



Department of Justice

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REMARKS BY
ATTORNEY GENERAL NICHOLAS deB. KATZENBACH
BEFORE THE
WOMEN'S NATIONAL PRESS CLUB
Mayflower Hotel, 1 p.m., Tuesday, March 9, 1965

Madam chairman, distinguished colleagues and guests, and ladies of the press:

You probably will note that my remarks today are particularly cautious and particularly polite. Caution and courtesy are standard requirements for any male who ventures onto this platform, but I daresay that they are even more critical for me.

How many of your speakers, after all, have simultaneously faced not only the ladies of the press, but also their mother-in-law?

Knowing Mrs. Stokes -- who is one of your charter members -- has given me a complete appreciation of the skill and quality of the women's press corps in Washington. My wife tells the story of how her father, before he was married, left a job as Washington correspondent for the New York Post to serve in the first world war. He was succeeded by Elizabeth Minor King and when he came back from the war, he found she was doing so good a job the only way he could get his job back was to marry her.

I can only say that it's a good thing Lydia is not a lawyer.

Nevertheless, I have come today to talk about the President's message to Congress on crime. I should make it perfectly plain at the outset, however, that I am referring to President Johnson. A considerable number of messages on crime have come from your president, not only to Congress but to many of us here with you today.

There is little need, Miriam, for me to repeat how important we believe your work has been in the effort toward successful law enforcement. I'm delighted to learn that the editors of the Evening Star agree. I'm told they now call you the Star's Cosa Nostra -- Our Thing.

President Johnson's message to the Congress on crime is, I believe, the foundation of the most systematic, far-reaching, and effective assault on crime ever undertaken.

One of the major steps involved is the appointment of a Presidential commission on law enforcement and the administration of justice.

From a long-term point of view, there is nothing more essential to the rational prevention and control of crime than to try to achieve an objective and imaginative view in the way this commission can. As the President said, "No agency or government has ever in our history undertaken to probe so fully and deeply into the problems of crime in our nation."

The importance of this work cannot be exaggerated. Neither can its difficulties. But such a review is of urgent necessity and we look forward to creative and effective results.

A second highly significant area of the President's message relates to local law enforcement. Crime has become a national problem. But in our system of local responsibility, most crimes are not, in the jurisdictional sense, a federal problem. Law enforcement remains a local responsibility. The President has recognized this but he also has recognized the increasingly crushing burden which that responsibility throws on communities already gasping for financial air.

Thus, to supplement certain programs of federal assistance now in effect, the President has asked Congress to enact the Law Enforcement Assistance Act of 1965 -- to help train law enforcement personnel and assist in experimentation with new methods, new scientific techniques, and the correctional process.

One of the major aims of this program is to bring to all law enforcement what Mr. Hoover already has so significantly brought to the FBI -- the training and the respect due to law enforcement as a true profession.

The third major area which the President covered in his message was that of federal law enforcement efforts. Particularly since we are honored today by the presence of so many of the law enforcement chiefs of the federal government, it is that area about which I would like to talk in some detail.

One major aspect of direct federal responsibility is the District of Columbia and the toll of rising crime has not passed the District by. Indeed, as an urban area, the severe problems of crime and delinquency present a challenge to federal resources, responsibility and will.

The District's extensive programs of assistance and self-help against poverty and disadvantage offer hope in the fight against crime. In addition, we must look closely at the institutions of law enforcement and criminal justice, which we too often expect to run by themselves, without either sufficient guidance or resources.

Our policemen, for example, are called on to fulfill responsibilities that even exceed those in other cities. They not only uphold but also represent our laws to residents -- and visitors from around the globe. We must do our best to insure that they are equipped to make those laws understandable and given the training to fulfill most effectively their responsibilities.

Our courts must handle their business swiftly not merely for reasons of volume, but to attain prompt justice. They should not be expected to deal with behavior which is not properly labeled as criminal, or which could be better treated in other ways.

There certainly is progress we can make in helping the Court of General Sessions operate efficiently, effectively, and with dignity. The same is true of our correctional institutions.

There is, in short, much that we can do in the District. Unless we are to admit defeat in the fight against crime here, there is much we must do.

The District of Columbia is one aspect of direct federal responsibility. Another primary focus of our responsibility is organized crime and racketeering. The rackets are hardly a new phenomenon in the United States. There are records to show that our first bootlegger was a French trapper, called "The Mole," who sold illicit rum to the Indians near the site of what is now Chicago, in 1670.

The very word "rackets" is current nomenclature, but its origins go back at least 50 years to the description given by harassed neighbors to the noisy parties once thrown by gangsters in Hell's Kitchen.

In our own era we have had ample public evidence of the nature, the scope, and the danger of organized crime. The disclosures made by Joseph Valachi--developed in a final report by Senator McClellan only last week--document the nature of the rackets as an actual--and thriving--industry.

It is not too much to say that organized criminal activity threatens not only individual life and purse, but public morality and democratic institutions.

And yet, despite the efforts of the federal law enforcement agencies and despite, indeed, the writings of a number of reporters, there still is very little public comprehension of the scope or the danger of racketeering. At times, the public seems to take the view that, "Well, that's what we pay policemen to worry about."

We cannot afford to rely only on the police - for they can succeed only as we succeed in demonstrating our concern and our support. No single police force can battle the nationwide conspiracy which is attached, like a lamprey eel, to the body of our society. It is a conspiracy which accounts for scores of murders, for billions of dollars, for untold terror. I am talking, of course, about the Cosa Nostra.

The Cosa Nostra is not a threat magnified by crime magazines or detective stories; it would indeed be hard to magnify this threat. It has a minimum of 5,000 members. They are concentrated in our larger

cities, but are to be found all over the country, operating through a chain of command which encompasses several "families" operating in various geographical areas.

Out of the family hierarchy comes the ruling group of the entire national organization--the Commission. Let me assure you that the Commission is not simply a long-past phenomenon. Its dozen members meet regularly, although, since the celebrated Apalachin meeting, in considerable secrecy.

Contact is made, for example, by having lower-ranking members of the "families" call each other on pre-determined pay telephones. To avoid suspicion, meetings often are in groups of three or four, with one or two members going on to the next small gathering to report on business conducted.

One meeting, involving four members of the Commission was scheduled for a New York nightclub. Because of fear of surveillance, one of the four changed the meeting place. He ordered that those attending were to go to an alternate place, on foot, walking against one-way traffic, and alert for any surveillance.

We have a very good idea of the fear employed by the rackets. Let me cite a few:

--In 1961, the mutilated body of a loan shark collection agent was found in the trunk of a car in a midwestern city. He had, we learned later, been hung upside down from a meathook like a slab of beef and tortured because he was keeping some of the proceeds to himself.

--Early last year, an Eastern gambler offended his leaders for reasons we were not able to learn. He started his car one day and in so doing, ignited several sticks of dynamite wired to the ignition. Both his legs were blown off, but he survived. And he returned to the rackets. An indication of the delicacy of the company he keeps is his new nickname: Shorty.

These examples--and they are only examples--demonstrate how organized criminals use fear as a standard technique. When we recognize the scope of their enterprises, we can begin to understand why they find it necessary to intimidate those who would inform or those who are personally greedy.

--In an eastern industrial city, in a case still partially pending, we brought federal prosecutions against the mayor, the police chief, and the leading gambler, on racketeering charges. They had conspired to obtain payoffs from city contractors. Whether you wanted to sell the city trucks or parking meters, you had to pay your price--under the table.

It turned out that even if you wanted to be police chief, you followed the same formula. The chief we indicted got his job by paying \$10,000 to the gambler.

--A recent -- and continuing -- narcotics case concerns a dapper, 48-year-old Canadian Hotel operator named Lucien Rivard. He is believed to be the mastermind of an extensive smuggling operation, in which tens of millions of dollars in heroin was concealed in automobiles coming to this country.

In late October, 1963, Customs agents caught a Rivard courier trying to enter the country from Mexico with 76 pounds of heroin--one of the largest seizures ever made. The result was a wide-ranging investigation by authorities in the United States, Canada, France, and Interpol which led to a federal indictment of Rivard and his confederates in Texas last June.

Rivard was arrested and jailed in Montreal pending extradition. He then attempted--unsuccessfully--to bribe the attorney representing the United States in the extradition proceeding. Canadian authorities instituted a judicial inquiry which is still underway.

With extradition imminent, Rivard then gave a further illustration of the financial power of organized crime. He overpowered five jail guards with a wooden pistol and, a week ago today, escaped. He is still at large.

What I have described so far are what might be called primary racketeering crimes. They are dangerous in themselves but they have equally perilous impact because of the secondary level of racketeering they support.

A racketeering organization is rarely content simply to rake in the profits of gambling or narcotics. The restless racketeers then seek to re-invest their money in other profitable enterprises, including areas of legitimate business.

One expanding area is that of bankruptcy fraud, in which racketeers open a business and obtain large amounts of merchandise on credit. Then they either sell the merchandise and conceal the profits or spirit goods out of the store for bootleg sale elsewhere.

When creditors finally exhaust their patience, the business is forced into involuntary bankruptcy. The "merchants", if they can be found, claim the money was lost, stolen, or dissipated at the racetrack.

This technique is hardly novel. But what should alarm us is the increasing extent to which such ventures are planned and subsidized by Cosa Nostra hoodlums.

Still another area of intrusion into the legitimate business world involves "juice"--usurious loans. Syndicate loan sharks stand ready to provide instant cash to an honest businessman who is unable to obtain rapid legitimate financing.

There are two differences between "juice" loans and legitimate transactions. The usurious loan involves interest based on a weekly rate which can easily compound to more than 700 percent in the usual three-month loan period. The second difference involves collection methods. A legitimate creditor uses collectors or the courts. The racketeers, however, are more likely to use a threat on the life of the debtor's children, or a blowtorch, or just a plain beating--with a baseball bat.

Not only is there great physical peril involved, but a number of legitimate businesses have, as a consequence, been expropriated completely by racketeers who imposed themselves as so-called partners.

In another form of secondary racketeering, hoodlums seek to protect their loan investment by ordering "fire for hire" to collect insurance.

Arson specialists, hired by the syndicate, explode or burn a building for the insurance.

Again, such fraud is not novel. But it is expanding in use. The National Board of Fire Underwriters believes that in the past ten years, 124 fires in 17 different states are of racketeer origin. Insured property damage in these identifiable arson cases exceeds \$16,000,000.

The federal government has not been listless about these growing intrusions. At the very outset of his administration as Attorney General, Robert Kennedy sought to expand public understanding of the dangers and to add to the federal weapons with which to fight them. He proposed an extensive new program of antiracketeering legislation to the Congress and seven new measures were enacted in 1961 and 1962.

Because of militant enforcement, these new statutes have had widespread impact. The FBI, in an outstanding job of enforcement work, has now conducted 16,000 investigations under these new laws.

We also have sought to intensify cooperative effort among all 26 federal law enforcement agencies. The success of this undertaking is symbolized by the intelligence unit in our Criminal Division, in which are pooled investigative reports on major racketeers. The total number on whom we now keep current files exceeds 2,000.

Meanwhile, the activities of the individual agencies has been increased. The Federal Bureau of Narcotics last year broke two of the biggest cases in its history. The organized crime activities of the Internal Revenue Service have produced not only new investigation records, but also a surprisingly large total in fines and recoveries.

Similar observations can be made about the efforts of the Customs Bureau, the Secret Service, the Alcohol and Tobacco Tax Unit, the Department of Labor's Labor Management Reporting Unit, and the Tax Division and Immigration and Naturalization Service of the Department of Justice.

The net effect of this extensive effort can be measured in more than adjectives. As the President noted in his Crime Message, racketeering convictions secured by the Department of Justice last year totaled 546--an increase of literally 1,000 percent over the 1960 figure. These cases have been prosecuted by the very able and devoted attorneys of Mr. Hundley's Organized Crime and Racketeering Section. A good part of the credit for that record must go to Assistant Attorney General Herbert (Jack) Miller, whose amiability should not disguise the skill with which he has administered the Criminal Division of the Department for the past four years.

Whatever our past accomplishments, however, it could hardly be my purpose to come here simply to preen the federal law enforcement feathers. I know Mr. Hoover, Mr. Sagalyn, Mr. Giordano, Mr. Rowley, Chief Layton, Mr. Hundley, and the other federal officials here would be the first to agree that while we have taken an extremely important step toward control of the rackets, a step is not a journey. We have a very long way to go.

It is for that reason that President Johnson put such stress on organized crime in his message. It is for that reason he has called on all of us to intensify further our efforts against racketeering. It is for that reason that we will be sending to Congress in the coming weeks a series of legislative proposals designed to strengthen further our ability to act effectively.

The Department of Justice is transmitting one such proposal today, designed to deal with the "fire for hire" problem I have described--arson by racketeers. One of the 1961 anti-racketeering laws made it a federal crime to travel interstate in support of certain types of racketeering enterprises. What we are proposing today is that this type of arson be added to the list, giving us investigative and prosecutive jurisdiction over the professional "torches" employed by the syndicate.

We also intend later to propose urgently needed legislation with which to combat the types of business-related racketeering I described. We will seek a series of provisions under which the Government can grant immunity from prosecution to a potential defendant and thus compel him to testify about his associates and his activities.

There are some immunity provisions now in the law. Similar provisions applied to general racketeering activities, fraudulent bankruptcy, bribery, graft, and conflict-of-interest violations, can give us a most effective weapon.

The nature of many of these crimes makes them extremely difficult to uncover. In a bribery situation, for example, there might be only two individuals employed. Without the testimony of one, prosecution is well-nigh impossible. The ability to confer immunity on the less-culpable party, however, can help us act against the more guilty one, too.

Beyond these legislative requests, we expect to give renewed attention to the much-misunderstood subject of wiretapping and other proposals to strengthen our legal arsenal.

Neither these laws, however, nor any laws will stop organized crime; racketeering will endure as long as there are greedy men and lawless men. This is not a war which we can ever hope finally to win.

But it is, just as certainly, a war which we must unceasingly fight--with patient skill, professional devotion, and adequate statutes. In the old phrase, the time has come to stop fighting the devil with a wooden sword.

This is the President's conscientious aim. To you today, I pledge our best effort in that endeavor.