

House incomes follow political leanings

News Tribune
May 14, 1978.

By A. ROBERT SMITH
TNT Correspondent

WASHINGTON — The common assumption that wealth and political conservatism go hand in hand is confirmed by the financial disclosure statements of Northwestern congressmen.

The two who appear to be the wealthiest are Rep. Jack Cunningham, Seattle's new GOP congressman elected last year in a campaign heavily financed by conservative interest groups, and Rep. Steve Symms, R-Ida., a Reagan zealot in 1976 and currently a member of the right-wing shadow cabinet.

This not-surprising insight is gained from reviewing the results of a recent reform requiring congressmen to identify and qualify all their sources of income. The first reports containing this information have been filed with the House Ethics Committee.

As it turns out, there isn't as much disclosure as the advance ballyhoo led us to believe there would be. No specific dollar figures for the value of a congressman's holding are required, only categories of value, which is a gimmick that shields the most wealthy and keeps reporters guessing in every case.

HERE IS how it works: The congressman must report the dollar amount of his outside income, which is a major reform. But when it comes to the value of his holdings, he only has to place it in the property category, indicated by a Roman numeral from one to five. Category I means the value is under \$5,000. Category V means it is over \$100,000 — how much more, he need not reveal.

The Northwest congressman with the highest income is Symms at \$95,500, the reports indicate. The congressional salary portion is \$57,500. Symms also receives



Thomas Foley



Don Bonker

from rents and other sources.

Rep. Al Ullman, D-Ore., is next highest with just over \$90,000. He supplements his salary with about \$25,000 in speaking fees, the maximum amount congressmen can earn from this source. He also draws retirement pay as a Navy reservist of \$5,616 and he earns interest on savings that amounts to nearly \$2,000.

Two others who paid their salaries with speaking fees are Reps. Thomas Foley, D-Wash., chairman of the House Agriculture Committee who made about \$86,000, and Rep. Mike McCormack, D-Wash., who made over \$87,000.

CUNNINGHAM'S OUTSIDE income came almost entirely from stocks and other financial interests, which bring him an income of about \$84,500.

With the exception of two congressmen who re-



Jack Cunningham

income, the others from the Northwest earned only their salaries or a little more, in several cases because they had working wives.

The landlords are Rep. Jim Weaver, D-Ore., whose report indicated he had \$8,880 in rents, bringing his total income to over \$66,000, and Rep. Norm Dicks, D-Wash., whose rental income raised his total to about \$63,000.

Rep. Don Bonker, D-Wash., said his wife earns about \$5,000 working for Prison Fellowship, so their joint income is \$62,500. Rep. Lloyd Meeds, D-Wash., reported his wife works in a fashionable department store but he didn't reveal her income.

REP. BOB DUNCAN, D-Ore., still is being paid about \$10,000 a year for having sold out his share in a Portland law firm, giving him about \$68,000.

Rep. Les AuCoin, D-Ore., reported owning a handful of stocks which brought \$600 in dividends, or \$58,100, and Rep. Joel Pritchard, R-Wash., earned \$3,100 in interest, for a total of \$60,500.

Only Rep. George Hansen, R-Ida., appears to be living entirely on his salary. But Hansen is also deeply in debt, he reported. His report said he had no holdings and owes six banks at least \$5,000 each and two others at least \$15,000. He also owes his

Hansen is the exception to the connection between wealth and conservatism. He is the poorest and yet as conservative as Symms and Cunningham.

SYMMS' WEALTH is in land and fruit growing: His interest in Symms Fruit Ranch he places in the top category of value, over \$100,000. He values other farm land he owns at over \$100,000. A partnership interest in a fruit company he values at less than \$15,000. He also has stock in two silver and gold mining companies, less than \$5,000 each.

He is worth at least a quarter of a million, but because they had working wives, the privilege which congressmen retain to keep large holdings ambiguous leaves one guessing how much greater his wealth may be.

Cunningham's portfolio reads like the Big Board: ITT, Eastman Kodak, GE, Continental Can, American Cyanamid, CBS and many others. Dividends from them in the last quarter of 1977 were over \$2,600, or more than \$10,000 a year. Interest income for Cunningham was nearly as great.

A CONSERVATIVE estimate is that these holdings are worth over \$300,000. In addition, he reported owning land in Arizona valued at more than \$100,000. Another holding he placed in category IV (\$50,000 to \$100,000), and four others are in category III (\$15,000 to \$50,000).

Cunningham may not be a millionaire, but he is well on his way.

Only one Northwest congressman revealed all. Instead of playing cat and mouse with value categories, Foley listed the number of shares of each stock, dividends per share, the selling and purchase price of all his holdings, which totaled \$57,242.

Maybe in the next great reform, they will all tell it like it is. But for many congressmen, such simple candor is just too unner-

REVIEW & OUTLOOK

Wall Street Journal July 10, 1978.

It Ain't Actuarially So

A polling organization once asked the general public what an actuary was, and received among its more coherent responses the opinion that it was a place where you put dead actors. The actuarial profession, which specializes in the recondite calculations insurance companies and pension funds make to balance their assets and obligations, bears this sort of thing with a patient shrug. It is not often in the public eye. It has inspired no television series.

Which is too bad. Consider the recent statement of the Social Security System's trustees — Treasury Secretary Michael Blumenthal, HEW Secretary Joseph Califano and Labor Secretary Ray Marshall—that the increase in payroll taxes our legislators decreed last year has "restored the financial soundness of the cash benefit program." No actuary would agree with this. As the trustees implicitly concede elsewhere in their annual report, the increase merely postponed an inevitable crisis. If the system is to avert ultimate catastrophe, more people in Washington are going to have to submit to actuarial discipline.

Social Security, of course, is not like a private pension plan. The contributions of the employed are not used to purchase assets the income from which will eventually be used to pay their benefits. Instead, the money is handed over with little delay to those currently retired, in the confident expectation that when today's workers quit, a new generation will have entered the labor market, ready and willing to pay taxes in the same good cause.

Congress, up until last year, had taken the blase attitude that it could promise lavish benefits and let future Congresses find the money. It broadened benefits to dependents and survivors to the point where today only about half the beneficiaries are actual retired workers. Disability retirement was liberalized, and has been growing rapidly. Benefits were "double-indexed" to both wage and price inflation in 1972 and began soaring upward when inflation took off a short while later. The declining birth rate, meaning fewer workers to support future retirees, was insufficiently considered. With money running out, Congress last year scrapped double indexing and raised Social Security payroll taxes to the tune of \$227 billion over the 1979-89 decade.

This staved off the problem, we were assured, until early next century. There would have to be new thinking then, to be sure, because of that shrunken work force—indeed the trustees see payroll taxes soaring then to 17% to 20% of wages. But we are assured, more or less, of peace in our own time.

That, however, turns out to be another optimistic scenario. Some of the government's underlying assumptions are subject to professional debate, for example on future birth rates, death rates and medical costs. No one, alas, can forecast the course of inflation. Even apart from its self-confessed actuarial inadequacy, the system is thus highly vulnerable to unpleasant economic surprises. It was the unexpected 1974-75 inflation-recession, remember, which so quickly undermined the assumptions of 1972.

While \$227 billion may sound large, it begins to look more and more like a Band-Aid when compared to the still looming multitrillion unfunded future liabilities of the system. Even the way Congress undid its 1972 double-indexing mistake was the more expensive of two choices; benefits will be keyed to wages, which means that the fruits of increased productivity will go to the retired along with protection from price inflation. Meaning continuing inflation by legislation still. Congress did recognize the disquiet among those whose business it is to consider such distant and complex matters by providing for the appointment of a National Commission on Social Security. It is to have nine members, two appointed by the Speaker of the House, two by the Senate and five by the President. We believe the commission must take a professional and radical look at the current system. It must review its ad hoc proliferation of benefits; its remorseless encroachment upon the tax base; its alarming instability during economic upheavals, and its commandeering of savings, which are consequently lost to productive investment.

At the moment, however, the commission cannot even begin work because the President has not gotten around to making his five appointments. If he is lulled into complacency by those assurances of "financial soundness," we can only suggest that he consult with a few hard-headed actuaries.

Aug. 9, 1978.

My added comment.

Another Federal Commission, to pad the Bureaucracy, as if we do not have (50) too many Federal Commissions now.

Edw. S. Watts,
C.P.A.

Aug. 6, 1978 to Sen. Jesse Helms: Are sessions of the House and Senate opened and closed with prayer?

Our money claims in God we Trust, so why should not our Schools accept and teach what

not be permitted to be covered up
we claim? Then such Korean corruption would
TWP 7/29/78. Edw. S. Watts. Of Lynchburg, Va.

Korean-influence probe ends

WASHINGTON (AP) — Leon Jaworski said Friday he has no hope of proving and disproving information that a former South Korean ambassador distributed "substantial" cash payoffs from his government to up to 10 congressmen.

Jaworski said he will therefore tell Speaker Thomas P. O'Neill in a report next week that his contract to head the House Ethics Committee investigation of alleged South Korean influence-buying is completed.

"The investigation has come to an end," Jaworski said. "In the report I'm going to say my work is finished; there is nothing left for me to do."
Jaworski said his information is that former Ambassador King Dong-jo and someone working for him distributed

substantial amounts of cash from Seoul to the congressmen in the early 1970s.

He said some of the congressmen are still in Congress but would not say how many. He said the information does not include the amount of cash.

But Jaworski said the congressmen might be innocent.

He said the information could be wrong or the former ambassador could have kept the money for himself instead of making the payoffs.

Committee sources said all present and former congressmen named — apparently less than 10 were named — have denied under oath that they got the money.

Jaworski said he realized the investigation was over when he learned Thursday that South Korean President Park Chung Hee rejected a requested meeting on arranging for the testimony.

South Korea has refused to waive the former ambassador's diplomatic immunity against talking to the House investigators.

"There is just no hope of getting him," Jaworski said. "It's just like fighting windmills from here on out."

"We've gone as far as we can go," he said. "Obviously we can't send a bunch of paratroopers over to kidnap the man."

Jaworski said the House investigation has succeeded in revealing rice dealer Tongsun Park's contributions to congressmen.

And the former special Watergate prosecutor said the investigation has succeeded in warning members of Congress to be foreign agents.

"It serves like Watergate as a lesson and a warning," he said.

The FBI And CIA

Sir: Re "Stop Habitizing The CIA And FBI" (Fact and Comment, June 12). I am a former FBI agent, and the current indictment of three former FBI officials and the harassment of over 100 current and former agents have seriously undermined the morale and efficiency of all our intelligence agencies.

—Dale J. Stoops
Oakland, Calif.

She: Italy has learned its lesson. The Italian parliament recently voted overwhelmingly in favor of new laws that allow police to question guerrilla suspects without their lawyers present, to detain people for up to 24 hours for identity checks and to tap telephones. The U.S. Congress should be providing the FBI, CIA and other federal and state agencies with the methods and tools to stamp out terrorism and major crime instead of considering ways to make them ineffective.

—Dale S. Thompson
Arlington, Va.

Use The Fed, Too

Sir: Ben Weberman asks, "How do you buy Treasury issues? The answer is: Either from a banker or your broker" (June 26). I purchase at no fee Treasuries directly from the Seattle branch of the Federal Reserve Bank of San Francisco by placing an order one or two days before the auction and agreeing to purchase them at the average price and rate.

—George D. Strayer
Seattle, Wash.

As Ben Weberman has pointed out several times in previous columns, Treasuries can be ordered through any Federal Reserve bank or branch—ED.

FORBES, JULY 24, 1978

Prices once again erode buying power of the public

WASHINGTON (AP) — Food, housing and car prices jumped sharply again in June, shrinking American workers' buying power and holding inflation above a 10-per cent rate for the year.

In twin blows to consumers, the Labor Department said Friday that retail prices during June rose 0.9 per cent for the third straight month, while workers' buying power dropped 0.4 per cent, the second decline in a row.

That meant that, despite pay increases averaging 0.5 per cent in June, the average wage earner was unable to keep pace with inflation, which the government said would be 10.4 per cent this year based on price rises during the first half.

In the April-June quarter alone, prices

rose at an annual rate of 11.4 per cent, compared with 9.3 per cent in the first quarter.

Food prices would leap nearly 18 per cent this year based on their performance during the first six months, while housing would rise 11 per cent.

Government economists acknowledged that the latest consumer price report dampened the Carter administration's hopes of limiting inflation this year to about 7 per cent.

"But what's happening in the non-food sector is becoming much more problematical."

At the White House, spokesman Rex Granum said the increase in consumer prices was "extremely disappointing," but noted the likely moderation of food prices during the last half of the year.

prices effective thru July 31

SAVING

Washington State Law SHB-581 stat

EDWARD S. WATTS, C. P. A.
TACOMA, WASHINGTON 98401
627-5223.

Aug. 8, 1978.

Mr. H. A. or Ruth Briggs, 523 Alta Vista Place - 98466,
Mrs. Donna or Ralph Brown, 1314 E. 66th., - 98404,
Miss Cybthia Hammer, 4116 N. 39th., - 98407,
Mr. Robert or Margaret Hoffer, 3617 N. Stevens, 98407,
Mr. Harry L. or Evelyn Johnson, 1023 S. Steele - 98405,
Mrs. Lucille Junge, 3431 S. Pacific Highway, Medford - 97501,
Ms. Hazel Belle Mahood, 2034 Sixth Ave, Tacoma,
Mrs. Evelyn Macdonald, 3015 N. 30th., - 98407,
Mrs. R. Leonard Medlock, 3420 N. 37th., 98407,
Col. Donald C. Peterson, 612 South K - 98405,
Mr. Robert V. Russell, 2902 S. 84th., Tacoma,
Mrs. Vivian Thwing 3715 S. Tacoma Ave., Tacoma,
Mr. Louis or Emily Wiecking, 5502 N. 23rd., 98406,
Mr. Louis I. Wihlborg, 518 S. 7th., 98402.

Ladies and Gentlemen;

We did not receive a notice or letter from the Secretary of State in time for the required newspaper convention call, under a recent change in the law, to file an 'Independent Party Candidate', for the Sixth Congressional District in the September primary. Neither did we hear in time from the Spokane Convention, about qualifying there, according to our local County Auditor.

So unless by sufficient write-in Edw. S. Watts, CPA, will not be a candidate.

I have had a conference with the Republican candidate, who promises to carry-on the exposure and fight against the 'Bureaucratic Corruption' as the newspapers reveal to us every day, in our City, County, State, and Federal Governments. He also promises to fight for lower taxes. He may not adopt one of my platforms, to outlaw lobbying, but such is the reason for a lot of corruption, and at least \$500,000,000. towards our 'High Cost-of-Living'. Of course the different legislative and Congressional actions, cause about (90%) of the inflation, with corruption causing half of that.

Such a fight will be dangerous, but I would liked to have served, and we may have sown a few seeds, which may take root to benefit our citizens and taxpayers in the future.

Thanks, and sincerely yours,


Edw. S. Watts, C.P.A.

ESW/m.

cc: Abaxi Printing - Mrs. Margaret McGinnis, Mgr.,
945 Commerce St. - 98402.

EDWARD S. WATTS, C. P. A.
TACOMA, WASHINGTON 98401
627-5223.

Aug. 9, 1978.

Extra Session?

WASHINGTON — (AP) — House Speaker Thomas O'Neill indicated yesterday that if Congress fails to complete work on President Carter's energy program he will call the House back into session following the November elections. O'Neill said the key to a possible lame duck session is passage of a natural gas compromise which must be approved by both the House and Senate. Congress is tentatively scheduled to adjourn for the year on Oct. 7 to allow House members and senators to return home and campaign for re-election.



O'NEILL

Rep. Thomas P. O'Neill, Speaker,
U. S. House of Representatives,
Washington, D. C. - 20520.

Sir:

Does the attached news article, (which appeared in the Seattle Post-Intelligencer this morning), indicate you will now take an interest in the citizens of the United States, if not as to taxes, or taxpayers, as Speaker of the U. S. House of Representatives?

We also still wonder whether the illegal contribution given by Gulf Oil Corp. to the Senate Chairman of the Energy Committee five years ago, is the reason Sen. Jackson seems to have sat on his fanny for (20) months, while our trade deficit continues to rise, and our dollar goes to hell?

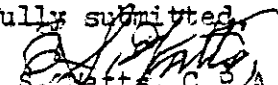
When the July 25, 1978 newspapers reported the \$100,000,000. General Service Administration 'fraud', and losses which could cost us taxpayers \$500,000,000., the only interest you seemed to take in such a costly crime, was that the No. 2 Official involved in such, was a political friend of yours, and you did not want him to be hurt, or prosecuted, regardless of the taxpayers' best interest? Does getting another Federal Post for him, estop prosecution, and so protect him?

Then the newspapers reported Aug. 6, 1978 that: "Rotten Apples were Found in the CETA Barrel", with the indication they could mean another \$500,000,000. illegal cost for us taxpayers. The following quotation from the article gives us such an idea: "The dramatic increase in the program brought with it growing pains and problems -- the most pervasive headache being, politicians trying to perpetuate political machines".

We know by experience that the Securities & Exchange Commission is a corrupt operation, causing a monstrous part of our "High Cost-of-Living". And we feel Sen. Mansfield was more than right three years ago, when he expressed the feeling that, "The Interstate Commerce Commission had served it's usefulness, and could be abandoned".

If there was any desire to reduce some unnecessary "Federal Bureaucracy", the FTC, ICC, and SEC could easily be consolidated, to eliminate a lot of overlap. The Supreme Court rather recently ruled The SEC was reaching into a territory, in which it had no legal right. And it is still trying to expand to harass and intimidate.

Respectfully submitted,


Edw. S. Watts, C.P.A.

ESW/m.

cc: Mr. Landon Kite, White House Assistant.

Deception Charged on NYC Finances

Seattle Post-Intelligencer Aug. 27, 1977.

From Page A1

vidual or institution. Copies of the report were sent to Congress for possible action on extending Federal security controls to cover municipal obligations. The SEC refused to say whether it would ask the Department of Justice

to institute any formal charges.

In New York, Beame issued a statement, calling the report a "shameless, vicious political document . . . a hatchet job," issued 13 days before the mayoral primary.

Although the harshest language was

reserved for Beame and Goldin, the report said that the underwriters of the obligations — mainly the city's big banks — left the public — largely uninformed. "Yet the underwriters had an increasing awareness of the city's true condition," the SEC found.

The report covers the period October 1974 to April 1975 when the city sold a record \$4 billion in short-term notes, much of it to small investors, in trying to close its chronic and worsening budget gaps.

SEC Charges Deception On NYC Finances

New York Times

WASHINGTON — Mayor Abraham Beame, City Comptroller Harrison J. Goldin and five New York City banks all knowingly misled investors in city securities in 1974-75 by failing to disclose the city's perilous financial state, the Securities and Exchange Commission said yesterday.

The SEC's 600-page, ten-pound report culminating an investigation lasting 10 months, accused the mayor and comptroller of "deceptive practices masking the city's true and disastrous financial condition."

It said that the mayor and comptroller "made numerous reassuring public statements" to help sell the securities although the city was teetering toward collapse and that they "had knowledge of the facts." It found that the financial community also realized the city's fundamental problem of a rapidly widening budget gap.

However, it made no direct charges of criminal fraud against any indi-

viduals. The principal underwriters were identified as the following banks: Chase Manhattan, Bankers Trust Company, Citibank, Chemical Bank, Manufacturers Hanover and Morgan Guaranty Trust. As underwriters they customarily bought the city's notes, held some themselves, and sold the rest at a profit to investors.

Chemical Bank denied it dumped any New York Securities. Other banks declined comment pending detailed examination of the seven-volume report.

Since the above newspaper implications, and intimidations, we have seen or heard no further about the (19) months work by the large SEC staff, for such an (800) page report. Here there deceptive practices to cause criminal fraud for "investors", or was it just a political hatchet job? In any event the taxpayers should know, since they will pay such costs, particularly if there are no fines or penalties to be assessed. And should there be such "Bureaucratic Use" of The SEC, for nothing but taxpayers' expense? Or has violations been hushed and silenced, by under-the-table, "cover-up deals"?

Main conclusions of the investigation, described as "one of the most complex" in SEC history, included the following:

—The city employed budgetary, accounting and financing practices which it knew distorted its true financial condition. It overstated revenues, delayed payments and issued short-term notes in anticipation of future revenues that often were uncollectible or nonexistent.

—As the city's financial plight worsened it reduced the minimum face amount of its short-term securities from \$25,000 to \$10,000 in order to attract more individual investors.

—In varying degrees principal underwriters, bond counsel and rating agencies also failed to meet their responsibilities.

The report noted that the city's loose and inaccurate budget practices, covering up true conditions, dated back to administrations prior to that of Mayor Beame. But it found that such practices were unduly exacerbated during the Beame years. There was "no excuse," it said, for misleading investors, many of whom say their securities fell in value by 45 per cent.

The report, based on 12,000 pages of sworn testimony and collection of more than 250,000 documents, said that the city consistently had spent more than it received in two years, then accumulated a mass of debt trying to close the gap.

Sen. Harrison A. Williams, D-N.J., chairman of the Senate subcommittee on securities, immediately announced that he was introducing legislation to require full disclosure of pertinent financial information on municipal securities.

Apr. 7, 1978:

Since the above newspaper implications, and intimidations, we have seen or heard no further about the (19) months work by the large SEC staff, for such an (800) page report. Here there deceptive practices to cause criminal fraud for "investors", or was it just a political hatchet job? In any event the taxpayers should know, since they will pay such costs, particularly if there are no fines or penalties to be assessed. And should there be such "Bureaucratic Use" of The SEC, for nothing but taxpayers' expense? Or has violations been hushed and silenced, by under-the-table, "cover-up deals"?

E. S. Watts, C.P.A.



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P. O. BOX 857

TACOMA, WA 98401

AREA CODE 206-627-5223

Feb. 6, 1978.

Hon. Lawton Chiles,
United States Senate,
Washington, D. C. - 20510.

Re: Increasing Control of Federal Commissions
Over The Economy of the United States.

Dear Sen. Chiles:

Based on our experiences, and petitions by one of your constituents - Dr. Francis A. Pritchard, of Fort Lauderdale, Florida - 33308.

In addition to the original petition for Dr. Pritchard of Nov. 17, 1977, Dr. Pritchard also sends us a copy of his letter of Jan. 31, 1978.

And now with the danger of extending control of the economy of the Nation further into the hands of the Securities & Exchange Commission, by way of the "Metcalf - Moss Proposals", now before Committees of our U. S. Congress; we certainly will organize to oppose. The following enclosures may give you more of our evidence and reasons:

1. Photo of our letter of May 14, 1977 to the Managing Editor of The Wall Street Journal,
2. Photo of our letter of Nov. 29, 1977 to The SEC Attorney - N. Michael Hansen,
3. Photo of our letter of Dec. 10, 1977 to Sen. Harrison A. Williams,
4. Photo of our letter of Dec. 31, 1977 to Sen. Lee Metcalf,
5. Photo of a part of our presentation of Jan. 11, 1978 to Rep. John E. Moss Chairman,
6. Photo of our letter of Jan. 31, 1978 to Mr. William H. Jenkins, Chairman, Seattle-First National Bank, on "Big Government Bureaucracy & The SEC.
7. "Affidavit" of Aug. 29, 1975, with a Jan. 31, 1978 statement and opinion, signed by eight former Directors of Rainier Investors, Inc.

As involved citizens and taxpayers, we will appreciate your due consideration of the above, as herewith enclosed.

Very truly yours,

Edw. S. Watts, C.P.A., "Rainier" Director
With Edw. S. Watts, Inc. a Stockholder.

ESW/m.

cc: Dr. Francis A. Pritchard, 2756 NE. 35th. Court, Fort Lauderdale.

Ex-Congressman Admits Payoffs

Seattle, P.-I., Mar. 19, 1978.



— AP Laserphoto

RICHARD T. HANNA
"Substantial amounts"

WASHINGTON — (AP) — Richard T. Hanna, a white-haired former California congressman, confessed yesterday he took "substantial amounts" of money for using his office to assist Tongsun Park, who allegedly schemed to buy support for South Korea on Capitol Hill.

Prosecutors said if they had taken the case to trial they could have proved that Hanna "received in excess of \$200,000 in cash and checks between 1969 and the end of 1975."

In a plea bargaining deal with the government, in which 39 of 40 counts were dropped, Hanna became the first president or former congressman convicted in the Korean influence-buying scandal that has shaken Capitol Hill.

But Hanna, a Democrat, denied through his lawyer any knowledge of the alleged connection of Park, a rice dealer, to the South Korean Central Intelligence Agency (KCIA).

Hanna pleaded guilty in U.S. District Court to a single count of conspiracy to defraud the U.S. government, thereby avoiding a trial that was scheduled to begin next week. He could be sentenced to a maximum of five years in prison and a \$10,000 fine. No sentencing date was set pending a

probation report and Hanna remains free.

As he was led from the courtroom for fingerprinting and processing, Hanna brushed past reporters and refused to talk.

Meanwhile, in another courtroom, a jury heard opening arguments in the trial of Hanchoo C. Kim, also charged in the Korean influence buying scandal. Kim a Korea-born cosmetics salesman and Washington businessman, is charged with defrauding the government.

Hanna, who served in Congress from 1963 to 1974, wanted to give U.S. District Judge William B. Bryant "a simple exposition of what happened to me, where I went wrong," but the judge, following "normal legal procedure," refused to listen to his explanation.

When reporters later asked Hanna if he knew Park to be an agent of the KCIA when he conspired with him, Hanna's lawyer, Charles McNelis, stepped in and said, "Definitely not."

In return for the guilty plea, federal prosecutors dropped 39 charges alleging that Hanna accepted bribes from Park, was involved in paying influence money to congressmen and was an unregis-

tered agent for the South Korean government.

Federal prosecutors told the court they had lined up witnesses, including a former director of the KCIA, to prove the government's assertion that Hanna was part of a conspiracy of South Korean officials to buy influence in Congress.

Chief government prosecutor Jeffrey S. White read Hanna's statement to the court, in which Hanna admitted he agreed with South Korean businessman Tongsun Park to use his position as a congressman to further the financial interests of Park.

St. PATRICK'S Cathedral is at center as parade-goers march along New York's Fifth Avenue yesterday. — AP Laserphoto.

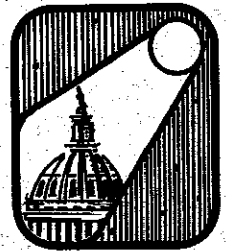
Bands Played On

NEW YORK — (NYT) — Green plastic hamburgers, green carrots, girls' legs goosey-green from the chill, big green shamrock leaves on children's foreheads, green pompons — the line of

Aug. 11, 1978: A fair example of how lawyers encourage crime, and protect criminals.

Edw. S. Watts, CPA., Tacoma, Wash. — 98401

WASHINGTON SPOTLIGHT



NUMBER ONE OF A SERIES

FOLEY OPTS FOR SOUTHEAST ASIA AID OVER ELDERLY HEALTH CARE

Priorities Are Mixed Up . . .

When it comes to priorities in federal spending, Congressman Tom Foley would rather give money to Vietnam, Cuba, Cambodia and Laos than to increase home health care services for the elderly right in his home district.

Two Votes Show Position . . .

Incredible as it may seem, two votes this year illustrate Foley's position.

On March 31, the House of Representatives voted on an authorization for the Home Health Care program — a program designed to provide services for the elderly in their own homes, a program to keep senior citizens in their homes instead of crowding them together in resthomes or hospitals to wither and die.

Where did Foley line up on this program? He voted against increasing the program to its same level of funding at \$14 million for 1978 after a subcommittee had cut the appropriation to a measly \$4.45 million.

Fortunately, despite Foley's opposition, the House approved the higher level of funding by a 322 to 69 margin *

Six days later, on April 6, 1977 there was an amendment before the House to prohibit using United States funds for aid to Vietnam, Cuba, Cambodia and Laos. Foley, using his influence and power helped defeat that amendment 189 to 165 **, thus providing millions of dollars of foreign aid to these countries.

Record Clear . . .

The implication could not be clearer. *Foley opposes home health care services for the elderly who have worked hard, paid taxes, and would like to live at home as long as possible to enjoy familiar surroundings, family and friends. However, Foley refused to cut off foreign aid to Southeast Asia and Cuba.*

Foley at Cross Current Position . . .

How did Foley's votes reflect the desires of the people in his district?

In a scientifically prepared survey done in July, 1977, by a qualified public research firm, it is clear that Foley is at cross currents with his constituents.

On the home health care services 91 percent of the voters favored the program.

And yet, 70 percent thought Foley voted for the program. It's shocking that a Congressman can be so out of touch with the folks he represents. But even on the basis of common sense, why didn't he vote for the care for the elderly?

On the health care question 65.6 percent of "slightly Democratic voters" favored the program. The "strong Democrats" favored it by a 63 percent majority.

On foreign aid, apparently Foley doesn't care what his constituents think. The July survey clearly revealed that 85 percent favor cutting off foreign aid to Southeast Asia and Cuba. Yet, Foley voted against cutting it off.

Does Foley Care?

The question is whether Foley knows what he is doing, or does he just not care!

The question certainly deserves an answer.

*Rollcall vote 117

**Rollcall vote 133

If Congress Had to Live by Its Own Laws—

Is the Capitol "the last plantation"? Pressure grows on legislators to obey the hiring, firing and safety rules that bind other employers.

Controversy over the employment practices of Congress is drawing attention to a Washington fact of life almost as old as the Capitol building itself—

When it comes to protecting workers against their employers, lawmakers can dish it out but they can't take it.

Over the years, the Senate and the House of Representatives have imposed a wide range of statutes on industry to protect employes against unsafe conditions, low wages, heavy-handed antiunion tactics, and racial, sexual or age discrimination. Yet legislators have balked at giving the same protections to their own workers.

Each regulatory law enacted—from the National Labor Relations Act of 1935 through the Equal Pay Act of 1963, the Civil Rights Act of 1964, the Occupational Safety and Health Act of 1970 and the Equal Employment Opportunity Act of 1972—has exempted Congress and its staff. The same holds true for every minimum-wage law since the first in 1938.

Until recently, little was made of this double standard. But now, growing disenchantment with the bureaucracy and many of the rules that Congress has placed on employers is kindling resentment over the exemptions that legislators have fashioned for themselves.

"It's flat-out wrong," declares Richard L. Leshner, president of the Chamber of Commerce of the United States. "We'd have more reasonable laws if Congress were under them, too."

Criticism from within. Pressure for change also is coming from some lawmakers themselves and from a coalition of congressional employes and civil-rights groups. "No longer can the Congress of the United States be viewed as the 'last plantation' where 'anything goes,'" says Senator John Glenn (D-Ohio), a backer of reform.

The 18,000 employes of the House and Senate are split up among almost 1,000 offices. Each of the 100 senators and 435 representatives hires and fires his office staff members at will. Com-

mittee chairmen have the same power over the staffs of the several hundred committees and subcommittees.

Lawmakers control staff salaries down to the penny and set their employes' working hours. Top aides usually are well paid, sometimes earning as much as \$50,000 a year. Upper-echelon aides and lower-level clerical workers alike, however, frequently must work long hours. And since the minimum-wage law does not apply to Congress, these em-

ployes are not eligible to collect any overtime pay.

Job-safety questions, too, are left entirely to each lawmaker. Just as the Civil Service Commission and the Equal Employment Opportunity Commission have no power to come poking around the halls of Congress, the Occupational Safety and Health Administration is powerless to conduct safety inspections on Capitol Hill.

"Spaghetti cords." Congressional workers have significantly less working space than do employes of the executive branch and private industry. In many offices, the staff works elbow-to-elbow, while the senator or representative uses the biggest room in the suite as a personal office. Confides one Capitol safety inspector: "You find some of the staff just about wrapped up in extension cords like spaghetti."

Whenever safety checks are made, the job is performed by inspectors

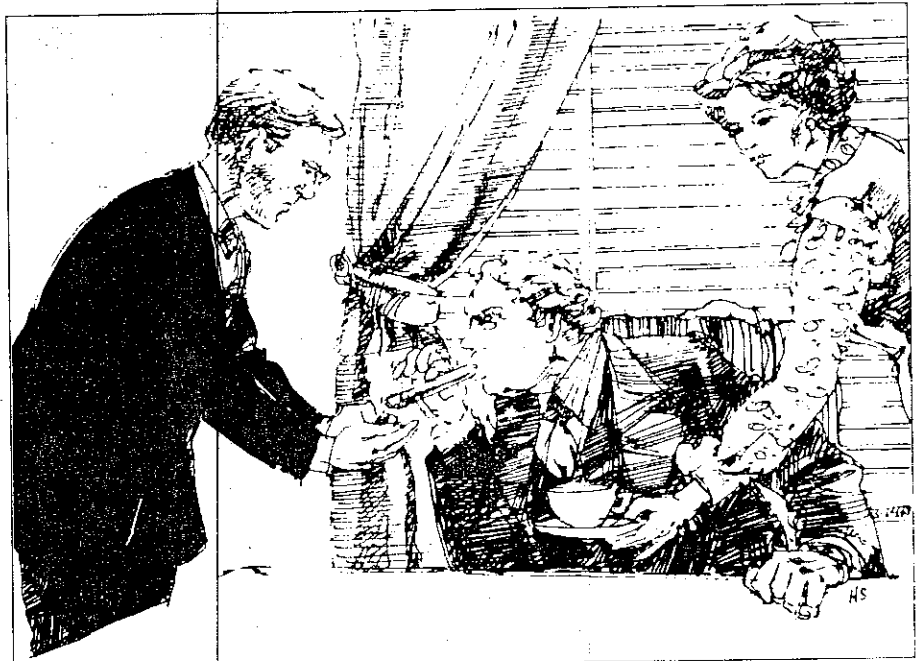
from the office of the architect of the Capitol, who do not barge in where they aren't wanted. "We don't go in and out of congressmen's offices except by invitation," concedes J. Raymond Carroll, the director of engineering.

Congressional employes and reform-minded legislators report that aides sometimes must perform demeaning tasks to keep their jobs. "Some of my colleagues want their staff to be like groupies, fetching drinks, baby-sitting for their kids, doing their laundry, maybe even granting a sexual favor," says one House member.

End to elitism? Another charge made: Certain lawmakers discriminate in hirings and promotions. Allegations in the press that the congressional placement office, a job-referral unit, was accepting discriminatory requests from lawmakers triggered an investigation in 1974.

The Joint Committee on Congressional Operations screened the files and found 48 discriminatory orders from 25 Senate, House and committee offices. The job orders contained such requests as "whites only," "no blacks," "young," "attractive" and "no Catholics." The committee ordered an end to discriminatory requests, but clapped a tight lid of secrecy over the identities of past offenders.

In the Senate, only 33 of some 1,100 professional staff members are black, according to the Black Legislative Assistants Staff Group. In the House, blacks hold 7 percent of all jobs. A special survey last year conducted by a House commission reported that blacks



Some senators and representatives expect their employes "to be like groupies, fetching drinks, baby-sitting for their kids, doing their laundry," says one lawmaker.



Federal safety rules don't cover Capitol Hill, where workers are elbow-to-elbow.

frequently are paid less than whites with the same amount of education.

A *U.S. News & World Report* survey in mid-March found that 27 of the Senate's 100 members did not have any blacks on their office staffs. Most of these senators represent states with negligible black populations. Five, however, come from states with substantial numbers of black constituents.

They are John C. Stennis (D-Miss.), Jesse A. Helms (R-N.C.), Kaneaster Hodges (D-Ark.), Harry F. Byrd, Jr. (I-Va.) and William L. Scott (R-Va.). All five or their spokesmen say they follow policies of nondiscrimination. Helms, whose state's population is 21.9 percent black, says he has had no applications from blacks, adding, "A senator does have the right to have on his staff those who agree with his philosophy and are competent."

Sexist hiring? The House Reform Commission found women holding 57 percent of all House jobs. But they are heavily concentrated in clerical positions. Women who do hold jobs in the professional category are paid, on average, only four fifths of the salaries their male counterparts earn.

In some jobs, the discrepancy is greater. One recent study found, for example, that among holders of the title press assistant, women drew a median salary of \$10,878; men, \$26,000.

How does Congress justify its self-exemption from labor-protection laws? For one thing, legislators cite the separation of powers between the executive and legislative branches. They argue that Congress must remain its

own master, and not place itself at the mercy of the bureaucrats who enforce labor and antidiscrimination laws.

They also contend that the politically sensitive nature of the work that aides do requires that legislators have a free hand in hiring and firing. Says one lawmaker: "A congressional office is like a ship that sails for two years. The congressman is the captain, and he must chart the course."

Some remedies. Reformers acknowledge it is not likely that Congress will include itself under major labor-protection laws anytime soon. But they are struggling to pressure Congress into setting up effective procedures of its own to police personnel abuses.

In 1976, two House members, Patricia Schroeder (D-Colo.) and Charles Rose (D-N.C.), set up an informal Fair Employment Practices Committee, made up of lawmakers and workers. The unit has mediated in about a dozen employment-grievance cases so far.

Its intervention is nonbinding, however, and is limited to the offices of 108 House members who have volunteered to participate.

"As I see it, if it's good for General Motors, it's good for the U.S. Congress," says Schroeder. "But we have almost no prospects of getting other House members to join us in providing equal-employment rights. We're the skunks at the garden party."

House rules have banned discriminatory employment practices since 1975. But enforcement is left to the Ethics Committee—a group with a reputation for inaction. No employe has ever filed a complaint.

In the Senate, the picture is somewhat brighter. Last year, the Senate instructed the Governmental Affairs Committee to devise a mechanism for enforcing a new antidiscrimination rule to take effect next January.

The committee on March 7 approved a plan to create a board of six private citizens—three Democrats and three Republicans—to look into the discrimination complaints of Capitol Hill employes. The board's rulings, which could require the promotion or reinstatement of a wronged worker, would be binding unless reversed by the Senate Ethics Committee.

The plan still must win the backing of the Senate as a whole, and some supporters worry that there will be a lot of backstage efforts to sink it.

But even if this happens, the issue is not likely to disappear. Says one backer, Senator James Abourezk (D-S.D.): "I don't think it is too much for citizens to expect lawmakers to abide by the rules we have established for the rest of the country." □

A Tax Lawmakers Keep Ducking

Why aren't senators and representatives required to pay Social Security taxes along with most other Americans?

This question keeps popping up in the angry letters that have been flooding Capitol Hill since January 1, when the Social Security tax started biting even deeper into people's paychecks.

The answer goes back four decades. When Social Security began in 1937, almost two fifths of the work force was exempted from both the taxes and benefits of the new program, including teachers, farmers, the self-employed and government workers of all kinds.

Over the years, Congress steadily broadened mandatory participation. Today, 110 million persons—about 95 percent of the work force—must pay into the system. Yet members of the Senate and House have preserved the exemption from Social Security for themselves and their staffs, the President and Vice President, federal civilian employes and certain state and local government workers—about 6 million persons in all.

Growing resentment. Now that Social Security makes a major dent in many pocketbooks, awareness of the congressional exemption—and resentment of it—is becoming keen.

Attempts to make Social Security coverage universal have run into stiff opposition from federal-employe groups, who charge that the result would be disruption of the civil-service pension system.

Most lawmakers, too, apparently see no personal need for the Social Security umbrella. They have their own pension system, which pays up to \$41,566 yearly. While in Congress, lawmakers pay 8 percent of their salaries into this system. Last fall, the House killed a proposal for universal Social Security coverage by a 380-to-39 vote.

Even so, the days of the congressional exemption appear to be numbered. Congress has authorized a study of the universal-coverage idea, and when it is completed in 1979, backers will launch their campaign anew.

which opened the following year, became a popular gathering place for members of Congress and other prominent persons. Park and Hanna held a birthday party there on Dec. 10, 1973, for Thomas P. O'Neill Jr. (D Mass.), then House majority leader; Vice President Gerald R. Ford attended as a guest.

The source of Park's money was a mystery to his acquaintances. After the Justice Department investigation came to light, Park told reporters in London that he received \$1-million a month from a family-owned Gulf Oil Co. business in Korea. Gulf denied that it paid him any such sum.

According to the federal indictment against Park, it was part of the conspiracy that he was designated the seller's agent for all Korean purchases of U.S. rice, and that some of the money was used to bribe members of Congress.

On Dec. 8, 1973, U.S. customs officials in Alaska had found on Park a list of about 90 members of Congress and other officials, with numbers beside their names under the heading of "contributions." Park reportedly tried to tear up the list, which was not confiscated or copied, so far as was publicly known. Justice Department investigators had to rely on the memory of customs officers as to the contents of the list, which was reported to be a major item of evidence in the case against Park.

House Probe

The House investigation of the Korean lobbying scandal got under way on Jan. 31 when the Standards Committee formally voted to begin looking into the allegations.

At the same time, the committee hired the law firm of Hughes, Hubbard and Reed as outside counsel, with the stipulation that the "contact" counsel for the investigation would be Philip A. Lacovara, former assistant to the Watergate special prosecutor.

The scandal was the fourth major problem to confront the committee in less than two years. From its creation in 1967 until 1975, the committee had been almost moribund, with no record of formal investigations.

Then, in short order, the committee had to grapple with a sex scandal that drove House Administration Committee Chairman Wayne L. Hays (D Ohio) out of office, the leak of a secret report on the Central Intelligence Agency (CIA), and conflict-of-interest charges against Robert L. F. Sikes (D Fla.), a member of the Appropriations Committee. (1976 *Almanac* pp. 23, 330)

The rush of events clearly provided the kind of national attention that the committee chairman, John J. Flynt Jr. (D Ga.), had not sought during his 23 years in the House.

Flynt, a former local prosecutor, had once complained that "it is never pleasant or easy to sit in judgment on one's peers."

House Approval

By a vote of 388-0 (with one member voting "present") the House Feb. 9 adopted a resolution (H Res 252, H Rept 95-10) authorizing the Standards Committee to "conduct a full and complete inquiry to determine whether members of the House of Representatives, their immediate families, or their associates accepted anything of value, directly or indirectly, from the Government of the Republic of Korea or representatives thereof." (Vote 14, p. 6-H)

The resolution granted the committee the authority it sought to gather evidence not only by subpoena but also the

use of depositions and interrogatories. House rules gave all standing committees the right to investigate "by subpoena or otherwise," but they did not specifically mention depositions or interrogatories.

Chairman Flynt said he wanted those powers so that if necessary the committee could gather evidence privately, without jeopardizing the reputations of persons it wanted to question. The committee's request for \$530,000 to conduct the investigation was approved by the House by voice vote March 9 (H Res 233, H Rept 95-46).

Pace Criticized

The committee investigation moved slowly during the spring and summer of 1977. Some members, notably Bruce F. Caputo (R N.Y.), complained that it appeared the Democratic majority was reluctant to pursue an investigation that might turn up damaging information about fellow Democrats.

There were few developments during this period. The committee disclosed on May 13 that it had obtained some of Tongsun Park's records. The shredded papers had been painstakingly reconstructed by reporters who found the scraps in trash Park left behind when he fled the country.

In June the committee sent questionnaires to 718 current and former members since January 1970. They were asked to report visits to Korea, gifts of more than \$100 from Koreans, and social contacts with alleged Korean agents such as Tongsun Park, Suzi Park Thomson or Hancho Kim.

Lacovara Out

At first, Lacovara sided with Flynt in arguing against pressure to conduct public hearings. The pressure came within the committee from Caputo and in petitions from other House members.

But in early July newspaper stories said that Lacovara had sent a confidential memorandum to committee members complaining that the committee was not meeting often enough, and that this was slowing down the approval of subpoenas and the work of the investigators.

Flynt had called one meeting in the three weeks preceding the July 4 recess, but had been unable to get together a quorum of the 12-member committee.

The committee then agreed to meet weekly for the next three weeks. At the first of these sessions, on July 13, most of the committee members were present but Lacovara was absent, vacationing in England.

Two days later, Lacovara resigned. While in London he learned that Flynt in a newspaper interview had questioned his integrity by proposing an audit of a \$35,000 bill the committee had received from Lacovara's law firm, Hughes, Hubbard and Reed, for June work.

Jaworski In

Lacovara's resignation at first was seen as a rebuke that the committee might not survive. He had been the committee's "symbol of credibility," as members of Congress and the press put it.

To restore some of the lost credibility, the committee began searching for a counsel of equal or greater stature.

Some Republicans, seeing a Democratic Watergate in the scandal, unsuccessfully petitioned President Carter for the creation of a special prosecutor. Others urged the committee to reject Lacovara's resignation and keep him as counsel.

But Speaker Thomas P. O'Neill Jr. (D Mass.) stepped in and began a strategy that called for the retention of a new counsel of "national reputation" and the drafting of a new "charter of independence" that would assure the new counsel his investigation would not be impeded.

One of O'Neill's first moves was to gain Flynt's consent to this approach, since it would limit the committee or bypass the chairman himself.

O'Neill acted partly in response to an ABC network broadcast, using an anonymous source, that suggested O'Neill and Majority Leader Jim Wright (D Texas) were implicated in the inquiry.

"I categorically deny that I am connected in any way with the Korean scandal..." O'Neill angrily told reporters. "There is absolutely no truth in this matter whatsoever."

By July 20, when the committee met for the first time since Lacovara quit, it appeared likely that Jaworski would be appointed. His name had been floated the day before as the man being sought.

Jaworski accepted on July 20 and the following day the committee, under some pressure from the leadership, agreed that it would issue any subpoenas Jaworski requested and that he could be removed only by a majority vote of the full House, rather than merely by committee action.

At Jaworski's request one of his law partners, Peter A. White, was retained as deputy counsel.

The appointment of Jaworski was warmly greeted on Capitol Hill, with the new special counsel being widely praised for his role in amassing the record that drove President Nixon from office and sent several of his top aides to jail.

Thomson Questioned

Jaworski assumed control of the investigation Aug. 15. Two days later Suzi Park Thomson, the former aide to retired Speaker Albert, refused to answer some questions put to her in private session by Standards Committee investigators.

She reportedly told the committee that she feared her answers would be leaked to the press or otherwise misused, and that she would answer certain questions only in public.

The committee on Aug. 24 made clear to Thomson that she faced a contempt of Congress citation if she did not testify in private. The next day she met privately with committee investigators for five hours.

Efforts to Question Park

The committee's efforts to question a more central witness, Tongsun Park, were hampered throughout the summer by his absence from the country. These efforts were further complicated on Aug. 18 when Park flew from Great Britain, which had an extradition treaty with the United States, to Korea, which had no such treaty that would permit Korean authorities to force Park's return to the United States.

Weeks of high-level diplomatic negotiations failed to obtain Park's return or the taking of his testimony abroad under terms acceptable to U.S. authorities. A Justice Department negotiating team left Korea empty-handed on Oct. 20.

Jaworski told the Standards Committee Oct. 21 that Park's testimony was needed to verify many of the specifics of his activities, including his actual contacts with members of Congress. Jaworski said that Korea, "as our ally and the

beneficiary of our historic friendship, has no right to cover up and obstruct our investigation of any conduct by our public officials."

As Jaworski recommended, the House Oct. 31 adopted, 407-0, a resolution (H Res 868) urging the Republic of Korea to "cooperate fully and without reservation with the Committee on Standards of Official Conduct and with its special counsel..." (Vote 661, p. 190-H)

The White House disclosed Nov. 5, in a report to Congress on its efforts to obtain Tongsun Park's cooperation, that the United States had offered to dismiss the indictment against him in exchange for his testimony.

The report said that "delicate discussions" were under way to allow U.S. investigators to interrogate Park.

News dispatches from Seoul on Nov. 30 said that Park was changing his mind about his refusal to come to the United States. A South Korean official was quoted as saying that there might be a breakthrough in the negotiations by Christmas.

Hearings

The Standards Committee began the public phase of its investigation with three days of public hearings Oct. 19-21.

The first round of hearings did not produce the names of members of Congress who may have been compromised. The ground rules prohibited witnesses from naming members. Only the identity and activities of South Korean nationals were discussed.

Jai Hyon Lee, a former Korean embassy official who defected in June 1973, testified that he had seen Kim Dong Jo, then the Korean ambassador, in the spring of 1973 stuffing some "two dozens" of plain white envelopes full of \$100 bills for delivery to "the Capitol."

Nan Elder, a staffer for Rep. Larry Winn Jr. (R Kan.), testified that around September 1972 a man she later discovered to be Ambassador Kim left an envelope full of \$100 bills on Winn's desk. She said the money, "more than I had ever seen," was promptly returned to the Korean ambassador.

The wives of Reps. E. (Kika) de la Garza (D Texas) and John T. Myers (R Ind.) told the committee that during a trip to Korea with their husbands in August 1975 they were handed envelopes containing large amounts of cash. They said the money was returned to the Korean donors.

Kim Sang Keun, a former KCIA agent who defected in the fall of 1976, testified to his role in transferring some \$600,000 to Hancho Kim who, along with Tongsun Park, was one of those charged with conspiracy and bribery.

Code Names Used

Kim Sang Keun said code names such as "Catholic father" and "chief priest of Bulkook Buddhist Temple" were used to channel money secretly to Hancho Kim for influence-buying. Transfers of money were variously coded as "translations," "dictionary" and "diary."

Committee staffers testified that from 1969 to 1976 Tongsun Park had received at least \$9.2-million in commissions on rice sales, and that additional amounts may have been deposited in foreign bank accounts.

Other witnesses included Kim Hyung Wook, former director of the KCIA; B. Y. Lee and Jay Shin Ryu, former employees of Tongsun Park; and three representatives of U.S. associations of rice growers, including former San Francisco Mayor Joseph Alioto.

Clippings

Spokesman Review 5-18-80

5th District race's battle of

By **ROBERT HARPER**
Spokesman-Review Olympia Bureau

OLYMPIA — Fifth Congressional District campaign fund raising this year is a lot closer than it looks on paper.

According to records filed with the Public Disclosure Commission, 16-year incumbent Rep. Thomas S. Foley, D-Wash., appears to enjoy a \$65,000 cash advantage over his two Republican 5th District rivals this fall.

But the reality is something else. Republican John Sonneland, who ran a close second in the 1978 GOP 5th-District primary, says he has nearly \$50,000 either in the bank or firmly pledged for his campaign.

But Sonneland's first campaign report, filed in conjunction with his April 17 candidacy announcement, listed no campaign donations and debts of \$64,606 remaining from 1978.

Sonneland, a former national

board member of Common Cause, said federal election law permits persons to explore the possibility of seeking offices without reporting expenses and donations.

He said the federal election law allows a person to explore a candidacy by such actions as printing and mailing letters. But he said the law forbids political advertising on behalf of the person exploring a candidacy.

When and if the person becomes a

bucks closer than appears

candidate, Sonneland said, the pledges and expenses are reported in accordance with the federal law. The next quarterly federal report is due July 15.

Sonneland, a Spokane physician who spent more than \$64,000 of his personal money to campaign in 1978, said he achieved his goal of pledges and donations of \$40,000 to start his 1980 campaign. In fact, he said, he has raised as much from the

general public this year as he did in all of 1978.

These donations are nearly all from within the district and include several \$1,000 contributions, said Sonneland.

Meanwhile, Republican Mel Tonasket, who was an unsuccessful 5th District independent candidate two years ago, reported only two donations this year, the largest of which was \$100 from Ralph F. Keen, a Tahlequah, Ore., attorney.

Foley's two campaign committees collected \$20,230 from Jan. 1 through March 31, and spent \$4,714 in the same three-month period.

Among the 93 donations in Foley's latest reports were eight contributions of \$1,000 each.

Contributors of \$750 to Foley's campaign were the Freeport Minerals Co. Committee, Washington, D.C.; and the Southern California Edison employees group.

5-18-80

Congress Antes Up

Mo Udall sent in a copy of his 1977 income-tax return, listing among other things that he earned \$50 by selling logs. Speaker Thomas P. (Tip) O'Neill attached an accountant's report. And Philadelphia Congressman Robert Nix declared that he had no financial worth at all, not even his salary. Such were the responses to the new rules requiring the members of the House of Representatives to disclose all income, investments and liabilities. When the 820 pages of reports were released last week, they showed that most of the 435 congressmen, like the Founding Fathers before them, are a well-off group, with real-estate holdings and stock portfolios. At least five are millionaires, though the reporting methods make it hard to tell exactly, and 153 have investments worth more than \$100,000. Only 22 reported no income other than their \$57,500 salaries.

The disclosures were required by the House last year after the Wayne Hays and Tongsun Park scandals had eroded public confidence in the financial dealings of congressmen. Beginning this year, an \$8,625 limit was placed on outside earnings—from speeches and law practices, for example, but not on dividends. Rather than accept the new rules, some congressmen chose to retire. "There is no question that the invasion of privacy was a factor in many decisions to retire," says Joe D. Waggoner of Louisiana, who is leaving. Thomas Rees of California, who left even before the rules were formally adopted, was more blunt: "Darned if I am going to drop my pants in public." Last week's reports, which cover the last quarter of 1977, uncover no obvious scandals, but they do present a fascinating picture of the financial life of House members.

Family Fortunes: Some members have inherited their wealth. Democrat Richard Ottinger of New York shares in his family's U.S. Plywood Corp. fortune, while Republican S. William Green of New York is heir to Grand Union supermarket money. Both men have vast diversified blue-chip portfolios (Green also reported a necklace worth at least \$100,000). Democrat Richardson Preyer of North Carolina, who is chairman of the Select Committee on Ethics, reported holdings of more than \$100,000 in the Richardson-Merrell drug company and listed a \$23,348 stock dividend from the firm.

Other members earned their wealth on their own. New York Democrat Frederick W. Richmond owns a \$19 million share of Walco National, a conglomerate that paid dividends of \$93,760 and \$13,000 in salary as chairman for the last quarter of 1977. Democrat Fort-

ney Stark, who represents a middle-class district in California, appears to be a millionaire, with large energy investments. And Republican Stewart McKinney of Connecticut, who sits on the House District of Columbia Committee, listed seven homes worth more than \$100,000 apiece, four of them in the District. Other millionaires or near millionaires: Democrat Jack Brooks of Texas, Republican Barber Conable of New York and Democrat Glenn Anderson of California.

Student Loan: Some members, however, have little beyond their salaries. Democrat Edward J. Markey, 31, of Massachusetts is still paying off his student loan at Boston College. Mary Rose Oskar, a freshman Democrat from Cleveland, earned \$896 in honorariums—and donated all of it to a scholarship fund she set up in her district. Democrat Toby Moffett, 33, supplements his income by renting his Connecticut home. And Alvin Baldus, a Wisconsin Democrat, said

one of his few assets is a share in the Hackensack Halfshot Gang Inc., a hunting cabin in the northern part of his state. Some members are deeply in debt, such as Republican George Hansen of Idaho.

But most of the members fell between the two extremes, a thick core of cautiously successful middle-class men (and a few women) who made their money as lawyers, insurance brokers or in business, mostly in smaller cities. Democrat Martin Russo of Illinois has invested in a local roller-skating rink. Republican Harold Sawyer of Michigan was paid \$100,000 by his Grand Rapids law firm last year and owns \$516,000 worth of stock in a plumbing supply company. Chicago Democrat Morgan Murphy got \$30,000 in legal fees and listed real estate worth more than \$600,000 in Illinois and Palm Desert, Calif. Gene Snyder, a Kentucky Republican, reported more income from the River City Coal Sales Co. than from his Congressional salary. Speaker O'Neill fits firmly into the middle group. With a personal net worth of \$181,192, he said he is paying off mortgages totaling \$117,000 on three homes.

Dash of Humor: In some cases, members reported income from groups affected by legislation they oversee. Democrat Richard Bolling of Missouri, a member of the ad hoc energy committee, has energy-related holdings. But he rarely votes with the oil and gas bloc. And the practice of lobbying groups paying congressmen to speak still seems strong. Thomas Foley, a highly respected Washington Democrat and chairman of the Agriculture Committee, got \$17,500 in speaking fees from such groups as the American Meat Institute and the Wheat Improvement Association. Democrat Fernand St Germain of Rhode Island, who chairs the subcommittee on financial institutions, was found to have a total of \$500,000 in loans from five different financial institutions, all used to buy buildings leased to the International House of Pancakes. St Germain held hearings on Federal banking regulations last year after Bert Lance resigned as OMB director.

While many congressmen were annoyed with the reporting, some complied with a dash of humor. Rep. Henry Gonzalez, a much-beloved Democrat in his Texas district, attached a handwritten note to the form he filed. "I have no other income [or] property . . . neither does my spouse or any relative to the tenth degree of consanguinity." Still, there are problems with the new rules, especially the double standard of permitting dividends while restricting other outside earnings. Eventually, Congress may well have to reform its reforms.

—DON HOLT with JOHN WALCOTT, CHRIS J. HARPER and HENRY W. HUBBARD in Washington



PATTY'S FINAL DAYS

With her final appeal turned down by the U.S. Supreme Court, heiress and convicted bank robber Patty Hearst is spending many of her last free days in Palm Springs, Calif., with a girlfriend and bearded bodyguard. Though probation is possible, friends say that she "expects" at least a year in jail.

ments. Mr. Foley has dismissed the serious implications of his behavior leaving the smell of a coverup — a coverup which may dwarf Watergate. The people of the Fifth District have a right to know what Mr. Park ~~was thinking~~ ~~to say~~ from Mr. Foley for the Korean government.

There was a time when such actions would be considered treason. But today Congressmen like Tom Foley are cuffed on the wrist or ~~are~~ released from responsibility without question. The people's support of government must be kept in mind. Mr. Teng Yun Park said he ~~was~~ ~~happy~~ to ~~congressmen~~ like Tom Foley.

Trust. Mr. Foley is violating that trust and demeaning our government.

Mr. Foley has said he broke no laws or rules of conduct. What Mr. Foley seems to forget is that

even without a law there
is still a question of his judgement
and the propriety of his behavior.

Park Talks (a Little)

He calls his bribery "an American success story"

His black shoes sparkled, his gold watch glittered. In the lapel of his crisp blue jacket a gold pin with five pearls gleamed. Under the hot glare of TV lights he kept dry and cool, sipping club soda. From behind the immaculate façade, however, came a sordid account of influence peddling. In two days of public hearings before the House ethics committee, Tongsun Park, the South Korean rice broker and Georgetown party host, provided the details of how he gave 31 past and present Congressmen, two congressional candidates and President Nixon's re-election committee upward of \$850,000 in gifts and "campaign contributions." Indicted last September on 36 counts including mail fraud, failure to reg-

the effectiveness of invitation diplomacy is nearly 100%," Park told the Korean government.

His biggest cash gifts were awarded to those former Congressmen who could best help his rice business. Louisiana's Otto Passman, who had not liked Park's arrangements for rice deals in his state, was pursued to Hong Kong in 1970 and given \$5,000 "for his campaign." Passman, who was indicted last month for bribery and conspiracy, received another \$274,000 from Park over the course of six years. Given the law barring campaign contributions from foreigners, Park also developed an interest in antique watches and jewelry, which Passman happened to collect. Park started buying Passman's



Tongsun Park conferring with his attorney William Hundley during House ethics hearings. "High Korean officials knew what he was doing and supported what he was doing."

ister as a foreign agent and bribery, Park testified with immunity from prosecution and claimed: "What I have done in Washington constitutes an American success story, on a small scale."

While Park added no major revelations to what has been disclosed over the past 18 months, his air of injured innocence, his flippant responses to questions revealed much about the man. Said committee Counsel Leon Jaworski, who was often irritated by Park's demeanor: "He treats this whole affair as just an ordinary sort of thing." Park practiced, according to a report he wrote on how to win support for Korea in Congress, "invitation diplomacy." He entertained Congressmen in his George Town Club; he arranged junkets for them and their wives to Seoul. "The past records indicate that

trophies at 50% above the market value.

The most puzzling turn in the scandal concerned Speaker of the House Tip O'Neill. Before Park's public testimony, the Justice Department released a document to the ethics committee that cast doubts on the Speaker's repeated assertions that he had nothing to do with Park other than being given two elaborate (\$6,000 total) birthday parties at the George Town Club plus a set of golf clubs and some hurricane lamps. The paper, written in Korean and titled "U.S. Congressional Delegation's visit to Korea," was found in Park's house in Washington. The document discussed the trip that O'Neill, 19 other Congressmen and some of their wives took to Korea in 1974. It said: "Mr. O'Neill specifically requested us to provide those Congressmen with election

campaign funds and their wives with necessary expenses."

Four Congressmen on the trip did receive payments from the Koreans, and two wives have testified that they were offered money but turned it down. O'Neill called the document "self-serving and a total fabrication." Park denied having written it and complained that the committee had violated his rights by seizing documents in his house. But Committee Investigator John Niels retorted. "The question was how the document got into your house, not how it got out." Still, the committee probers say they have "no faith" in the memo, thinking that at best it is an exaggeration.

Both Niels and Jaworski hammered away at Park on his connection with the Korean government, and he repeatedly denied being an agent of the Seoul regime. If it could be determined that Park was, indeed, a South Korean government agent, then even the campaign contributions would be illegal. As Millicent Fenwick, a committee member from New Jersey said, "High Korean officials knew what he was doing, approved what he was doing and supported what he was doing." Specifically, South Korean President Park Chung Hee wrote numerous directives to Korean officials in Washington, asking them to aid Park in his activities.

To clarify Park's relations to his government and to expose more South Korean influence peddling in Washington, the ethics committee investigators want to summon former Ambassador Kim Dong Jo, who they are convinced conducted a similar payoff operation. Seoul, which is claiming diplomatic immunity for Kim, may have gotten a boost for its argument when former U.S. Ambassador to South Korea William Porter admitted last week that the U.S. had bugged the Blue House, Korea's presidential home and office, before he arrived there in 1967. Korea has apparently decided not to question Porter on the bugging, which other U.S. officials still deny, and getting Kim to talk may be even more difficult now that Seoul has relaxed its position on Porter.

End of the Rope

Seeking justice in Houston

Shortly before midnight last May 5, an Army veteran named Joe Campos Torres, 23, was arrested for shouting insults and threatening customers at the Club 21, located in a Mexican-American community on Houston's east side. Wearing Army fatigues and combat boots, Torres appeared drunk but apparently healthy when police officers took him away. A few hours later, when the police brought him to jail, he was so badly bruised that duty officers refused to book him. They told the arresting officers to take Torres to Ben Taub General Hospital for treatment. Instead, six policemen

Mel Tonasket
Box 1508
Omak, WA 98841

August 1, 1978

Mr. Edward S. Watts
American Federal Building
P. O. Box 857
Tacoma, WA 98401

Dear Mr. Watts:

I received your letter of July 24th, and the attached papers concerning the Koreagate issue. I wanted to take this time to acknowledge your letter and to thank you for the very interesting information in the attachments. I am sure that they will be very useful to us in our campaign against Tom Foley.

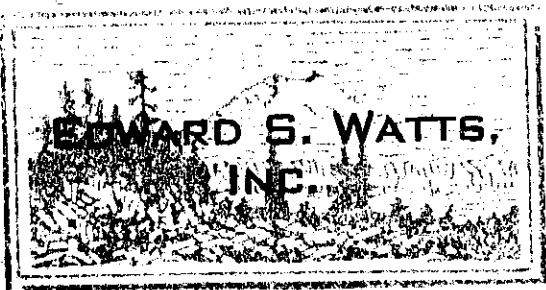
Thank you for your interest in these very important issues.

Sincerely,



Mel Tonasket

MT:lw



FINANCIAL AND INVESTMENT COUNSELING & MANAGEMENT

AMERICAN FEDERAL BUILDING

P. O. BOX 857

TACOMA, WA 98401

AREA CODE 206-627-5223

July 24, 1978.

Mr. Mel Tonasket,
P. O. Box 150,
Nespelem, Wash. - 99155.

Dear Mr. Tonasket:

About a week ago an Associated Press news article appeared in our Tacoma News Tribune that you were calling an "Independent Party" convention in Spokane for July 29th., for your nomination to run against Rep. Thomas S. Foley, who has been in the political machine too long, particularly if the Koreagate Felons should receive any due consideration.

Your news item was the first I knew, that as an "Independent" candidate, a party convention would be necessary; so we immediately wrote to the Secretary of State. Now we learn we are too late to qualify for the filing date next week. We do understand from the Auditor's Office that we might take (25) registered voters from here to the Spokane convention, to qualify a candidate for our Sixth District, if it would not disturb your Fifth District meeting?

I am really too old to be a candidate, but I have had so much experience in the last decade, with Government Corruption & Waste, High Cost-of-Living, by Government Manufactured Inflation, and no price or wage controls; that I felt I might at least plant a few seeds, by a campaign, to benefit those who have most of their years ahead.

Anyway, for months I have been going over my evidence, facts, and figures, so that our citizens and taxpayers might get a true understanding of what goes on at our County, State, and Federal Capitols. It is most disgraceful, and very costly for citizens, investors, and taxpayers.

Most of it can be summed up by: Bribery, Lobbying, and permitting Congressmen, Legislators, and Officials of Commissions to accept or receive side fees for services; when most of such would be in conflict with the best interest of citizens and taxpayers, who they are supposed to give first consideration.

I may not attempt to organize for the trip there next Saturday; but I herewith enclose a few bits, ideas, and news photocopy, which I will designate by dates as follows: 3/16/78, 5/27/78, 7/18/78, 7/23/78 - The Alumni, and 7/23/78 - Will Koreagate felons escape scot free?

Very truly yours,

Edward S. Watts
Edw. S. Watts, C.P.A.

ESW/

MEMBER, AMERICAN
INSTITUTE OF ACCOUNTANTS
WASHINGTON SOCIETY OF C. P. A.'S
627-5223

Will be glad to appear before any Church Groups on the
Financial Corruption of our United States
Congressmen: Representatives or Senators.

EDWARD S. WATTS, C. P. A.
TACOMA, WASHINGTON 98401

March 16, 1978

Citizens and Taxpayers,
Sixth Congressional District,
Tacoma and Vicinity, State of Wash.

Dear Friends and Others:

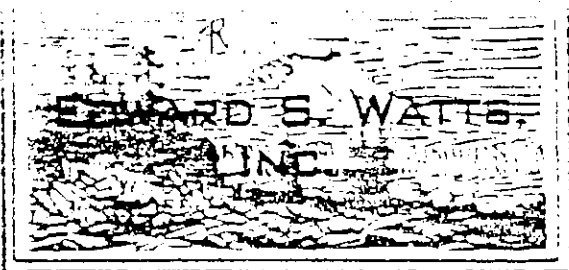
June 3rd: Now the Associated Press reports that
Gulf Oil Corp. pleaded guilty five years ago
to making illegal contributions to former
President Nixon, and Sen. Henry M. Jackson.
Could this be a reason the Senator has been
so slow, as Senate Chairman of the Energy
Committee?

Since our Nation is traveling a fast train or plane to financial destruction and hell, due largely to corruption of our legislators; by the grace of our Good God Above, I offer to serve in the United States House of Representatives for the Sixth Congressional District of the State of Washington, and I will file at the proper time, and promise, from my many years of experience gathering evidence, facts, and information, to reveal to our citizens, the investing public and taxpayers some of the corruption manufactured by legislation and practiced by some of the Federal Commissions, including the Securities & Exchange Commission.

No doubt the hundreds of thousands of unnecessary losses, so far, forced on citizens of this State by the failure of the Securities & Exchange Commission to abide by or enforce the "Securities Act of 1935", the "Securities Exchange Act of 1934", the "Trust Indenture Act of 1939", the "Investment Co. Act of 1940", and the "Investment Advisors Act of 1940"; represent a small and insignificant amount when considering the Nation as a whole; but the evidence and revelations by newspaper articles indicate the intimidations and threats for violations can be settled over the Nation by private confidential conferences, to excuse the violators at the expense and loss for investors, and doubly so for us taxpayers.

Recently the chairman of a large Seattle Bank contributed to an article in a Seattle newspaper on "Our Big Bureaucratic Government", and cited an experience with the SEC., to say (in addition to the unnecessary expense forced on them), the experience gave them the 'Red Tape Blues'. Of course "Big Government" is an apparent aim of most legislators, and "Red Tape" is a manufactured by-product, by legislation.

The Seattle Bank Officers related how impossible it was to satisfy the Regional SEC. Staff or the D.C. Officials by correspondence on questions about a simple financial statement so in desperation they decided to send (3) bank executives, an attorney, and two private accountants to Washington, D.C., at a cost of \$15,000. After an hour's discussion in D.C. the SEC. officials decided they had



FINANCIAL AND INVESTMENT COUNSELING & MANAGEMENT

AMERICAN FEDERAL BUILDING

P. O. BOX 857

TACOMA, WA 98401

AREA CODE 206-627-522

May 27, 1978.

William Eric Rohrs, Esq.,
1620 Washington Building,
Tacoma, Wash. - 98402.

Re: Your letter in the Tacoma News Tribune
May 18th. - "Lawyers aren't that bad".

Dear Mr. Rohrs:

Will you take a case against a firm of attorneys for "breach-of-contract", and/or "malpractice", where at least \$3.5 million was involved?

Or will you take a case against the Securities & Exchange Commission, for failure to enforce the laws for numerous admitted violations, which caused investors illegal and very unnecessary losses of several \$100,000? Involved in this case is the question of whether The SEC was influenced to excuse the violators, due to a 'bribery proposal' to The SEC attorney. The bribery proposal was made by a (then) local attorney, who was also guilty of a "breach-of-contract", or malpractice, and was one of the six Directors who committed the costly violations of the "Investment Co. Acts", as well as common law.

The SEC admitted and charged the different violations, but by excusing the violators, it operated to impair stockholders' rights for direct action, if The SEC had not also evaded and delayed actions and reports.

The involved attorney and the President, each died suddenly within the following week, from the date The SEC was advised the evidence and facts had been placed before the Washington State Bar Assco. I do not think the sudden deaths were due to murder, but I do think The SEC was the cause.

The SEC could still properly rule on the illegal actions, and violations, to mean recovery for the investors.

My enclosed letter of May 14, 1977 to the Managing Editor of The Wall Street Journal, will give you more information about the first paragraph question. It is my opinion our "retained attorneys" sold us out, by being bought off by Peat, Marwick, Mitchell & Co., along with The ICC and the Railroad.

ESW/m.

Very truly yours,

E. S. Watts
Edw. S. Watts, C.P.A.

June 23, 1978.

Richard Greenfield, Esq.,
17 Saint Asaths Road, Philadelphia, Penn.

Dear Sir:

Mail returned.

Do not remember where we learned of your name, and that you specialize in "Shareholder Litigation". When such involves other attorneys as you will see above, it may cause quite a difference. Or whether you care to file against The SEC, is something the attorneys here do not consider. In an event you can advise.

E. S. Watts.

EDWARD S. WATTS, C. P. A.
TACOMA, WASHINGTON 98401
627-5223.

July 18, 1978.

Mr. Norm Schut, Executive Director,
Senior Citizen Lobby,
1501 S. Capitol Way, Olympia, Wash. - 98501.

Dear Sir:

Will address you as above, based on the enclosed Seattle P.-I. news article, in last Sunday - July 16, 1978.

I have been a Senior Citizen in the State of Washington, for almost (20) years, and the above is the first I have heard of a State Senior Citizen organization, much less a 'Lobby', or an endorsement of "a graduated net income tax".

As a Citizen, whether Senior or not, I will continue to oppose "a graduated net income tax", at least, until I see spelled out by figures, the exact, and at least equal, tax eliminations, or reductions, according to the amount to be provided by such, "graduated net income tax".

Now I would like to become a member of the State Senior Citizen organization, unless my tax views will prevent me from being considered for such membership?

I mailed a check Apr. 26, 1978, for a (3) year renewal of my membership, in the American Association of Retired Persons, but I have yet to receive a new card, nor answers for inquiries about it. I may place it before The Better Business Bureau soon.

As and when our Senior Citizens are made acquainted with how our legislative bodies continue and increase inflation, by legislation, along with the corruption and waste ^{by} politicians; they will understand the reason for the ever increasing 'high cost-of-living'.

My enclosed announcement of candidacy for U. S. Representative for our Sixth Congressional District, does not mean I am entering politics for the money and pleasure, (as most do). Of course my age and campaign program, will sustain such, as truth. But from many years of experience, including Government corruption revelations; I am convinced Our Good God Above, has picked me for a very unusual assignment, (particularly at my age), for he knew I would bear such a burden, to at least plant some seeds.

The announcement mentions only one or two main objectives, and some generalizing. So particularly for our Senior Citizens of this District, and your information, I would spell out a few specifics, as follows:

1. If Lobbying is outlawed, by our (50) States and the Federal Government, it could reduce the 'cost-of-living' at least \$500,000,000. a year. Then who aspire to the Legislatures or Congress, would really be interested in representing the Citizens and Taxpayers. (They would not be wined and dined for "Special Interests". We have a good example before us right now in this State. Last year our Legislature, (not thinking about the Citizens and Taxpayers, as a whole), voted to increase the monthly welfare from \$59. to \$212., for 2,100 needy. Now we are advised the needy immediately increased to about (5,000). If the Legislature had given the Citizens and Taxpayers first consideration, there could have been more reason and sense to the legislation. So we reap accordingly.

(Continued on Page 2)

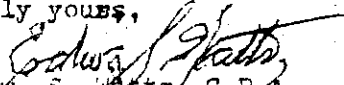
Mr. Norm Schut, Ex. Director,
Senior Citizen Lobby, Olympia, Wash.

July 18, 1978.
Cont'd.

2. There could be a good question, as to whether we are already over-lawed, both by State and Federal Legislation, and a good deal of it has meant nothing but to build the monstrous Bureaucracy - both State and Federal. There is at this time pending before the U. S. Congress, what is known as the Metcalf-Moss proposals, to enlarge and make more possible more corruption by the Securities & Exchange Commission. No doubt it would cause many illegal contributions and side fees for Representatives and Senators. Of course to increase such Bureaucracy, means legislating to continue and increase inflation, and the cost-of-living. A new Federal Commission is created at every whim of a Senator, or Representative. Such unnecessary Commissions cause a monstrous part of our cost-of-living. A few years ago, the then Sen. Mansfield, may have felt he dishonored the policy of the Senate, by suggesting the ICC. had served it's usefulness. Anyway, he resigned, and I believe, is now Ambassador to Korea. The FTC, ICC, and SEC could easily be consolidated, to eliminate much over-lap.
3. If our Representatives and Senators are elected to go to Washington, D. C. to represent us, why are their unnecessary costs inflated, for local and State branch offices? With such added personnel means about \$25,000.000 more towards our high cost-of-living. When our Mayors, County or State Officials want any thing from the Federal, they travel first class to D. C., whether it is necessary or not.
4. Then our Congressmen should not be permitted to accept any side income for services. If they are offered a fee, because they are a Representative or a Senator, if accepted, such should be turned over to the U. S. Treasury. They did not elect themselves to warrant any honors. If they accept illegal contributions or fees, they should be fined twice the amount involved. Then citizens and taxpayers should get honest and real consideration and representation, without the taint of a conflict of interest. Besides they have fixed their salaries high enough, to require all of their time and attention.
5. Of course I have not cited all the cost reductions possible in the Administration of our State or Federal Government, so as I discover and decide on others, I can keep you advised. All City, County, State, and Federal salaries are about twice what they should be, to be comparable with Private Industry. And such as \$250,000. to Richard Nixon, for his elaborate living expenses, is enough to make radicals of all citizens and taxpayers, whether Senior or not.

ESW/m.

Very truly yours,


Edw. S. Watts, C.P.A.

THE 7/24/78

The alumni: Dicks, Foley, Munro, Merkel

birth in a series)
DAVID KERN
recovered Columbian

In a galaxy of political and professional stars, they are some of the best in the field.
They are ex-regression, federal agencies and high-placed business executives and major league lawyers.

They have one thing in common — London sat at the right hands of two of the most powerful men in America, James Warren Magnuson and Henry Jackson.

The list of former Magnuson and Jackson staffers includes U.S. Reps. Tom Dicks and Tom Foley, both Democrats; Bonneville Power Administration chief Sterling Munro, U.S. Attorney in Seattle John Merkel, Boeing and Westinghouse public relations manager John Salter of Seattle, influential Seattle attorney Gerald Grinnell, Federal Trade Commission chairman Michael Partschuk, and Federal Reserve's Commerce Commission chairman Donald O'Neal, a Bremerton attorney.

The former staffers praise Scoop and V-E-E-R.

"I DON'T THINK I would have been in the House had I not worked for Senator Magnuson," Dicks said.

Dicks worked for Magnuson for almost eight years before he captured the 6th District congressional slot in 1976.

"Congressmen like a lot of other things — He who you know," Dicks said.

Foley said it would be fair to say that Magnuson is responsible for him being a member of Congress.

The Spokane Democrat said in 1964, he (Magnuson) just stumped all over the (5th District) really campaigning for me.

He said he didn't have personal time, but he had to go to work for Magnuson. When the campaign was over, Foley said he was a Republican. What was a man who had been in Congress 20 years?

Foley was a legal counsel to Jackson's Senate Interior Committee from 1951 to 1964.

"CORROUSIVELY working for Magnuson was the career for my career," said Foley. He was at the University of Washington Law School graduate.



Rep. Tom Foley

He was with Magnuson seven years serving as transportation counsel to Magnuson's Senate Commerce Committee, a position that gave him a keen insight into the workings of the ICC.

"I rather doubt I would have ended up chairman of this agency if I hadn't known (Magnuson)," O'Neal said.

Michael Partschuk, 45, a New York City native who worked 13 years with Magnuson, now heads the FTC.

In a speech before a drugists organization earlier this year, Partschuk noted he was a graduate of The Warren G. Magnuson Academy of Public Administration.

DESCRIBING THE "academy's" course work, Partschuk said:

"It isn't psychology or sociology or anthropology, although the behavioral scientists could learn a lot about the wellspring of human behavior by watching Sen. Magnuson really pick the pockets of a whole town full of case-hardened congressmen in a conference in pursuit of a project dear to the hearts of the state of Washington."

While many former members of the Jackson and Magnuson staffs fade for things.

It is so, Partschuk explained, because "he (Magnuson) understands that a policymaker in today's complex and difficult world cannot settle for second best in his own staff, so he

reaches out for qualified professionals — the people with spirit."
Senators traditionally have been asked by presidents for recommendations on appointment of U.S. attorneys, federal district judges and U.S. marshals.

But senators also have the right to pick candidates for regional posts.

BPA HEAD STERLING MUNRO, 46, said Jackson was partly responsible for his appointment.

Munro worked for Jackson for 22 years and was his administrative assistant for many of those years. Munro also was staff director of the "Jackson for President" campaign in 1976.

Both Jackson and Magnuson say their staff members go on to greater things because the persons are highly qualified and competent.

"I have always followed a rule, in my own self-interest, that I should get the very best that I can," Jackson said about selecting staff members.

"I try to pick people that are smarter than I am. You find I think, that my people are outstanding."

Do staffers go on to prominence because they are bright or because they worked for Scoop, Jackson?

"IT'S A MIXTURE of both," Jackson allowed. "If they are not qualified and worked for me, it's not going to help."

Magnuson insists that he never has picked a staff member into a high post. "I hated to lose some," he said. But Magnuson admitted that if a staffer seeks a high post, he will give a good recommendation if the person is deserving.

That recommendation can be the touch of political gold.

Magnuson has an alumni program with the University of Washington Law School. He has one graduate each year.

"I have on a pretty good roll, always with staffers. He admits that working for the Commerce Committee has opened some doors for former staffers.

But staffers work hard and talent does not rub off from the senators, observers note.

"IT IS NOT THE kind of thing that automatically opens doors to wealthy clients or important government jobs," said prominent Seattle lawyer Gerald Grinnell, a director of General Telephone Company of the Northwest, Inc.

He worked as Magnuson's administrative assistant for many years.



BPA's Sterling Munro

trative assistant during a 12-year stay with the senator.

"I don't think it's fair to characterize it as a 'Sugar Daddy' thing," said U.S. Attorney Merkel, a former Jackson staffer. "Does (working for Jackson or Magnuson) guarantee something? The answer is no."

"Just say it hasn't hurt me," joked public relations man John Salter of his public relations man John Salter of his years with Scoop.

Salter, a boyhood pal of Jackson's in Everett, was Scoop's campaign manager when he ran for Snohomish County prosecutor in 1938. Salter worked intermittently for Jackson from 1941 to 1965.

IN 1951, SALTER was named regional director of the Office of Price Stabilization, a job Jackson helped him land.

When Jackson was chairman of the National Democratic Committee in 1960, Salter was the committee's executive director.

"I developed a unique expertise in dealing with the Congress which has led right into private practice," said Salter, who represents Alaska Airlines and the tugboat division of Post-Dillingham as well as Boeing and Westinghouse.

"Jackson was mainly responsible for the election of our Democratic in 1964," Adams Salter said.

"He (Adams) or I was selected to draft them and used a great deal of his campaign money because he had very little opposition."

POWER IN WASHINGTON



Rep. Norm Dicks

Can Salter or someone else who worked for Jackson expect special favors from the senator in future years?

"GOD, NO. SCOOP has his own mind and everybody who has worked for him knows it wouldn't matter who you were if he didn't think it was right," Salter said. Former Jackson staffers and their jobs include:

Bill Casad, regional director of the federal General Services Administration in Auburn; Gordon Culp, Seattle lawyer and a University of Washington Regent; Jason King, formerly with Gen. Dixy Lee Ray's staff and now with Puget Sound Power & Light;

Russ Hoff, BPA's assistant administrator for conservation; Charles Ruffenford, Seattle lawyer; Ed Haason, executive officer and chairman of the Snohomish County Democratic Convention; the late Michael J. Caffery, a Seattle lawyer who went on to become chairman of the Chicago Transit Authority;

Jay Pearson, who heads Rep. Lloyd Meeds, D-Wash., 2nd District headquarters office; and Brian Corcoran, a Democratic candidate for the 2nd District congressional post being vacated by Lloyd Meeds.

FORMER MAGNUSON staffers and their jobs include:

Mary Shufman, a Seattle lawyer who is assistant director for domestic policy with the White House; Lynn Sullcliffe, a Bellevue lawyer now working in Washington, D.C.; Paul Cunningham, Washington attorney now with Con Hall;

Hank Lippick, formerly of Seattle now with Battelle Northwest in Richland; Mike Steward, now at the John F. Kennedy School of Government at Harvard University; Seattle lawyers David Berger and Stan Harer; Lee Pasquel, director of the King-Snohomish Mappowr Consortium; Joe Fogarty, Federal Communications Commission commissioner;

Jim Gray, an attorney for the FCC; Gilbert Keyes of Boeing; David Free-

man, chairman of the Tennessee Valley Authority; Richard Daschbach, chairman of the Federal Maritime Trade Commission; Edward Cohen, deputy director of the White House Office of Consumer Affairs; and Bill Prochaska, Seattle Post-Intelligencer editor.

O'Neal said persons who want a challenging career in government should think about trying to land a job on Magnuson's or Jackson's staff.

"YOU CAN'T FIND a much better place to view the entire workings of government," he said. "It's a hell of a good experience."

Asked if he would have any advice for college and law school graduates eyeing government jobs, Foley said: "I would certainly suggest that you could not go wrong, including an opportunity to go to work for Sen. Jackson. I don't know anyone who has done it and regretted it."

7/24/78: The above may be a good example and history of such Bureaucratic Political Machine, for serving friends and special interests; but certainly not citizens and taxpayers, particularly since no mention has been made of the "High Cost-of-Living", "Inflation", or any direct concern for Citizens and Taxpayers. E.S.W.



WILLIAM SAFIRE

TNT 7/23/78

Will Koreagate felons escape scot free?

HOUSTON, Tex. — The two-year investigations by the House Ethics Committee and the Justice Department into the corruption of the House of Representatives by operatives of the South Korean CIA is ending in a way cynics predicted it would end: with a handful of former congressmen indicted, and a handful of present congressmen slapped lightly on the wrist.

Devotees of successful criminal cover-ups doff their hats reverently to Speaker Tip O'Neill, who quietly limited the scope of the probe; to Ben Civiletti of President Carter's Department of Political Justice, who won powerful friends on the Hill in his botching of the investigation; to Special Counsel Leon Jaworski, king of press clips, who just did not have the gumption to go after the key witness that could have put 13 of our most powerful congressmen behind bars.

That witness is former Korean Ambassador Kim Jong Do, now a private citizen in Seoul. Although the bribe-takers could pretend that gifts and parties from "businessman" Tong Sun Park were not illegal, no such pretense is possible when a foreign ambassador slipped them thousands in cash. Such payment violates Article II of the U.S. Constitution, and the men on the take knew exactly what fundamental trust they were selling.

When it was pointed out in this space a few weeks ago that Jaworski — to Speaker O'Neill's intense relief — would no longer seek Ambassador Kim's presence under oath, a high diplomatic official took me atop the mountain to give me The Big Picture:

MORE IMPORTANT THAN putting a dozen lawmaking lawbreakers in jail, went the explanation, was the need to preserve the principle of diplomatic immunity. If the Korean ambassador could be forced to testify under oath about his bribery of congressmen, then our own ambassadors around the world would be vulnerable to local prosecution for real or fancied crimes.

This reasoning caused our Justice Department to give up any attempt to bring back the vital witness, and was responsible for the collapse of Jaworski's investigation.

But that argument — so readily



'AIN'T SEEN NOTHIN' BUT A FEW KIN FOLK'

embraced by politicians anxious to get rid of Koreagate before election time — is specious. Nobody is suggesting that the protections of diplomats be radically altered; on the contrary, the return of former Ambassador Kim for sworn testimony is the only way the traditions of an alliance can be upheld.

Our ally, South Korea, committed a grave and provocative act against the United States by inducing our congressmen to break our laws. Voluntarily, as a good ally, South Korea should now help us determine which of our congressmen are felons. We do not seek to punish their diplomat-briber — only to get his truthful testimony.

OUR TROOPS HAVE BEEN in South Korea for a generation to pro-

tect that country from attack. We have a right to expect South Korea to help us protect our own institutions from attack — and the successful subversion of the integrity of our Congress is surely such an attack. If the South Koreans expect us to turn over \$1 billion worth of military equipment to them in the next few years, as is planned, we can reciprocate by expecting their active aid in helping us expose and prosecute our congressional criminals.

Our State Department frets that we must not embarrass our Korean allies. The truth is that the embarrassment is more ours than theirs. If the Koreans would like an apology for our bugging of their presidential mansion — which was how we came

to know of the bribery — we should gladly issue that apology, turning over to them the fruits of our eavesdropping as part of the general clearing of the air.

None of this is in the cards, of course: a Democratic Justice Department and a Democratic majority in Congress is determined to keep a scandal involving mostly Democrats from being fully revealed.

If Jaworski were the patriot he has long been cracked up to be, he would ask for prime television time from the networks (which he would promptly get) to say something like this:

"I HAVE GOOD REASON to believe that at least 13 of our most senior congressmen have broken the law by taking bribes from a foreign ambassador. But I cannot prove my case until Congress and the president take the action needed to produce the witness.

"That action, my fellow Americans," Jaworski should say, "is not to trim economic aid, as has been done, which is a weak gesture to make it appear that we want our witness. That action would be to announce our intention to remove all U.S. troops and equipment from South Korea within 30 days unless that nation tells us what we need to know about our crooked congressmen.

"Write and phone your congressman today. Tell him you will not vote for him next fall if he is unwilling to get to the bottom of this scandal. Get angry — that's the only way you'll get action.

"I cannot do this job of exposing the felons alone. I need your help. Tell your congressman to stop pussyfooting on this issue, and start demanding that our ally act as an ally."

BEAMED INTO 60 MILLION homes, that message would get a reaction that would break through the cover-up and brush aside the phony diplomatic niceties that protect the speaker's friends. Does Jaworski have the nerve? Don't hold your breath.

We can only hope that some day, when party power shifts, we will have an investigation of all those who abetted this year's successful cover-up.

(New York Times News Service)