner.

Mr. McLENDON. And you were not present?

Mr. WEBB. To the best of my knowledge, I was not present. I do not recall going to that meeting.

Mr. McLENDON. Is there anything else about that that you want to say to help clarify the record? You say you have read the testimony of Mr. Reynolds on it?

Mr. WEBB. I think I have clarified the main point, that the National Mortgage Guaranty Co. had no connection with what we speak of as MGIC now. There is one important thing I would like to bring up. There was absolutely no discussion between me and Bobby Baker concerning trying to supplant FHA and VA with this new company of ours.

Mr. McLENDON. Was it contemplated by you and the other promoters of the new company that an effort would be made to supplant FHA or VA?

Mr. WEBB. It was never mentioned, and it was only to be a supplement of VA and FHA.

Mr. McLENDON. Mr. Webb, did you have any connection with the vending machine controversy at Melpar?

Mr. WEBB. No, sir.

Mr. McLENDON. At no time?

Mr. WEBB. No, sir.

Mr. McLENDON. Some reference has been made to a corporation known as P-a-s-a-n-t-i-c, if I have spelled it correctly; is that right?

Mr. WEBB. I believe that is right.

Mr. McLENDON. And Mr. Law has already testified that at one time Baker was to have been a stockholder.

Mr. WEBB. That is right.

Mr. McLENDON. Are you familiar with that?

Mr. WEBB. That is right. It is a corporation I think we formed in September or October of this year.

Mr. McLENDON. Did Baker ever become a stockholder?

Mr. WEBB. No; he withdrew when the so-called Baker investigation started. He withdrew voluntarily before anyone put in any money.

Mr. McLENDON. Scott Peek; did he also contemplate being a stockholder?

Mr. WEBB. No, sir; he was never discussed.

Mr. McLENDON. He did not. So Baker had no connection with the corporation?

Mr. WEBB. No.

Mr. McLENDON. Mr. Webb, are there any other business or financial transactions that you may have had with Baker or with which you have been associated with him that I haven't asked you about?

Mr. WEBB. May I ask—have we missed any areas? I cannot recall any others right at this time.

Mr. McLENDON. Did you, in connection with your business, the business of your partnership, ever solicit Bobby Baker's assistance and influence with respect to any legislation?

Mr. WEBB. No.

Mr. McLENDON. Did you ever solicit his help or influence in any department of the Government?

Mr. WEBB. No, sir.

Mr. McLENDON. None at all?

Mr. WEBB. No; none.

Mr. McLENDON. Did he have anything to do as far as you know with the negotiations over at the Department of Agriculture in connection with HAMPCO, the meat business?

Mr. WEBB. I didn't hear your—

Mr. McLENDON. I say, did Baker have anything to do with the negotiations over at the Department of Agriculture?

Mr. WEBB. No, sir; not to my knowledge, because the thing was just a routine matter that was coming through as soon as the inspection was clear.

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

Senator CURTIS. What was this Pasantic Corp. for?

Mr. WEBB. We were going to get into some real estate development business.

Senator CURTIS. Where?

Mr. WEBB. Well, our first project was right down here at Woodbridge. We were going to build a deluxe trailer park.

Senator CURTIS. What else?

Mr. WEBB. That was the main one we were going to get our teeth cut on at the start.

Senator CURTIS. What were some of the minor ones?

Mr. WEBB. That was a pretty major one as far as we were concerned.

Senator CURTIS. That is what you said was the main one. What were the minor ones?

Mr. McNAMARA. I beg your pardon, Senator Curtis; may I say a word, please?

Senator CURTIS. Yes. He said it was the main one, so I wondered what the others were.

Mr. WEBB. That was just our start. We had nothing else fundamentally that I could mention right at this time.

Senator CURTIS. Counsel, what did you want to say?

Mr. McNAMARA. Senator Curtis, we have furnished to the committee staff a set of the projects that were under contemplation as of October 1963 and January 1964. We respectfully feel that this particular set of projects has no relationship to the inquiry, but in an effort to be completely candid we have furnished this to the committee staff voluntarily. I request the Senator that he not require that these

projects or developments be identified on the record, because to do so will quite likely inhibit the chances of success of these. Mr. Baker has no relationship with them. He has testified to this. He has no money in it.

Senator CURTIS. He did have?

Mr. McNAMARA. No, sir.

Mr. WEBB. No, sir; he did not.

Senator CURTIS. He was one of the originators, was he not?

Mr. WEBB. When we were speaking of forming this corporation; yes, sir.

Senator CURTIS. Who does have money in the corporation?

Mr. WEBB. We gave that list to the committee, sir.

Senator CURTIS. And it was abandoned when we started this investigation?

Mr. WEBB. Oh, no, no; no, sir; no, sir. When the investigation started, Baker voluntarily withdrew before any money had been put into the corporation.

Senator CURTIS. Now, how much money did Baker make out of this meat transaction?

Mr. WEBB. We have furnished those figures, all that we have, up until this time. I do not have the exact amount.

Senator CURTIS. Well, approximately.

Mr. WEBB. Let me take a look. I would guess it would be about about \$250 a month, and that is a guess.

Senator CURTIS. For how long?

Mr. WEBB. In 1962 our part of the meat transaction was \$8,528, so I assume Baker's was one-fourth of that.

Senator CURTIS. And that would be how much?

Mr. WEBB. One-fourth would be approximately—his would be one-half of that, so he would probably have made a little over \$4,000.

Senator CURTIS. Over how long a period of time?

Mr. WEBB. That is the year of 1962.

Senator CURTIS. What services did he render?

Mr. WEBB. He was more or less the finder, I imagine. We did not offer the quarter of a cent a pound to Mr. Baker. Mr. Benitez offered that to him.

Senator CURTIS. He was the purchaser or the seller—which?

Mr. WEBB. Mr. Lopez was the seller.

Senator CURTIS. Who was the purchaser?

Mr. WEBB. Mr. Lopez.

The CHAIRMAN. No.

Mr. WEBB. Wait a minute—did I get your—

Senator CURTIS. Who was the purchaser of the meat?

Mr. WEBB. Mr. Lopez was the purchaser.

Senator CURTIS. Who was the seller?

Mr. WEBB. HAMPCO.

Senator CURTIS. And who paid the commission?

Mr. WEBB. Mr. Lopez.

Senator CURTIS. The purchaser?

Mr. WEBB. The purchaser paid the commission.

Senator CURTIS. Why would a purchaser pay \$4,000 to a Senate employee for an opportunity to buy meat?

Mr. WEBB. The only reason Mr. Lopez gave us when he came in the office was that he was at that time buying his meat some place in South America, which took approximately an 8-hour plane trip, and

by buying the meat from Haiti, it was only a 2-hour plane trip, and he was saving a tremendous amount of money, and that is why he had told Benitez that if he could get the output from Haiti, he would pay Benitez a penny a pound. So that is when Benitez came to us and offered us a half a cent a pound if we could get the output from the plant to go to Lopez.

Senator CURTIS. To your knowledge, did Baker render any services?

Mr. WEBB. He introduced Lopez and Benitez to us.

Senator CURTIS. But you didn't pay him any commission?

Mr. WEBB. I did not; no, sir.

Senator CURTIS. When you were employed there were obstacles in the way of the shipment of the meat to Puerto Rico?

Mr. WEBB. You mean from Haiti to Puerto Rico?

Senator CURTIS. Yes.

Mr. WEBB. At the time there was no mention of any demand for the meat, when Mr. Law, my partner, started on clearing up the license.

Senator CURTIS. I thought you were employed by the purchaser.

Mr. WEBB. Let's get this straight. Long before Lopez came into being, I believe, Mr. Haas called my partner, Doc Law.

Senator CURTIS. Who is Haas?

Mr. WEBB. He works for the Murchisons in Dallas. He called my partner, Mr. Law, and told him that they would like to be able to expedite the inspection of the meat plant in Haiti. They were converting from domestic sales to export. And to do that there were certain inspections or certain regulations that had to be met by our Department of Agriculture. Mr. Law made several contacts, as I recall, and, as I mentioned to you earlier, Senator, I am speaking second-hand, because I had no connection at this time with it—Law was handling the whole program. But I know he had been working on it for some time when Lopez and Benitez came into our office.

Senator CURTIS. Did your firm represent both the seller and the purchaser? I am not implying anything wrong, but I mean in getting it expedited.

Mr. WEBB. No; we were trying to help the meat plant in Haiti get their inspection squared away.

Senator CURTIS. But your fee based on the weight of the meat was paid by the purchaser?

Mr. WEBB. And Lopez.

Senator CURTIS. He is the purchaser?

Mr. WEBB. He is the purchaser.

Senator CURTIS. That is a little bit difficult to understand. Now, in regard to the real estate venture at Jacksonville, Fla., how much money was paid for the property?

Mr. WEBB. For the two parcels?

Senator CURTIS. Yes.

Mr. WEBB. The first parcel, I believe, we paid \$65,000 for it.

Senator CURTIS. And how much for the other?

Mr. WEBB. Approximately \$10,000.

Senator CURTIS. Is that the entire purchase price?

Mr. WEBB. That is right.

Senator CURTIS. And what changes or improvements took place after the purchase before you obtained the loan from the Teamsters?

Mr. WEBB. Before we obtained the loan there were no improvements made.

Senator CURTIS. Did the Teamsters loan more money than you paid for the property?

Mr. WEBB. They loaned us \$105,000.

Senator CURTIS. And you had \$75,000?

Mr. WEBB. That is approximately right.

Senator CURTIS. They loaned you, then, \$30,000 more than you paid for it?

Mr. WEBB. That is right, but we all signed the mortgage and personally indemnified the loan.

Senator CURTIS. And at whose suggestion did you do that?

Mr. WEBB. At whose? Your question is not clear to me.

Senator CURTIS. Who asked you or laid down the requirement that you would have to sign the loan in your individual capacity?

Mr. WEBB. That was one of the requirements of the pension fund that we do that.

Senator CURTIS. Who told you?

Mr. WEBB. The pension fund people.

Senator CURTIS. Who are they?

Mr. WEBB. Gosh; I can't recall.

Senator CURTIS. Who did you deal with?

Mr. WEBB. I believe a lawyer named Clinton in Chicago.

Senator CURTIS. Is he the man you first approached to get the loan?

Mr. WEBB. I first approached Jimmy Hoffa.

Senator CURTIS. How long have you known Jimmy Hoffa?

Mr. WEBB. Since about just around that time when I made the initial approach.

Senator CURTIS. Who introduced you?

Mr. WEBB. Irving Davidson.

Senator CURTIS. Who is he?

Mr. WEBB. He is a friend of mine here in Washington.

Senator CURTIS. What is his business?

Mr. WEBB. Public relations.

Senator CURTIS. For whom?

Mr. WEBB. I am not exactly sure. The companies he represents; I think he has some foreign companies that he represents.

Senator CURTIS. What are they?

Mr. WEBB. I could not tell you, but I could find out and submit it to you.

Senator CURTIS. Where did he introduce you to Jimmy Hoffa?

Mr. WEBB. Right here in Washington.

Senator CURTIS. Whereabouts?

Mr. WEBB. Right in the Teamsters office here.

Senator CURTIS. He took you over there?

Mr. WEBB. Yes, sir.

Senator CURTIS. Who was with you?

Mr. WEBB. At that time Irving Davidson and myself.

Senator CURTIS. Just the two of you?

Mr. WEBB. Just the two of us.

Senator CURTIS. How many calls did you make at Hoffa's office before you took Reynolds with you?

Mr. WEBB. I do not recall, Senator.

Senator CURTIS. Was it just one or was it several?

Mr. WEBB. It could have been several.

Senator CURTIS. Do you think it was?

Mr. WEBB. I say it could have been.

Senator CURTIS. Have the Teamsters gotten their money out yet?

Mr. WEBB. No. I can clarify one thing. We sold—there is one thing I should have brought out. On the vacant part of the property we were going to put a motel on that No. 1 piece of property, but we could not get enough equity money to put in it, and so we didn't go through with it.

Senator CURTIS. Was the full amount of the loan turned over to the borrowers?

Mr. WEBB. It was turned over to the bank in Jacksonville.

Senator CURTIS. In what capacity did the bank receive it?

Mr. WEBB. That I do not know. That was all handled in Jacksonville.

Senator CURTIS. Was it just a deposit in the bank?

Mr. WEBB. It was a deposit in the bank, as I recall.

Senator CURTIS. Not an escrow arrangement?

Mr. WEBB. I don't recall that it was.

Senator CURTIS. You are one of the parties.

Mr. WEBB. Oh, no. I was sitting way up here. It was being run from down there.

Senator CURTIS. But you personally signed the note.

Mr. WEBB. Oh, yes; I did.

Senator CURTIS. And you were one of the individuals in the company and helped form it.

Mr. WEBB. That is right.

Senator CURTIS. Well, now, was that money subject to your control or was it turned over to the bank in some sort of escrow agreement?

Mr. WEBB. To the best of my knowledge, it was turned over to the bank and we start drawing on it as we spent the money.

Senator CURTIS. In other words, it was made available to the control of the borrowers?

Mr. WEBB. That is to the best of my recollection.

Senator CURTIS. How did the Teamsters happen to loan \$30,000 more than you paid for the property?

Mr. WEBB. Senator, we not only personally indemnified the loan but we also pledged the property back to the Teamsters, or to the pension fund.

Senator CURTIS. Yes; you gave a mortgage for that.

Mr. WEBB. That is right, and then personally indemnified with our own signatures the rest of the loan.

Senator CURTIS. How long was Baker in that operation?

Mr. WEBB. He announced—he and Peek both announced they wanted to get out when they found we had to personally indemnify the loan.

Senator CURTIS. How was that information given to the various participants that they had to personally indemnify?

Mr. WEBB. How was it given?

Senator CURTIS. Yes. Did they write you a letter? Did they call you up, or did you have a meeting?

Mr. WEBB. I don't recall, but there was never any doubt in my mind that I was not going to have to sign that note. I knew it all the time. I can't read other people's minds.

Senator CURTIS. How did you find it out?

Mr. WEBB. I was told that we would have to do it.

Senator CURTIS. By whom?

Mr. WEBB. By the trustees.

Senator CURTIS. Which one?

Mr. WEBB. Senator, I couldn't tell you which one.

Senator CURTIS. You don't know in what city it occurred?

Mr. WEBB. In Chicago.

Senator CURTIS. In Chicago. Who was with you in Chicago?

Mr. WEBB. Don Tupman.

Senator CURTIS. And who else?

Mr. WEBB. You mean from our group?

Senator CURTIS. Any group; when you were there discussing with the trustees this loan, who was present?

Mr. WEBB. Don Tupman and myself represented our group, and we went before the trustees in Chicago, at their office.

Senator CURTIS. Were there papers sent here to be signed?

Mr. WEBB. I believe it was sent to Jacksonville.

Senator CURTIS. Where did Reynolds sign?

Mr. WEBB. To the best of my knowledge, in Jacksonville.

Senator CURTIS. Now, Reynolds did go to Miami Beach with you?

Mr. WEBB. That is right.

Senator CURTIS. At what hotel did you stay?

Mr. WEBB. The Fontainebleau.

Senator CURTIS. How long were you there?

Mr. WEBB. Approximately 2 days.

Senator CURTIS. And that was the meeting that he described; t at some of the local officials in the area attended?

Mr. WEBB. That is right.

Senator CURTIS. I think it was my questioning concerning the number of people there, and my recollection of the record is that this number that he named was the total number that may have been out during the 2 days and 2 evenings there. Is that what the record indicates?

Mr. McNAMARA (reading): Did you attend?

I did, sir.

Approximately how many people were there?

It varied, sir.

Just an approximate estimate. A large number or small?

In general it must have been 75 or 100 people there, sir.

Was Baker there?

No, sir; to the best of my knowledge, no.

That questioning is by Mr. McLendon.

Mr. McLENDON. On what page?

Mr. McNAMARA. On page 19, Major, of the hearing.

Senator CURTIS. How many rooms did you have there?

Mr. WEBB. I recall that Clint and I had a suite, Clint Murchison and I, because we were holding a lot of the meetings in the hotel suite.

Senator CURTIS. How big was that?

Mr. WEBB. Not too large.

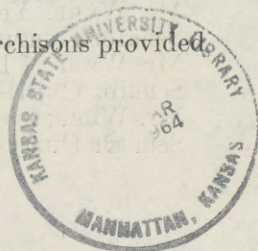
Senator CURTIS. That was all the space?

Mr. WEBB. That was all the space we had. I do not know what space Reynolds had.

Senator CURTIS. You don't know whether the Murchisons provided space for everyone there?

Mr. WEBB. Oh, no.

Senator CURTIS. You don't think they did?



Mr. WEBB. Not to my knowledge.

Senator CURTIS. How long have you known Baker?

Mr. WEBB. I would say approximately about 7 years; maybe 8.

Senator CURTIS. Have you ever traveled with him any place?

Mr. WEBB. Yes.

Senator CURTIS. Where to?

Mr. WEBB. Well, he has been with me, or I have been with him, to the Thousand Islands, with him and his wife.

Senator CURTIS. To which islands?

Mr. WEBB. The Thousand Islands.

Senator CURTIS. Who else was present?

Mr. WEBB. His wife, my wife, Mr. and Mrs. Novak.

Senator CURTIS. Have you taken any other trips with him?

Mr. WEBB. Yes.

Senator CURTIS. Where to?

Mr. WEBB. I took a trip with him to Spanish Key, which is an island in the Bahamas owned by Mr. Murchison.

Senator CURTIS. How many times were you there with Mr. Baker?

Mr. WEBB. As I recall, I could have been there twice with him. I know I have been there once with him.

Senator CURTIS. Was Fred Black ever there when you were there?

Mr. WEBB. He has never been there, to my knowledge.

Senator CURTIS. Have you taken any other trips with Mr. Baker?

Mr. WEBB. I am trying to wrack my brain. To my knowledge, I can't think of any right offhand, unless you have some information.

Senator CURTIS. Have you ever gone any place else in the Caribbean with him?

Mr. WEBB. In the Caribbean?

Senator CURTIS. Yes.

Mr. WEBB. What would you refer to as the Caribbean?

Senator CURTIS. The islands down there, any other island or any place in Central America?

Mr. WEBB. I have never been to Central America with him, I know.

Senator CURTIS. You never have?

Mr. WEBB. No, sir.

Senator CURTIS. Have you been to the Dominican Republic?

Mr. WEBB. I have never been there.

Senator CURTIS. Do you know a man by the name of Nick Popich?

Mr. WEBB. Yes; I do. I met him.

Senator CURTIS. P-o-p-i-c-h?

Mr. WEBB. Yes.

Senator CURTIS. Where did you meet him?

Mr. WEBB. I met him here in Washington.

Senator CURTIS. Who introduced you to him?

Mr. WEBB. I think Warren Neil did.

Senator CURTIS. Who is Warren Neil?

Mr. WEBB. He is a member of our Pasantic group. He is a builder in Puerto Rico?

Senator CURTIS. He is a builder in Puerto Rico?

Mr. WEBB. Yes, sir.

Senator CURTIS. Where does Nick Popich live?

Mr. WEBB. I believe he lives in New Orleans.

Senator CURTIS. What is his business?

Mr. WEBB. I was told that he had a dredging business.

Senator CURTIS. Does he have any other business?

Mr. WEBB. Not to my knowledge.

Senator CURTIS. Do you know Paul Auguirre?

Mr. WEBB. Yes; I do.

Senator CURTIS. Where did you meet him?

Mr. WEBB. I believe here in Washington.

Senator CURTIS. What was the occasion?

Mr. WEBB. I couldn't recall exactly the occasion.

Senator CURTIS. Do you remember who introduced you to him?

Mr. WEBB. It could have been Bobby Baker. It probably would have been.

Senator CURTIS. It probably would have been? Where is he from?

Mr. WEBB. He is from Puerto Rico.

Senator CURTIS. What is his business?

Mr. WEBB. He is in the mortgage business, as I understand it.

Senator CURTIS. Did you ever transact any business for him?

Mr. WEBB. I have never; no, sir.

Senator CURTIS. How many times have you seen him?

Mr. WEBB. I would say approximately three times.

Senator CURTIS. Did he ever discuss any work that Baker had done for him?

Mr. WEBB. Never in my presence.

Senator CURTIS. Did he ever discuss any problem he had with the Federal Housing Administration?

Mr. WEBB. Never; not to me.

Senator CURTIS. Is he an official of the Puerto Rican Hotel Enterprises?

Mr. WEBB. I wouldn't know what that would be. To my knowledge, I don't know anything about it.

Senator CURTIS. I am reading from the San Juan Star of November 8, 1963. It recites that Robert Baker once attempted to get the Federal Housing Administration to review the rejection of a multi-family housing project in Puerto Rico for Paul Auguirre.

Mr. WEBB. I know nothing about that, sir.

Senator CURTIS. You don't know anything about that?

Mr. WEBB. No, sir.

Senator CURTIS. Have you ever planned any business in Puerto Rico?

Mr. WEBB. Have I ever planned any business?

Senator CURTIS. Yes.

Mr. WEBB. At one time we were thinking of trying to start an insurance company, but nothing was ever formulated.

Senator CURTIS. Who is "we"?

Mr. WEBB. I guess, to the best of my recollection, it was Deane Beman and Buppert.

Senator CURTIS. Who?

Mr. WEBB. Buppert and Beman. They are insurance people here in this area.

Senator CURTIS. What are their first names?

Mr. WEBB. Deane Beman and Bill Buppert.

Senator CURTIS. Did you ever discuss that with Baker?

Mr. WEBB. We could have. I couldn't tell you whether we did or didn't. We could have.

Senator CURTIS. How much money did Baker put into the land development of Jacksonville?

Mr. WEBB. To the best of my recollection, it was \$600.

Senator CURTIS. He got that out?

Mr. WEBB. Yes, sir. Fred Ahearn bought him out.

Senator CURTIS. Have you ever had any business discussions with Paul Auguirre?

Mr. WEBB. Yes; he is on our Pasantic Corp.

Senator CURTIS. And did some of the possible development that you were thinking about involve Puerto Rican operations?

Mr. WEBB. Well, we could have discussed that for the future. I believe we discussed possibly a development there some time in the future.

Senator CURTIS. And Bobby Baker was in the group up until the investigation came along?

Mr. WEBB. That is right; but he never put any money in it.

Senator CURTIS. Never put any money in it?

Mr. WEBB. No.

Senator CURTIS. What was his part in it, if he didn't put in any money?

Mr. WEBB. Well, in the corporation no one had put any money in it up until that time. It was going to be formed in several months.

The CHAIRMAN. In other words, he had anticipated that he would become a partner, and he didn't?

Mr. WEBB. That is right. He withdrew voluntarily when this situation started.

Senator CURTIS. Who was the originator of the idea, Baker?

Mr. WEBB. I think probably a little bit of everybody. I think, possibly, mostly Auguirre and Warren Neil.

Senator CURTIS. Baker may have had something to do with it?

Mr. WEBB. He could have.

Senator CURTIS. And, so far as you know, the only sums paid to Baker for any operation which you had any knowledge of was what he made on the meat transactions?

Mr. WEBB. That I have any knowledge of; right.

Senator CURTIS. That amounted to about \$4,000?

Mr. WEBB. That is right. That was in the year of 1962.

Senator CURTIS. And you know of no services rendered by Baker for that?

Mr. WEBB. Other than that he was a finder.

Mr. McNAMARA. Pardon me. In the interest of completeness of the answer, Senator Curtis, we have yesterday pointed out that there were also sums of money received by Mr. Baker in 1963.

Senator CURTIS. From Mr. Law's testimony?

Mr. McNAMARA. Yes. This was a continuing thing. I didn't want the witness' answer—

Senator CURTIS. On the meat?

Mr. McNAMARA. That is correct; only the meat; yes.

Senator CURTIS. Well, how much was received in 1963?

Mr. WEBB. We have received in 1963, \$6,529. These are in rough notes.

Senator CURTIS. On that basis, how much would Baker have received?

Mr. WEBB. I would assume half of that.

Senator CURTIS. About \$3,000. Did he perform any services in 1963 that you know of?

Mr. WEBB. I really don't know.

Senator CURTIS. Now, you referred to it as a finder's fee. Who did he find? Did he find a seller for the purchaser or did he find the purchaser for the seller? A finder's fee, I have always believed, was somebody that got a buyer and a seller together that had no contact with each other before.

Mr. WEBB. Apparently the purchaser in this place was saving a lot of money by getting this meat. He was cutting down tremendously on his overhead for transportation of the meat, by approximately 6 hours a plane trip.

Senator CURTIS. Why did he need Baker's help?

Mr. WEBB. As I told you, our only connection with this, Lopez, Benitez, and Mrs. Benitez came into our office, introduced by Bobby Baker.

Senator CURTIS. What services did your firm render at the Department of Agriculture?

Mr. WEBB. I think Mr. Law handled that, and I think he went over that yesterday. I did not have any part of that whatsoever.

Senator CURTIS. You office together, don't you?

Mr. WEBB. Yes.

Senator CURTIS. You share in the profits?

Mr. WEBB. That is right.

Senator CURTIS. Well, so you have some idea of what services—

Mr. WEBB. Senator, I thought I had gone over that. I would be glad to go over it again. What Mr. Law was trying to do was to expedite the inspection of the plant so that it could be approved by the Department of Agriculture.

Senator CURTIS. And was it approved?

Mr. WEBB. Yes, sir.

Senator CURTIS. And it was not approved before that? When you were employed, they were lacking in approval by the Department of Agriculture?

The CHAIRMAN. No.

Senator CURTIS. That is what I am asking. I am not stating it.

The CHAIRMAN. When Mr. Law was employed; but you came in after Black was approved and they were doing business.

Mr. WEBB. That is right. No; wait—the final approval had not come when Lopez was in our office. It had not. Mr. Law was told it was just a matter of time until these papers got back—that is what he told me—and I believe that approval came some time shortly thereafter, in my recollection.

The CHAIRMAN. From the Department of Agriculture?

Mr. WEBB. That is right.

The CHAIRMAN. They had to send the inspectors down there to inspect the plant?

Mr. WEBB. That is right.

The CHAIRMAN. When was the time that somebody said that some of the meat went bad and the fellow quit taking it and found another customer?

Mr. WEBB. That was approximately about a year after this deal was made with Lopez. They had some spoilages.

Senator CURTIS. Did Kentor ever start to import meat?

Mr. WEBB. He had been importing it. He took over from Lopez just about a year ago.

Senator CURTIS. Have you received any fee or commission for that, for the meat purchased by Kentor?

Mr. WEBB. Oh, yes; a half cent a pound.

Senator CURTIS. Has Baker received the same amount?

Mr. WEBB. Baker and Benitez receive half of whatever is received and we receive half.

Senator CURTIS. Including that which Kentor buys?

Mr. WEBB. That is right.

Senator CURTIS. Is Kentor buying any at this time?

Mr. WEBB. Kentor is now buying the same meat that Lopez was buying.

Senator CURTIS. And where is it shipped to for Kentor?

Mr. WEBB. I couldn't tell you the exact destination. I would assume——

Senator CURTIS. Is it in continental United States?

Mr. WEBB. I would assume so.

Senator CURTIS. Or Puerto Rico?

Mr. WEBB. It could be some of both. I really don't know that phase of it.

Senator CURTIS. Has your firm performed any services for Kentor?

Mr. WEBB. Yes. We introduced him to Arthur Haas. He wanted this outlet of meat, and we introduced him to Arthur Haas where he could get it.

Senator CURTIS. Haas is Murchison's man?

Mr. WEBB. That is right.

Senator CURTIS. And you introduced him to him?

Mr. WEBB. That is right.

Senator CURTIS. That is all the services you have rendered?

Mr. WEBB. That is right.

Senator CURTIS. So far as Kentor is concerned?

Mr. WEBB. I mean as far as—that is right.

Senator CURTIS. And how much did you say you have drawn from the transaction by reason of the sales to Kentor?

Mr. WEBB. \$6,500 for a year. That is both from HAMPCO and Kentor.

Senator CURTIS. Restrict it to Kentor, if you can.

Mr. WEBB. It looks like \$3,650. About \$3,500.

Senator CURTIS. Would that mean that Baker would get about \$1,800?

Mr. WEBB. Wait a minute—correction. It is approximately \$2,500, which would mean Baker would get a half of that.

Senator CURTIS. About \$1,200?

Mr. WEBB. About \$1,200.

Senator CURTIS. That was in calendar year 1963?

Mr. WEBB. 1963.

Senator CURTIS. What services did Baker perform for that?

Mr. WEBB. I don't know that he performed any services for that.

Senator CURTIS. Would Kentor send the check for this commission or would HAMPCO send it?

Mr. WEBB. They each sent a check to Baker and Tucker, and when they would receive the two checks, they would send us half of the total.

Mr. McNAMARA. Senator Curtis, may I make a proffer to make this clear?

Senator CURTIS. Yes.

Mr. McNAMARA. We have offered to the committee, as soon as we can get the figures straight, to furnish a schedule of receipts to the

committee of what we have received, and what we understand is payable, so the committee will then be able to make the mathematical computation that Mr. Baker's share is comparable to what we have received.

Senator CURTIS. Yes. Well, the reason that I followed this line of questioning, it is a bit puzzling to a Senator. Mr. Tucker has testified that he had no part of this; that even though it went through the joint account, it was Baker. Baker was an employee of the Senate. There is no witness that knows of any services performed by Baker. Yet an importer into this country makes remittances to Baker, and I wonder why.

Mr. WEBB. I think I can answer that. We just carried on apparently the same continuity of the first transaction.

Senator CURTIS. Well, I don't know why the payments were made to Baker in the first transaction. Does anyone claim it was a gratuity, that it was just a gift?

Mr. WEBB. I think it was basically a very good transaction there with Lopez. I don't believe that Lopez offered the half a cent to Baker himself.

Senator CURTIS. Who did?

Mr. WEBB. Jose Benitez.

Senator CURTIS. Why did he do that?

Mr. WEBB. I really don't know, I couldn't tell you that, but Jose Benitez had the whole penny. Lopez told Benitez if he could get that outlet of meat he could have a penny a pound. So Lopez came to us and said he would give us a half cent a pound if we could get Murchison or the HAMPCO meat plant to sell the meat to him, because it would save him a lot of money on transportation. As to why Benitez gave Baker a half a cent you would have to ask him because we had nothing to do with that.

Senator CURTIS. But you got your half cent?

Mr. WEBB. Yes, sir.

Senator CURTIS. Through Baker?

Mr. WEBB. Yes, sir.

Senator CURTIS. That is all.

Mr. McLendon. Just one question. You knew that Benitez and Baker were good personal friends, didn't you, Mr. Webb?

Mr. WEBB. That is right.

The CHAIRMAN. Senator Pell, you are next.

Senator PELL. You mean this? I was confused about one thing. Is the meat flown from Haiti?

Mr. WEBB. That is right.

Senator PELL. By airfreight?

Mr. WEBB. By airfreight.

Senator PELL. That is cheaper than sending it by refrigerated ship?

Mr. WEBB. Apparently it is. I am talking now about from Haiti to Puerto Rico.

Senator PELL. Yes; oh, from Haiti to Puerto Rico?

Mr. WEBB. Right.

The CHAIRMAN. That is what I wanted to clear up. They don't actually fly that meat to the United States, do they, up here?

Mr. WEBB. I really don't know whether it is coming by air or boat from Haiti to the United States.

The CHAIRMAN. It is not material anyway.

Senator PELL. Going back to your own relationship with Mr. Baker, did you ask his help for any other problems concerning legislation or for any help in any way whereby his official position as Secretary to the majority would have been helpful to your principals?

Mr. WEBB. No; never.

Senator PELL. You never have?

Mr. WEBB. On legislation?

Senator PELL. On legislation.

Mr. WEBB. No. I don't know of any bill that has been up in particular that the Murchisons have ever been interested in.

Senator PELL. Have you ever asked Mr. Baker for his help when it came to a problem of your principals with the Government, with a Government agency or Government department?

Mr. WEBB. Can I hear that again?

Senator PELL. I am sorry. Have you ever asked Mr. Baker for his help in any problem that may have arisen between your principal, Mr. Murchison, and a Government department or Government agency?

Mr. WEBB. Not to my knowledge.

Senator PELL. You have never asked Mr. Baker for his help in any problems you may have had vis-a-vis the Federal Government?

Mr. WEBB. Not to my knowledge.

Senator PELL. Have you had any business relations with any other employees of the Senate?

Mr. WEBB. With any other?

Senator PELL. Employees of the Senate?

Mr. WEBB. Of the Senate? Any business relations?

Senator PELL. Business, not social; business relations.

Mr. WEBB. No; not to my knowledge.

Senator PELL. Or asked them for their assistance?

Mr. WEBB. Other than Scott Peek, which was a very short-lived one with WERTCO.

Senator PELL. Has that been covered in the testimony?

Mr. WEBB. That has been covered in the testimony.

Senator PELL. And other than that you have had no business relations with any other employees of the Senate?

Mr. WEBB. None at all.

Senator PELL. Thank you.

The CHAIRMAN. Senator Scott, we will be glad to hear anything that you have to say.

Senator PELL. I would like to leave the request if I am not here that the testimony so far unfolded be released together with the testimony of Mr. Law yesterday.

Senator SCOTT. When did you last see Bobby Baker?

Mr. WEBB. I guess approximately a week ago.

Senator SCOTT. And you have seen him on frequent occasions since this investigation began, have you not?

Mr. WEBB. I have seen him on some occasions. Sometimes it goes 3 or 4 weeks. It is kind of hard not to bump into him.

Senator SCOTT. Have you discussed your testimony, your forthcoming testimony up here, with him?

Mr. WEBB. No; I have not.

Senator SCOTT. Have you discussed with him the matters brought out by the investigators who talked to you?

Mr. WEBB. I haven't, to my knowledge; I don't believe I have talked to him since I talked to the investigators.

Senator SCOTT. Have you discussed with him any of the members of the Rules Committee, in conversation with him about any members of the committee?

Mr. WEBB. Not to my knowledge.

Senator SCOTT. Has there been any conversation with Bobby Baker to the effect that if certain members or member, a certain member or members of the committee continued to be too active in this investigation, that he, Bobby Baker, will pull the rug out from under them?

Mr. WEBB. I have never heard him make that remark.

Senator SCOTT. Therefore, if such a conversation has been attributed to you, your statement is itself incorrect?

Mr. WEBB. I have never heard him make that statement.

Senator SCOTT. Do you have any business relationship with Bobby Baker at this time?

Mr. WEBB. The continuance of this meat thing that we discussed is still going on.

Senator SCOTT. And your firm and he are still receiving commissions under the meat arrangement?

Mr. WEBB. That is right.

Senator SCOTT. I think that is all.

Mr. McLendon. That is all.

The CHAIRMAN. Mr. Webb, we appreciate your being here. We appreciate your cooperation.

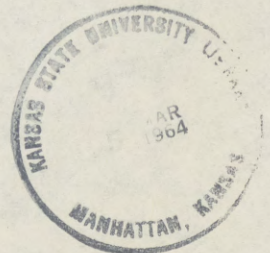
I might say for the record that Mr. Webb came without subpoena. He has been interviewed previously and he has been cooperative in everything we have asked him to do.

You may be excused, sir. We appreciate your coming.

Mr. WEBB. Thank you.

(Whereupon, at 3:50 p.m., the committee adjourned to meet at the call of the chairman.)

○



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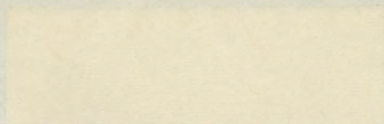
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