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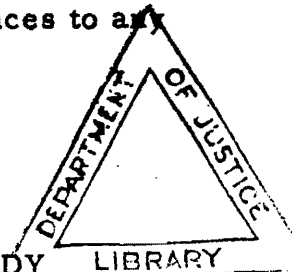
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There should be no premature release of this statement nor should its contents be paraphrased, alluded to, nor hinted at in earlier stories. There is a total embargo on this statement until delivered by the Attorney General at 10:30 A. M., which includes any and all references to any material in this statement.

STATEMENT

BY

ATTORNEY GENERAL ROBERT F. KENNEDY



TO THE

PERMANENT SUBCOMMITTEE ON INVESTIGATIONS
OF THE
SENATE GOVERNMENT OPERATIONS COMMITTEE

September 25, 1963

Organized crime, one of the biggest businesses in America, has many faces. Some are well-known, like that of the gambler operating the roulette wheel which is not only illegal, but fixed. Another is that of the narcotics peddler, trading on the misery of the poor.

There are other faces -- those of racketeers who engage in extortion, prostitution, corrupt labor relations and bootlegging.

The reason racketeering can flourish in our society depends, however, on some other faces, not so well-known.

There is the rackets leader, seeking protection from the law, and there is the public official who offers it -- for a price -- daily betraying his position of honor and trust in his community.

There is the syndicate gunman who issues threats, and there is the potential witness who receives them, frightened almost inevitably into silence.

It is this last aspect which makes the job of fighting racketeering hardest and it is this aspect which means that one of our most important weapons in the fight, at the federal and local level, is criminal intelligence.

Intelligence -- the most detailed information obtainable on the background and activities of suspected criminals -- is essential to all law enforcement. It is even more important to successful action against racketeers.

Evidence concerning their clandestine operations is particularly hard to uncover. A witness who will testify in the face of threats to himself and his family is rare. This is one reason the disclosures made by Joseph Valachi are significant: for the first time an insider -- a knowledgeable member of the racketeering hierarchy -- has broken the underworld's code of silence.

Valachi's disclosures are more important, however, for another reason. In working a jigsaw puzzle, each piece in place tells us something about the whole picture and enables us to see additional relationships.

It is the same in the fight against organized crime. Valachi's information is a significant addition to the broad picture. It adds essential detail and brings the picture into sharper focus. It gives meaning to much that we already know.

The picture is an ugly one. It shows what has been aptly described as a private government of organized crime, a government with an annual income of billions, resting on a base of human suffering and moral corrosion.

In 1957, more than a hundred top racketeers met at the now-infamous crime convention at Apalachin, N. Y. But until 1960, the Federal Government had only the barest shreds of evidence about what happened at that meeting. A number of the delegates, including those from Chicago, escaped detection.

Federal investigative agencies are now pooling information on more than 1,100 major racketeers. Because of the investigative vigilance possible as a result of this intelligence effort, such a meeting could not occur unobserved today.

Because of intelligence gathered from Joseph Valachi and from other informants:

--We know that Cosa Nostra is run by a Commission and that the leaders of Cosa Nostra in most major cities are responsible to the Commission. We know that membership in the Commission varies between nine and twelve active members and we know who the active members of the Commission are today.

--We know, that in the past two years, at least three carefully planned Commission meetings had to be called off because the leaders learned that we had uncovered their well-concealed plans and meeting places.

--We know that the Commission makes major policy decisions for the organization, settles disputes among the families and allocates territories of criminal operation within the organizations.

For example, we now know that the meeting at Apalachin was called by a leading racketeer in an effort to resolve the problem created by the murder of Albert Anastasia. The racketeer was concerned that Anastasia had brought too many individuals not worthy of membership into the organization. To insure the security of the organization, the racketeer wanted these men removed.

Of particular concern to this racketeer was that he had violated Commission rules in causing the attempted assassination of Frank Costello, deposed New York rackets boss, and the murder of Anastasia. He wanted Commission approval for these acts -- which he has received.

--We know that the Commission now has before it the question of whether to intercede in the Gallo-Profaci family gangland war in New York. Gang wars produce factionalism, and continued factionalism in the underworld produces sources of information to law enforcement. Indications are that the gangland leaders will resolve the Gallo-Profaci fight.

The casualty list of this one gang war alone offers a somber illustration of how cruel and calculating the underworld continues to be.

Since the summer of 1961, there have been five persons murdered and 13 persons seriously injured. Ten of these were shot, one nearly strangled, one beaten in a New York night club, and one beaten and then thrown from a speeding car. Such violence is not limited to New York,

There have been 37 gangland murders since 1960 in Chicago and in the Youngstown, Ohio area, there have been 70 bombings since 1950.

--We know that Joseph Magliocco, who has taken over in Brooklyn as successor to the recently deceased Joseph Profaci, has not been confirmed by the Commission and will probably not be. This is despite the fact that Magliocco recently sought the support of Commission members Angelo Bruno and Steve Maggadino.

--We know that while Vito Genovese is in Federal Prison, Tommy Eboli is substituting for him in New York and Gerry Catena is doing the same in New Jersey.

Because of the power that Genovese wielded within the organization and the fear in which he is held by the New York organization, no move has been made to take over the top spot while his appeal of a narcotics conviction is pending in the courts.

If Genovese stays in prison after his case is concluded, we anticipate a major underworld power struggle in New York.

--We know that because of federal intelligence efforts other Commission meetings have been limited to one or two members and have been held in highly clandestine fashion.

Such intelligence is important not only because it can help us know what to watch for, but because of the assistance it can provide in developing and prosecuting specific cases.

Syndicate leaders and their associates have been identified and all are now under intensive investigation. A number of major racketeering figures have been convicted and many more cases are in the indictment or investigation stage.

Thus we have been able to make inroads into the hierarchy, personnel and operations of organized crime. It would be a serious mistake, however, to overestimate the progress federal and local law enforcement has made. A principal lesson provided by the disclosures of Joseph Valachi and other informants is that the job ahead is very large and very difficult.

We are doing an increasingly better job of using most of our assets in the effort to curb the enormous power of organized crime. But the effort has only begun.

In 1961 and 1962, Congress granted us new statutory authority with which to act against the rackets. With bipartisan concern and support, we obtained new laws forbidding interstate travel for racketeering purposes, interstate shipment of gambling machines or paraphernalia, and use of interstate communications for gambling purposes.

These statutes have given the FBI jurisdiction to investigate such activity for the first time. Further, the FBI's investigative jurisdiction has been enlarged with the expansion of the Fugitive Felon and Federal Firearms Acts.

With these additional legal weapons, we have been able to improve greatly the federal law enforcement effort. The Organized Crime and Racketeering Section of the Department's Criminal Division has been enlarged and revitalized and it has been given increasingly powerful help in prosecuting cases from the various federal investigative agencies.

The statistics for cases involving organized crime give some indication of our activity. For the first six months of this year, we secured

indictments of 171 racketeering figures -- compared with 24 for the same period three years ago. This year, the number of convictions was 160; three years ago, it was 35.

Organized crime cases have been in large part responsible for sharp increases in the work figures for the entire Criminal Division. Last year, Criminal Division attorneys spent 809 days in court and 7,359 days in the field. Two years prior, the figure was 283 days in court and 1,963 days in the field.

The parallel efforts of the investigative agencies have been unremitting. Above and beyond its outstanding activity under previous statutes, the FBI has conducted extensive and effective investigations of possible violations of the new laws. It is penetrating deeply into the operations and structure of the rackets.

The Federal Bureau of Narcotics has continued and improved on its notable record of intelligence-gathering and enforcement. The Internal Revenue Service is pursuing racketeer tax frauds as an integral and important part of its work.

The Immigration and Naturalization Service, Postal Inspectors, and Customs Bureau, the Secret Service, the Department of Labor and other agencies all have made an important contribution to our effort.

The work of local law enforcement officials in many communities have been outstanding, notably in Los Angeles, under Police Chief William Parker; in Cincinnati under Police Chief Stanley R. Schrotel and in New York, under Commissioner Michael J. Murphy.

All these efforts notwithstanding, however, we have yet to exploit properly our most powerful asset in the battle against the rackets: an aroused, informed, and insistent public.

In the words of the old saying, every society gets the kind of criminal it deserves. What is equally true is that every community gets the kind of law enforcement it insists on.

Regardless of new laws and old, regardless of resourceful and dedicated federal investigative efforts, and regardless of how well-rounded a picture of organized crime our intelligence helps us to secure, the only force that can conquer organized crime is the vigilance of citizens in every community.

Public attention is not enough. The extensive efforts of this committee and that of the late Senator Kefauver focused wide public attention on the scope of the problem. And yet not only has organized crime not diminished, but it has become an even more urgent national problem.

The recurring theme we have found in case after case is that where there is little public interest, the cash registers of organized crime clang loudly. Where public interest is aroused -- and stays aroused -- racketeers are driven into bankruptcy or prison.

A notable example is Newport, Kentucky, which was long known nationally for wide-open gambling and prostitution. Law enforcement there was deeply corrupted and small citizens' groups had been fighting the rackets for years without success.

In 1961, while reformers were mounting a new effort, we convened a special federal grand jury. On the basis of solid investigative work by the Internal Revenue Service and FBI, the grand jury returned indictments which led to the conviction of Frank Andrews, one of the country's leading numbers operators, and an attorney and night club operator involved in the rackets.

We also made grand jury witnesses available to state authorities and an aroused local grand jury then indicted the Mayor of Newport and several council members and policemen, for malfeasance. They are awaiting trial. Meanwhile, the voters ousted the Campbell County sheriff, and the chief of detectives in Newport has been replaced.

The fight is not over in Newport, but organized gambling and prostitution have been eliminated. A reform candidate has been elected sheriff and there are continuing efforts to elect more decent citizens to local public office. And, we are told, the Newport economy, once thought to be so dependent on illegal gambling, has had a sharp up-turn. Business, which once avoided the area, is now settling down in an atmosphere of safety.

Beaumont, Texas provides another example. Since late 1960 when a special squad of IRS agents began intensive investigation there, the wide-open vice and corrupt law enforcement which had existed for decades have been largely eliminated. This result has been achieved by joint state and federal efforts, which continue.

A number of public officials, including the sheriff, district attorney and police chief of Beaumont and Port Arthur each admitted receiving substantial amounts as "political contributions." In one case, these amounted to \$85,000.00 in five years.

All of these officials have been removed. Three leading local gambling figures have been convicted of tax charges and still other cases are either pending or under investigation.

The effect of aroused community interest is by no means limited to smaller cities. One of our principal areas of concentration has been a highly industrialized eastern city. A task force of federal agents and several attorneys from the Organized Crime and Racketeering Section, working with the United States Attorney's Office, organized a coordinated drive against the racket interests there.

Their first target was the syndicate in the suburbs. They found half a dozen major crime figures -- all of whom attended the Apalachin conference -- conducting racketeering activities outside the city proper. Because of their connections with police, the racketeers were virtually immune from local prosecution.

As a result of our coordinated effort, their gambling headquarters were raided. Two were indicted and are awaiting trial for tax evasion and their top lieutenants have been convicted on gambling tax charges.

Further action at that time was blocked only because corrupt local police prevented surveillance of a courier who was bringing gambling profits to rackets chiefs shortly before the raid.

Nevertheless, the public attention aroused by these cases resulted in replacement of the suburban town government and police force.

Meanwhile, the attack on extensive racketeering activities within the city itself began with undercover surveillance by the Internal Revenue Service.

Raids on gambling headquarters followed and in one of these, we were able to make a clean sweep of arrests -- of the operators and the employees of the three largest numbers operations in the city. Of the three operators, two have been convicted and the third is awaiting trial.

Law enforcement efforts in this city now are changing drastically. Police are now cooperating with fellow law enforcement officers rather than gamblers. Local, as well as joint federal-local raids have been conducted and more are planned throughout the area.

I think it is fair to say that the change results from the public awareness and action stimulated by the original federal drive.

Let me make it clear that for the most part, our experience with local law enforcement officials has provided us with case after case of dedicated, honest and courageous police action.

One excellent example came in Detroit November 9, 1962. The scene was a former hotel, turned over totally to very large-scale numbers operations, other types of gambling, and prostitution. Security was maintained not only by a building-wide buzzer alarm system, but also by a closed-circuit TV in the lobby.

City and state police joined forces with Internal Revenue Service agents and a joint 100-man raiding team was established. Operating with complete secrecy, they then conducted one of the most successful gambling raids in history.

The indictments of a number of gambling figures, including the chiefs of six numbers games in the city, have followed. While these have not yet been tried, Detroit officials tell us that many gambling figures have moved out of town, that those who remained move around constantly, and that the numbers business in the city has dropped sharply.

Seized records show that prior to the raid, this single hotel operation brought in \$21,000,000 a year.

Such enormous totals are not unusual. They illustrate how big a business organized crime has become.

As I testified before the Senate and House Judiciary Committees in the summer of 1961, we estimated that illegal gambling alone had a gross volume of some \$7,000,000,000 annually.

We have made progress since that time. We have successfully prosecuted 1,283 gamblers for wagering tax or interstate gambling violations. This is a good beginning, but it is no more than a beginning, and the success of our efforts cannot be measured properly for several years.

There is, in any event, no doubt that illegal gambling still takes in enormous amounts of money, much of which is used to feed other kinds of organized crime.

To illustrate, in an interstate numbers game case which we prosecuted successfully in New York City, records seized during a raid disclosed that this single operation grossed \$6,000,000 a year. In the three related cases successfully prosecuted in the Western District of Pennsylvania a total of \$40,000,000 was involved.

Figures of this magnitude have been found all over the country. In the state of Washington the defendants in a case involving interstate transportation of pinball machines admitted in open court that they paid 20 percent of their gross income of \$16,500,000 to the State in taxes in 30 months despite the fact that the pinball machines, which were the source of the money, were illegal under State law.

Narcotics also provides enormous profits. Because of the remarkable vigilance and law enforcement efforts of the Bureau of Narcotics, under Henry Giordano, we know the syndicate leadership has ordered its members to stay out of the narcotics traffic.

The greed of a number of racketeers is so great, however, that despite the risk and despite these orders, they have continued to operate extensively in this field. More than a score of Cosa Nostra members have been convicted recently on narcotics charges.

This greed -- and the efforts of the Bureau of Narcotics -- are typified by a historic case involving an international heroin ring. This operation smuggled, conservatively speaking, \$150,000,000 worth of heroin into this country in the false bottoms of trunks supplied to unsuspecting Italian immigrants.

How important this case was to the syndicate can be gauged from what happened to the 24 men indicted in New York. The body of one defendant was found in the Bronx, full of bullet holes, shortly before the trial. The badly burned body of a second defendant was found in a field near Rochester, N. Y. during the trial. Another defendant attempted suicide and three others, the leaders of the ring here, fled the country, two of them forfeiting \$50,000 bail.

The Bureau of Narcotics, picking up their trail in the Caribbean, traced them to Italy and then to Spain where they were arrested, and returned them to this country. Ultimately, they were convicted both on the original narcotics charges and also on flight charges.

The remaining defendants were convicted and sentenced to long prison terms.

Gambling and narcotics are not the only sources of great income to the rackets. Usurious loans -- known in the underworld as "juice loans" or "shylocking" -- involve large amounts, as well as frequent hoodlum threats of violence made to insure repayment.

The principal syndicate "shylocker" in New York was carrying some loan records when he was arrested by the FBI recently for violating probation. While he first contested revocation of his probation at a hearing, he quickly changed his plea to guilty when the court sought to question him about the records.

From other sources we know why he was so anxious to avoid talking about his loans. He had loaned over \$125,000 of his own money at usurious rates. The additional money he was handling for the syndicate ran into hundreds of thousands more.

Considering that an interest rate of six dollars back for five borrowed per week is not unusual in the underworld, the size of the profits from this activity is apparent. If there is no repayment, that rate would compound to more than 700 percent over the usual 12-week loan period.

Yet even the enormous amounts of money involved in these activities tell only part of the story of the rackets' financial interests. What is at least as disturbing -- and far more insidious -- is the increasing encroachment of the big businessmen of the rackets into legitimate business.

In some cases, the familiar weapon of extortion has been used not only as a source of direct income, but as a wedge to obtain control of respectable enterprises.

An illuminating case in point began in 1960 with a series of threats directed against the partners in a Brooklyn furniture enterprise. Subsequently, one partner was beaten by unknown assailants. Acting on the advice of a New York rackets leader, the partners then sought protection from another important racketeer ranked high in the Profaci-Magliocco family.

The "patron" agreed to provide the necessary protection, but announced that he, too, was now a partner in the business, of which the paid-up inventory alone was more than \$60,000.

In return for his new "partnership" he gave \$10,000 to one partner for his entire interest and \$5,000 to the other for a half interest.

Thereafter, the racketeer proceeded to milk the company dry. Then came a series of mysterious fires which resulted in an insurance settlement of over \$105,000.

Another scheme used by racketeers for intrusion into legitimate business is bankruptcy fraud. The method of operation is simple.

A racketeer buys or opens a retail store, often through a "front" man. He deposits substantial funds into a bank account for the store and, using that as a basis for credit, orders large amounts of merchandise.

He then sells the goods through the ostensibly legitimate store, but does not pay his creditors. Anxious to protect their investment, they give him extended opportunity to pay.

By the time the collector comes with the sheriff, however, the ostensible merchant has disappeared -- or contends that he lost the retail sale proceeds, now safely hidden, at the race track or in a so-called burglary.

Racketeer involvement in such cases is increasing. We have two cases now pending in different eastern cities, each involving six-figure amounts and other similar cases are under investigation.

Still another form of encroachment into legitimate business is the fictitious employee scheme.

To cloak their illegal activities, racketeers in some parts of the country have arranged to be placed on the payrolls of ostensibly legitimate businesses, which they may, indeed, own themselves.

This employment is purely fictitious and the racketeer performs no services for the firm. But the "job" permits him to devote his time to operating illegal activities while the job title and his tax returns show him to be a member of the honest business community.

A racketeer in this position can use the business as a funnel for racketeering profits by repaying loans for example, with illegally obtained funds.

We now have this kind of activity under scrutiny in several areas, including a mid-western city where nine top racketeers are engaged in fictitious "front" jobs.

Other racketeers have interests in a variety of legitimate businesses -- the garment industry, construction, bowling alleys, liquor wholesaling, real estate, juke boxes, vending machines, restaurants, and others.

Such business interests in some cases have fostered official corruption. In an eastern city, a leading racketeer and the city's mayor and police chief are awaiting trial on charges of extensive corruption involving substantial payoffs to the city officials in exchange for approving contracts for city business.

In a mid-western city, a high-ranking municipal official is under indictment for attempting to extort thousands of dollars from firms seeking city contracts. There are other similar cases, and we now have more than a hundred investigations in 30 states involving the corruption of public officials.

Another highly profitable activity for racketeers with legitimate business interests has been stock fraud. Often, rackets figures with considerable capital at their disposal invest not only in legitimate securities, but also in questionable stock. Typically, they artificially raise the price of such stock with calculated purchases and then sell large amounts through "boiler room" telephone solicitation.

In one case, a leading eastern rackets figure is now under indictment for evading taxes on more than a million dollars profit received from such sale of stock.

Similar situations and cases involving the sale of stolen securities are now under close investigation.

Racketeers' intrusions into business are paralleled by their intrusions into labor relations. No one is better aware of the extent of labor racketeering and the toll it exacts than the members of this committee.

We have been alert to this type of criminal activity as well and in the past 32 months have taken prosecutive action against a number of corrupt businessmen as well as dishonest officers or members of some 45 different unions.

In the past two and a half years, 43 labor and 34 management representatives have been indicted for violations of the Taft-Hartley Act prohibition against payoffs to union officials. A total of 201 persons have been indicted for this and other labor-management offenses during the same period and we have so far secured 146 convictions.

In the case of the International Brotherhood of Teamsters alone, in the same period, we have secured 124 indictments against union officers, members, and associates and have, so far, secured 65 convictions, with 7 acquittals. In addition, as the result of federal-local cooperation, there have been 23 convictions on state charges.

The job of law enforcement has become correspondingly harder as racketeering figures have tried to blur the line, in all fields, between their criminal and legitimate activities.

Our principal problem is insulation. The kingpins of the rackets -- our main targets -- are often far removed from their illegal activities. In fact, when we see that one of our subjects has become operational, we know he is no longer a kingpin.

For example, a racket lord need only contact one or two trusted lieutenants to successfully direct a massive, illegal gambling operation and collect great profits. With modern means of communication, he need not even enter the state in which the illegal activity is centered.

Needless to say, the racketeer knows that under present law, his telephone conversations are protected from interference.

And there are various telephone techniques to frustrate investigating officers who must attempt to obtain evidence of violations legally.

A bookmaker may subscribe to a regular telephone answering service. A bettor calls, usually from a pay phone, and leaves his number. The bookmaker then calls the answering service periodically and places a telephone call from pay booths to his customers.

Gamblers also install hidden "knife" switches or similar devices which can be tripped to cut the telephone circuit and prevent raiding officers from accepting calls from bettors which come in after they have gained entrance to the gambler's premises.

Top racketeers always deal in cash and there are innumerable ways to conceal cash from the very best of investigators. Secret numbered accounts in foreign banks, legitimate "front" businesses of the kind I have described, loan sharking -- these are but a few methods.

Another is the "skimming" operation, conducted behind barred doors, in which a large percentage of the proceeds of so-called legal gambling is skimmed off and then hidden.

To avoid possible detection of this and other devices for concealing cash, the modern racketeer often reports sizeable amounts, perhaps as much as thirty or forty thousand dollars, as "gambling winnings" or "miscellaneous income." These amounts are insignificant compared with the real totals and the racketeer can afford to pay them, to avoid or discourage a tax case.

Racketeers use other modern methods to avoid detection. Just three weeks ago, special agents of the Internal Revenue Service broke up the latest version of the old rolling crap game.

After a wild chase through a southeastern city, they apprehended a "rolling numbers bank" -- a 1963 panel truck, air-conditioned and completely equipped with tables, chairs, adding machines, and electrical outlets.

Thus, organized crime not only becomes more refined in its activities, but also takes advantage of modern developments in transportation and communication. As it does so -- and grows richer and more powerful in the process -- it can more easily elude law enforcement efforts.

And, as evidence becomes harder to obtain, the importance of informants increases correspondingly. They, to say the least, are hard to come by. The usual reply of a convicted hoodlum in a position to give information is that he doesn't want to trade a jail cell for a hearse.

The disclosures of Joseph Valachi -- and of others with knowledge of criminal operations in various parts of the country -- have helped to give us an unprecedented understanding of how those operations work.

But even the increasing flow of information from such sources does not answer the problem. Being able to identify a top racketeer is one thing. Securing the evidence to convict him in a court of law is quite another.

While the new legal weapons Congress has already given us have been extraordinarily effective, as I indicated earlier, one major purpose in my appearing here is to seek the help of Congress in the form of additional legislation -- the authority to provide immunity to witnesses in racketeering investigations; and reform and revision of the wire-tapping law.

The problem of obtaining testimony is no where more acute than in establishing violations of the racketeering travel act of (Section 1952 of Title 18, United States Code, interstate and foreign travel or transportation in aid of racketeering enterprises,) which the Congress enacted in August 1961.

Immunity here would materially assist our investigations of interstate racketeering in gambling, liquor, narcotics, prostitution, extortion, and bribery. For example, the power of immunity under the bribery provision of this statute could be used to advantage in our investigations of political corruption.

To further assist our investigations of political corruption, which is such a serious by-product of organized criminal activity, we would also

suggest to this Congress S. 1246, which would provide for the use of immunity in the general bribery and conflict of interest statutes.

This change would make an important tool available in certain political corruption situations where we are unable to establish an interstate connection as required under the travel statute.

Finally, if we are to make maximum progress in our drive on organized crime, I am convinced that we need legislation to permit the use of wire-tapping by law enforcement officials.

The urgency for revision of the present and ineffective provision of the wiretapping statute is emphasized by the fact that the latest electronic improvements are easily available to the criminal. The advantages these can give him over law enforcement officers are plain.

Leading racketeers make almost unrestricted use of interstate facilities, particularly communications, to direct their illegal activities.

Meanwhile, the present statute fails to protect the right of privacy over the telephone, because anyone can listen in without violating that statute. At present, to convict someone of illegal wiretapping, we must not only prove both that a tap was made but also that there was unlawful disclosures of the conversation.

Thus the present law neither prevents indiscriminate wiretapping nor recognizes the legitimate needs of law enforcement for authority, closely circumscribed to use this means of gathering evidence.

Last January, the Department of Justice resubmitted to the Congress a carefully worded bill, S. 1308, with strong procedural safeguards, which

would afford a clear cut basis for the legitimate and controlled use of wire-tapping by law enforcement officials. At the same time, the bill would expressly forbid all other types of wiretapping.

Section 5(b) of this bill empowers the Attorney General, or an Assistant Attorney General specially designated by the Attorney General to authorize application to a Federal judge for a wiretap order.

The section empowers the judge to issue an order permitting wire-tapping in cases involving national security, murder, kidnapping and racketeering cases.

Enactment of both of these statutes would give us important and effective weapons against organized crime.

The fact remains, however, that if such weapons and all of our efforts are to make any lasting difference, we must encourage, arouse and sustain the vigilance of the public.

For if one thing is clear, it is that organized crime is a national problem. The racketeer is not someone dressed in a black shirt, white tie and diamond stickpin, whose activities affect only a remote underworld circle.

He is more likely to be outfitted in a grey flannel suit and his influence is more likely to be as far-reaching as that of an important industrialist.

The American public may not see him, but that makes the racketeer's power for evil in our society even greater. Lacking the direct confrontation with racketeering, the American citizen fails to see the reason for alarm.

The reason, decidedly, exists. The financial cost of organized crime is not limited to the vast illicit profits of gambling or narcotics. When racketeers bore their way into legitimate business, the cost is borne by the public.

When the infiltration is into labor relations, the racketeer's cut is paid by higher wages and higher prices--in other words, by the public.

When the racketeer bribes local officials and secures immunity from police action, the price exacted by corrupt law enforcement -- incalculable in dollars -- is paid, again, by the public.

In short, organized crime affects everyone. It cannot be the concern only of law enforcement officers. It must be the urgent and active concern of every citizen.