

and especially Republicans” on alleged evidence of corruption in the Teamsters. “He (Percy) is advising us to stay away from them (the Teamsters)” said one Republican Senator who asked to remain anonymous.

Percy’s office is known to have solicited information and other assistance from PROD (Professional Drivers) and the “Teamsters for a Democratic Union,” two FBI-Ralph Nader controlled informant networks within the UBT, Both PROD and the TDU are reportedly “watching with interest” to see “if Percy can finally get something going against Fitzsimmons.”

*Statement of Frank E. Fitzsimmons
Before the United States Senate
Permanent Subcommittee on Investigations*

My name is Frank E. Fitzsimmons. I am the General President of the International Brotherhood of Teamsters. My appearance before the subcommittee today is voluntary and in response to a letter from Vice Chairman Nunn inviting my participation. I have been cooperating with the staff of the subcommittee throughout this investigation and have also testified voluntarily before the staff.

I am aware of the subject matter of the subcommittee’s investigation. Many facts have been developed in this investigation concerning which I had no previous knowledge. I frankly commend the members of the subcommittee and the subcommittee’s staff for developing these facts. You have performed a service which is undeniably in the public interest. Legislation is clearly needed and this subcommittee’s investigative work should constitute compelling support for such legislation. I hope that we can make a worthwhile contribution in this investigative and legislative effort....

...I would like to take the opportunity of stating at the outset certain basic facts concerning my own position.

First, I have never received, either directly or indirectly, any benefit or anything of value from either Old Security Life Insurance Company or from any company related to Joseph Hauser or from Mr. Hauser or from anyone associated with him or with any of his companies.

Second, I am not aware that I ever met Mr. Joseph Hauser or that I have ever had a conversation with him.

Third, the actions which I took as a Trustee of the Fund relating to the Award of an insurance contract to Old Security Life Insurance Company on April 30, 1976, were based solely upon information provided to me by consultants to the Fund, and what I believed at the time to be in the best interests of the Fund and of its beneficiaries. (Mr. Fitzsimmons then carefully substantiated his points. He concludes:)

It is disturbing to me that the Trustees of the Fund were among the last to learn of the Hauser-Old Security scheme and of the massive transfer of premium moneys paid by the Fund to Old Security into Hauser’s accounts. Certainly, Tolley International and Mr. Teeuus had a fiduciary obligation to bring all of the relevant facts to the attention of the Trustees. I believe that the same obligation existed with respect to the officers of Old Security who were primarily responsible for permitting the fraud and the premium diversions to take place. Also, it is somewhat inconceivable to me that the Insurance Director and Attorney General of the State of Arizona, according to testimony before this subcommittee, became aware of the severe irregularities concerning this matter in mid-May, 1976, yet they did nothing to communicate with any official or Trustee of the Health and Welfare Fund. I also fail to understand how the Continental Illinois Bank would have permitted a person who was not even an authorized signatory to the account to effect, by telephone, a wire transfer of \$1.5 million of the Fund’s premium deposit to a bank in Phoenix without notifying the Fund.

Although the Fund is proceeding vigorously in its effort to recover the money which has been diverted, no one can predict how much will be recovered. However, as Mr. Shannon has already stated, no valid claim of any beneficiary of the Fund will be denied as a result of this fraud. Every claim which arose during the three months covered by the Old Security contract has been or will be processed on the merits. There are ample surplus funds to pay all such claims.

I have discussed the subject of corrective legislation with our attorneys and a number of ideas have been presented to me. We would be pleased to present our ideas to the subcommittee at your convenience.

50,000 West German Trade Unionists Demonstrate For Nuclear Energy

Factory councillors and other trade unionists from all over West Germany gathered in Dortmund yesterday to demonstrate their unanimous support for development of nuclear technology and for ending the present de facto moratorium on nuclear power plant construction. Attendance at the demonstration has been estimated at 50,000.

The demonstration was the result of a months-long

international effort by the European Labor Party to pressure West Germany’s trade union leadership into actively supporting the policies of Chancellor Helmut Schmidt for the development of nuclear energy. Through the mediation of the U.S. Labor Party, hundreds of support telegrams were sent by trade unionists in the U.S. to the electrical workers organizing the demonstration, who in turn have sent a telegram to Teamsters

head Frank Fitzsimmons encouraging the American bipartisan movement for nuclear energy. Yesterday this support was supplemented by two telegrams from Mexican trade unionists — one from the leaders of SUTERM, Mexico's largest electrical workers union, and another from the chairman of the nuclear workers union.

Initial reports indicated that the West German news media gave minimal coverage to the demonstration, including only a minute and a half on the evening news. However, the international wire services reportedly wrote and sent a story to their U.S. and other affiliates.

The groundswell of support for nuclear energy created by the Dortmund demonstration will be an important factor influencing the outcome of the Social Democratic Party's National Congress, which begins today in Hamburg. According to newspaper accounts, even if a number of antinuclear resolutions manage to slip through, the SPD is going to give the Schmidt govern-

ment a free-hand to implement a carte-blanche "Special Program" to maintain essential nuclear production and research activities.

An official "compromise" party policy is, meanwhile, being drafted jointly by Adolf Schmidt, pronuclear head of the Mining and Energy Union, and Herbert Ehrenberg, environmentalist Federal Labor Minister. Such a compromise would parallel that made by the Free Democratic Party at their congress last weekend, and would entail a six-to-eight-month halt to nuclear construction until temporary nuclear waste dumps are established (as opposed to the environmentalists' original demand that a moratorium last until a final reprocessing center is constructed in six years.) Similarly, the leadership of the West German Trade Union Federation (DGB) announced that it favors the issuance of nuclear construction permits "in well-founded cases," but has not elaborated what this includes.

The UAW On Nuclear Power: Then And Now

The United Auto Workers' current stance against the development of nuclear power stands in sharp contrast to the favorable orientation toward nuclear technology of the late Walter Reuther. For at least 15 years, concurrent with his term as president of the UAW, Reuther was committed to a crash program for the development of nuclear power that would involve both government and industry.

Reuther's declarations in behalf of nuclear energy development represent the positive side of an intense factional struggle between the Warburg and Baruch families' financial interests who were against nuclear power, and President Eisenhower, who favored nuclear development.

Today the UAW leadership has officially condemned the U.S. nuclear program, especially the potential for nuclear exports, as a major element contributing to nuclear proliferation and war.

Here are portions of a speech given by Walter Reuther on Jan. 25, 1956 before the Joint Congressional Committee. Reuther spoke as a member of the panel on the Peaceful Uses of Atomic Energy, but his remarks were not included in the panel's report to the committee.

...Access to low-cost nuclear power may prove the key to the economic development of backward areas and make possible the liberation of millions of people from poverty, hunger, ignorance and disease...

We shall not give leadership to other people if we refuse to exercise it in our own behalf. The fact is that the United States is failing to demonstrate the outstanding leadership in releasing atomic energy as a source of electric power...This is proceeding much too slowly.

For many years after the war no really significant beginning was made to apply the atom for peaceful

purposes. Finally, one year ago, the AEC invited private enterprise to submit proposals for participating in the development of atomic reactors for the generation of electric power. But no private reactors are now under construction and none has completed the initial stages of design...

Apart from this (the AEC demonstration reactor at Shippingport, Pa.) government project, the sobering fact is that today ten and a half years after the end of the war, America's peacetime atomic power program has not advanced beyond the drawing boards...

The need to develop atomic energy as a practical source of power for use in the United States is urgent. There are power hungry areas in our country today. There are other areas where the high cost of energy retards economic progress and is encouraging the flight of industry to other parts of the country.

Total power requirements in the United States will expand at a tremendous rate over the next 25 years. We shall need nuclear power to meet those requirements. I cannot accept the comfortable assurance that our conventional fuel resources will meet all our power needs for another 20-25 years. Nor will I accept the Federal Power Commission consistently conservative forecast of power requirements as reflecting the true growth potential of our economy or the increasing need of the American people.

No power ceiling should be placed on the normal and necessary expansion of our economy.

To meet the challenge and to realize the opportunity of peaceful uses of atomic energy, we must mobilize every segment of our economy. We must make full use of the capabilities of both government and private enterprise. Only by drawing on the contributions of each can we make satisfactory progress toward our objectives — fortifying the strength of our nation, advancing the